

**Instant Rebates! Point-of-Sale ("POS") Foodservice Rebate Program
Program Implementation Plan**

- 1) **Program Name:** IDEEA365 - Instant Rebates! Point-of-Sale Foodservice Rebate Program
- 2) **Program ID number:** SCG3793
- 3) **Type of Program:** Third Party
- 4) **Market sector or segment that this Program is designed to serve¹:**

Market Sector: **Other Commercial Equipment Merchant Wholesalers:** NAIC code 423440

Customer Segment:

- a. Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b. **Commercial:** Including but not limited to commercial customers with NAIC codes 72 (Accommodation and Foodservice) and 61 (Educational Services)
 - c. **Industrial:** Including but not limited to industrial customers with NAIC code 31 (Manufacturing: including Food Manufacturing)
 - d. **Agricultural:** Including but not limited to agricultural customers with NAIC code 71 (Arts, Entertainment, and Recreation: including Agricultural Fairs with Facilities)
- 5) **Is this Program primarily a:**
- a. Non-resource program Yes No
 - b. Resource acquisition program Yes No
 - c. Market Transformation Program Yes No

6) **Indicate the primary intervention strategies:**

- a. Upstream Yes No
- b. Midstream Yes No
- c. Downstream Yes No
- d. Direct Install Yes No
- e. Non Resource Yes No

7) **Projected Program Total Resource Cost (TRC) and Program Administrator Cost (PAC)**

TRC: 1.35 and PAC: 1.54

8) **Projected Program Budget:** See Table 1, below.

¹ Check all that apply

Table 1. Projected Program Budget,
by Calendar Year

Program (\$)	Program Year		
	2013	2014	Total
SCG3793 Admin		\$26,229.00	\$26,229.00
SCG3793u Admin		\$2,698.00	\$2,698.00
SCG3793 DI Incentive		\$152,507.00	\$152,507.00
SCG3793 DI Non-Incentive		\$238,264.00	\$238,264.00
SCG3793u DI Non-Incentive		\$30,236.00	\$30,236.00
SCG3793 Marketing		\$88,000.00	\$88,000.00
SCG3793u Marketing		\$1,619.00	\$1,619.00
Total Budget		\$539,553.00	\$539,553.00

9) Program Description, Objectives and Theory

Program Description and Theory:

The Innovative Design for Energy Efficiency Activities (IDEEA365) Program is a solicitation process that enables third-party contractors to propose and implement new energy efficiency programs during the 2013-2014 Transition Period. All four California Investor Owned Utilities (IOUs) have adopted some version of this process to identify innovative, new, cost effective, and unique programs through either Targeted or Innovative solicitations. At SoCalGas, each Innovative solicitation round has two stages of evaluation in which cross-functional teams score the submissions based on criteria that includes cost effectiveness, portfolio fit, and innovation. The first stage is a request for abstracts that are then scored and the highest scoring abstracts move on to the Request for Proposal Stage for which a more detailed program proposal is submitted and scored. The Instant Rebates! concept was submitted as part of the first IDEEA365 Innovative Solicitation Round. It successfully navigated this selection process and to become the first Third Party IDEEA365 sub-program contracted by SoCalGas.

The Instant Rebates! program engages midstream market actors to stock and actively market high efficiency equipment. The Program will deliver energy savings by providing end-use customers equipment rebates for high efficiency commercial kitchen equipment purchased at the point-of-sale. This point-of-sale rebate is an "instant rebate" that eliminates the need for the end-use customer to fill out complicated forms or identify equipment eligibility.

In general, the foodservice market is not well informed of the benefits of energy efficient equipment. The Program addresses this barrier by informing vendors about the benefits of high efficiency equipment, providing lifecycle cost and return on investment calculations, and sharing best practices for sales and stocking techniques that will facilitate uptake of high efficiency equipment. By leveraging the midstream channel, it is expected the Program will be able to influence upstream market actors (distributors/manufacturers) by creating a demand from vendor/retailers to make high-efficiency equipment more available in their stores. This channel also has the aptitude to influence downstream end-use customers who make the decision to purchase high-efficiency foodservice equipment from the vendor/retailer who promotes the equipment.

Vendors may be concerned about the risk of fronting the rebate amount and hesitant to add any additional administrative duties to their sales. To address this possibility, after a vendor provides point-of-sale rebates to the customers, they submit paperless, online applications for reimbursement. In addition to receiving full reimbursement for the rebate amount paid upfront to the customer, equipment vendors also receive a sales incentive for each item of eligible high efficiency equipment for which they submit a rebate application. Vendor incentives are designed to help offset additional administrative burden, financial carrying costs of fronting rebates to customers, and overhead associated with stocking and selling more high efficient equipment. This strategy is expected to motivate both parties to consider more efficient equipment at the point-of-sale and increase the sale of rebated equipment.

The Program contains a strong outreach focus. There are a limited amount of kitchen foodservice vendors in the SoCalGas territory, and fewer vendors are responsible for the majority of sales. Therefore, the Program focuses on building upon existing relationships with vendors who maintain a strong presence in the local market. By scheduling regular site visits to maintain contact, the Program will ensure that vendors understand the Program, can troubleshoot issues, and provide assistance. This will also allow the Program to further understand individual vendors' customer relationships and tailor its approach to best fit their needs.

The individuals purchasing commercial foodservice equipment may not be the business owners and, therefore, may not have control over the businesses' utility or other accounts. As a result, they may be less likely to pursue utility rebates, or may be unaware that their purchases qualify for utility rebates. The midstream approach mitigates this barrier, as the vendor is incentivized to assist the commercial equipment purchaser to select high-efficiency equipment and to capitalize on rebate opportunities.

a) **Program Energy and Demand Objectives:** See Table 2

Table 2: Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

	Program Years		
	2013	2014	Total
IDEEA365 - Instant Rebates! Point-of-Sale Foodservice Rebate Program			
GWh			
Peak MW			
Therms (millions)		92,421	92,421

b) **Program Non-Energy Objectives:** Not Applicable

c) **Cost Effectiveness/Market Need:** The Foodservice industry has low performance in Foodservice rebate opportunities. The Program addresses the need to improve performance in this area by supplying a new rebate channel for equipment to this

market segment. The E3 calculator was used to determine an estimated TRC of 1.35 and PAC of 1.54 for this program.

d) **Measure Savings/ Work Papers:**

- a. Savings estimates for program measures are derived using American Society for Testing and Materials (ASTM) Standard Test Methods and described in the work papers listed in Table 4, shown below.
- b. Work Paper status is provided in Table 4 below.

Table 4 – Work paper Status

#	Workpaper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review
1	PGECOFST101 R4/Commercial Convection Ovens- Electric & Gas	x		
2	PGECOFST103 R3/Commercial Griddle	x		
3	PGECOFST117 R4/Commercial Conveyor Oven- Gas	x		
4	PGECOFST104 R4/Steamers	x		
5	PGECOFST102 R4/Fryers	x		
6	PGECOFST109 R3/Commercial Rack Ovens	x		
7	PGECOFST100 R4/Commercial Combination Ovens	x		

10) Program Implementation Details

- a) **Timelines:** See Table 5 for key program milestones and dates.

Table 5: Sub-Program Milestones and Timeline

Milestone	Date
Start of Contract	1/1/2014
Program Ramp-up	1/14/2014-3/1/14
Initial Vendors Enrolled	4/1/14-4/30/14
Online Rebate Processing System Live	4/20/2014
Program Launched/Vendors Begin Rebating at POS	4/1/2014
Customer Notification Letters Mailed	4/1/14-1/31/15
Inspections of Select Installed Projects	5/1/2014-1/31/15
Monthly Progress Reports Submitted	1/10/14-1/10/15
Quarterly Progress Reports Submitted	4/10/14-1/10/15
Program Shut Down Plan Submitted	10/31/2014

All Outstanding Rebates Paid	12/31/2014
Final Program Report Submitted	1/31/2015
Final Program Report w/ Revisions Submitted	2/28/2015

- b) **Geographic Scope:** The program services all of Southern California Gas Company territory. See Table 6 for the geographic regions (e.g., CEC weather zones) where the program will operate.

Table 6 Geographic Regions

Geographic Region	IDEEA365 - Instant Rebates! Point-of-Sale Foodservice Rebate Program
CEC Climate Zone 1	
CEC Climate Zone 2	
CEC Climate Zone 3	
CEC Climate Zone 4	x
CEC Climate Zone 5	x
CEC Climate Zone 6	x
CEC Climate Zone 7	x
CEC Climate Zone 8	x
CEC Climate Zone 9	x
CEC Climate Zone 10	x
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	x
CEC Climate Zone 14	x
CEC Climate Zone 15	x
CEC Climate Zone 16	

c) **Program Administration:** See Table 7, below.

Table 7: Program Administration of Program Components

Program Name	Program Component	Implemented by IOU Staff? (X = Yes)	Implemented by contractors to be selected by competitive bid process (if Yes then enter type of contractor/other market actor possibly used)	Implemented by contractors NOT selected by competitive bid process (list prime contractor and sub-contractor names)	Implemented by local government or other entity (X = Yes)
IDEEA365 - Instant Rebates! Point-of-Sale Foodservice Rebate Program	Program Ramp-up	x	Energy Solutions		
	Vendor enrollment		Energy Solutions		
	Production and distribution of marketing materials		Energy Solutions		
	Education and training		Energy Solutions		
	Application processing		Energy Solutions		
	Processing of repayment checks to vendors		Energy Solutions		
	Customer equipment inspections			subcontractor ASWB Engineering Management Consultants	
	Addressing and resolving customer issues		Energy Solutions		
	Invoicing and reporting		Energy Solutions		

d) **Program Eligibility Requirements:**

Customers: See Table 8 below for customer eligibility requirements.

Table 8: Customer Eligibility Requirements (Joint Utility Table)

Customer Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
Non-residential customer				x
Active, valid, non-delinquent account				x
Not received a rebate on the same equipment in the past 5 years*				x
Not received a rebate on the same equipment from other utilities, states, or local programs funded by the PPPS				x
Equipment to be installed at facility served by listed account and subject to inspection				x
Equipment to be purchased from participating vendor				x
Must provide account number via Utility bill or by calling 1-800-GAS-2000				x
Customer must be on GN10 rate				x

*Customers may purchase multiples of the same item due to volume or install at multiple sites.

Contractors/Participants: The other participants are the retailers/vendors. See Table 9 below for their eligibility requirements.

Table 9: Contractor Eligibility Requirements (Joint Utility Table)

Contractor Eligibility Requirement (list of requirements)	PGE	SCE	SDGE	SCG
Retailers/vendors will sell eligible commercial foodservice equipment				x
Retailers/vendors will adhere to Program structure and requirements				x
Retailers/vendors will be subject to further training and possible disqualification if they submit an unreasonable amount of invalid rebates				x

e) Program Partners:

a. Manufacturer/Retailer/Distributor partners: See Table 10 below.

Table 10: Manufacturer/Retailer/Distributor Partners

Manufacturer/Retailer/Distributor Partner Information	PGE	SCE	SDGE	SCG
Retailers targeted for enrollment in program				Vendors of commercial foodservice equipment
Retailers enrolled in program				Vendors of commercial foodservice equipment

b. Other key program partners: Not applicable.

f) Measures and incentive levels: See Table 11 below.

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

Measure Group	Market Actor Receiving Incentive or Rebate	PGE		SCE		SDGE		SCG	
		Incentive Level	Installation Sampling Rate	Incentive Level	Installation Sampling Rate	Incentive Level	Installation Sampling Rate	Incentive Level	Installation Sampling Rate
Qualified Convection Ovens	End- Use customer							Rebate: \$500	Energy Solutions: 10% of rebated measures
Qualified Convection Ovens	Foodservice Equipment Vendor							Vendor Incentive: \$25	
Qualified Griddles	End- Use customer							Rebate: \$125	
Qualified Griddles	Foodservice Equipment Vendor							Vendor Incentive: \$25	
Qualified Fryers	End- Use customer							Rebate: \$749	
Qualified Fryers	Foodservice Equipment Vendor							Vendor Incentive: \$50	
Qualified Steamers	End- Use customer							Rebate: \$2000	
Qualified Steamers	Foodservice Equipment Vendor							Vendor Incentive: \$50	
Qualified Combination Ovens	End- Use customer							Rebate: \$750	
Qualified Combination Ovens	Foodservice Equipment Vendor							Vendor Incentive: \$50	
Qualified Double Rack Ovens	End- Use customer							Rebate: \$2,000	
Qualified Double Rack Ovens	Foodservice Equipment Vendor							Vendor Incentive: \$50	
Qualified Conveyor Ovens	End- Use customer							Rebate: \$750	
Qualified Conveyor Ovens	Foodservice Equipment Vendor							Vendor Incentive: \$50	

- g) **Additional Services:** Energy Solutions will mail a Customer Notification Letter to participating end-use customers to thank them for purchasing the qualifying energy efficient product and participating in the rebate program. The Customer Notification Letter will include information about other SoCalGas rebate and energy efficiency programs, other utility programs, and third party programs that may be of interest to the end-use customer. See Table 12, below.

Table 12: Additional Services

Additional Services that the Sub-Program Will Provide	To Which Market Actors	PGE	SCE	SDGE	SCG
		[indicate the level at which the service will be incented or funded]			
Customer Notification Letter	End-use customers that have received POS rebates				Direct implementation, non-incentive funding

- h) **Program Specific Marketing and Outreach:** The Program will develop collateral for marketing including but not limited to a PowerPoint presentation, a program launch announcement, a Q&A document, and a program fact sheet. The program will perform outreach to vendors to introduce the program and enroll them. The Program will add follow-up communication and visits to participating vendors. The Program will also provide the program factsheet to enrolled vendors to educate them about best practice for marketing the Program to their end-use customers.
- i) **Program Specific Training:** Energy Solutions will train vendors on the process to verify customer eligibility and submit applications for the online system that will capture rebates and issue repayment and vendor incentive checks. They will train vendors on the benefits, best practice, and importance of stocking and upselling high-efficiency equipment.
- j) **Program Software and/or Additional Tools:**
- a. In order to participate in the Program, vendors will be provided a log-in and training for Energy Solutions' Business Consumer Electronics Incentives website (bceincentives.com) where they will submit applications for processing and, if applicable, input customer addresses and/or other sales information. They will also receive limited access to the SoCalGas EECP (Energy

- Efficiency Collaboration Platform) website where they may verify customer eligibility. Access to both systems is required to complete enrollments.
- b. Indicate if pre and/or post implementation audits will be required for the Program.
 Pre-implementation audit required ___ Yes No
 Post-implementation audit required ___ Yes No
- c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor) **NOT APPLICABLE**.

[Table 13 does not apply]

- k) **Program Quality Assurance Provisions:** See Table 14 below for quality assurance, quality control, including accreditations/certification or other credentials.

Table 14: Quality Assurance Provisions

QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
Energy Solutions Field Inspections	10% Invoiced Measures (Post)	Discretion of Energy Solutions
SoCalGas Inspections	sampling rate at discretion of SoCalGas (Post)	Discretion of SoCalGas

- l) **Program Delivery Method and Measure Installation /Marketing or Training:** Please see sections 6 and 9 for descriptions of the program delivery method; please see sections 10.i. for information on marketing and 10.j. for training, respectively.

m) Program Process Flow Chart

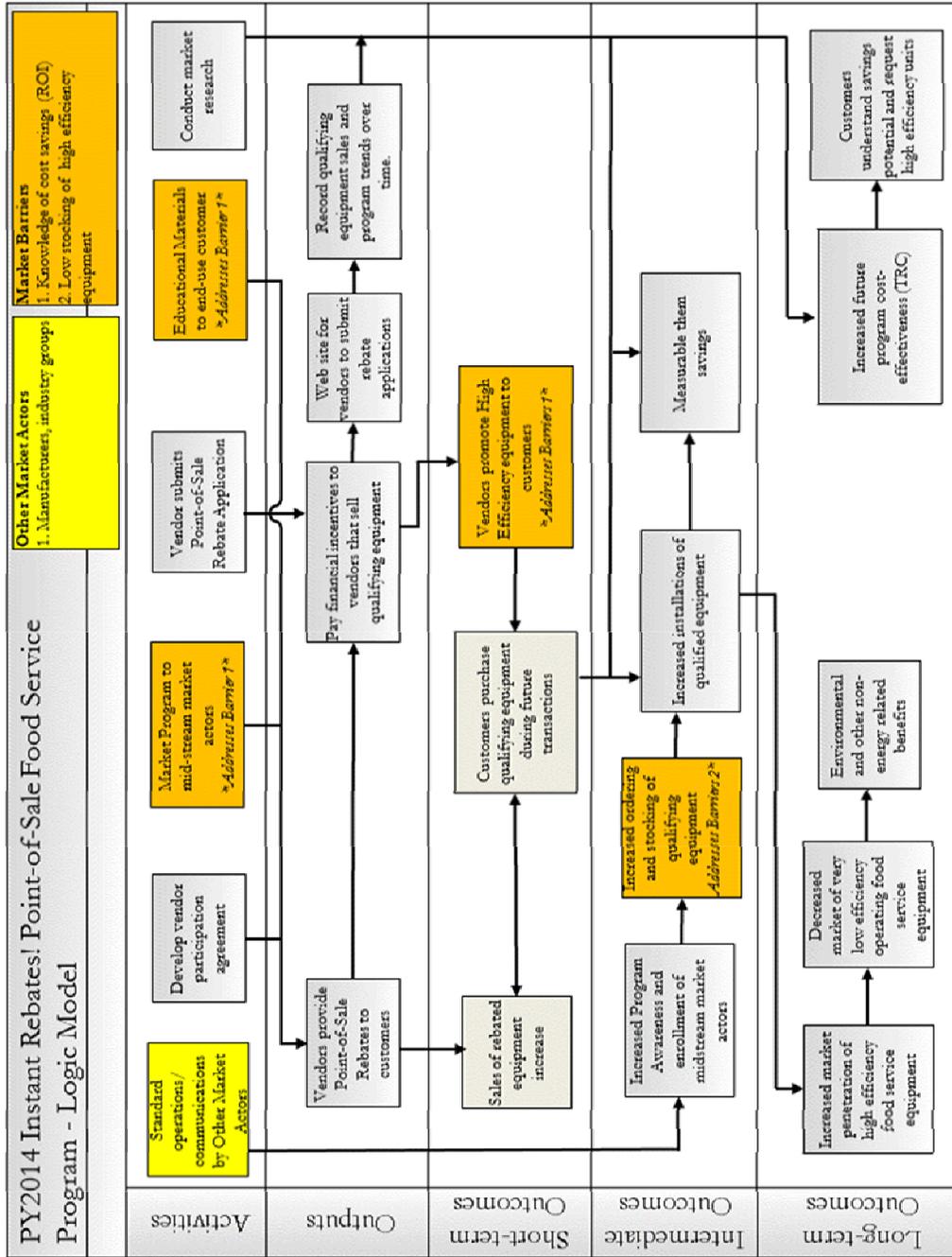


n) **Cross-cutting Program and Non-IOU Partner Coordination:** The Program will coordinate its efforts with the SoCalGas EERB (Energy Efficiency Rebates for Business) core program, which provides rebates on qualified energy efficient gas-fired equipment to the downstream business customer. Energy Solutions will work with the EERB team to promote foodservice equipment rebates while assuring a collaborative approach to contact with market actors and a consistent message to vendors and their business customers.

[Table 15 does not apply]

o) **Logic Model:** See Figure 1 for Logic Model, next page

Figure 1: Logic Model for Program



11) Additional Program Information

Advancing Strategic Plan Goals and Objectives: The Program is designed to increase the sales of high efficiency commercial foodservice equipment. This supports the California Long Term Energy Efficiency Strategic Plan which mandates that energy efficiency should be of highest priority to meet California's energy needs. An overarching Plan objective is to utilize the market to achieve more profound energy savings, aligning with the program goal to incentivize the sale of high-efficiency foodservice equipment by engaging mid-stream market actors. The Plan states that "not only office buildings but stores, restaurants, warehouses, schools, hospitals, public buildings and facilities, and others... account for...over 25 percent of natural gas consumption," states that "space heating, water heating, and cooking make up over 90 percent of gas use." It deems that these should receive extra attention for energy efficiency savings strategies. The Program addresses energy efficiency savings for cooking.

a) Integration

- i. **Integrated/coordinated Demand Side Management:** Not Applicable

[Table 16 does not apply]

- ii. **Integration across resource types** (energy, water, air quality, etc.): Not Applicable

b) Leveraging of Resources: Not Applicable

c) Trials/ Pilots: Not Applicable

d) Knowledge Transfer: Not Applicable

12) Market Transformation Information: Not Applicable

13) Additional information as required by Commission decision or ruling or as needed: Not Applicable

ATTACHMENT 1

Program Non-Energy Objectives

For New or Substantially changed programs and sub-programs, provide the following information for Program Non-Energy Objectives and follow the format used for the previous cycle Program Performance Metrics found in Resolution E-4385.

- i. List the primary SMART² non-energy objectives of the program. These should correspond to key methods identified above to overcome the market barriers, areas of concern or gaps, and to the outputs and short, mid- and long-term non-energy outcomes identified in the logic model requested below.
- ii. For each SMART objective, identify the quantitative targets, direction or percent of change that you hope to achieve during the program cycle.³
- iii. For each proposed SMART objective, describe any relevant baseline data on current market conditions that you have assembled or plan to assemble and the sources.
- iv. **Quantitative program targets (PPMs):** If not already provided above, indicate estimates of the number of measure units, buildings, etc. projected to be treated by the Program.

Table 3. Quantitative Program Targets (PPMs)

[Table 3 does not apply]

² A SMART objective is one that is **S**pecific (i.e. quantitative and quantifiable generally, in terms of the results to be achieved), **M**easurable, **A**mbitious, **R**ealistic, and **T**ime-bound. For example, for a vender training component of an innovative commercial program, two SMART mid-term objectives and one long-term objective might be:

- a) During the period 2013-2014, the number of HVAC installers in the SCE service territory who are able to perform quality installations of energy efficient packaged air conditioners will increase by 20%.
- b) During the period 2013-2014, the number of installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 25%.
- c) By 2020, installations of energy efficient packaged air conditions in the SCE service territory that are considered quality installations will increase by 75%.

³ Please also add any new program objectives and quantitative targets for statewide programs to the portfolio PPM/MTI reporting template.