

Implementing Toilet Rebates & Other Incentive Programs

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Offering incentives on water-saving devices, such as toilet rebate programs, can be an effective component of a utility's water conservation and efficiency program. The Public Service Commission of Wisconsin (PSC) may authorize the recovery of the cost of incentives programs through rates if the utility can demonstrate that the program is reasonable, cost effective, and necessary to achieve its water conservation goals. To assist the Commission in evaluating the costs and benefits to ratepayers of your proposed program, please address each of following questions. The format for a response is not prescribed; however a well-formed and descriptive plan of how the utility intends to implement its water conservation program is preferred.

1. What are the goals of the rebate or incentive program?
(Describe what the purpose of this program is and how it fits into the utility's overall water conservation goals.)
2. How long does the utility intend to run the rebate or incentive program?
(For example, is the program expected to last for 5 years, 10 years, or indefinitely?)
3. How much will the program cost annually and in total?
(Describe how much the utility intends to spend annually and over the program's lifetime, including customer incentives, advertising, product certification, verification, and other administrative costs. If the program has an indefinite ending date, estimate expected costs for at least five years.)
4. Identify the products for which rebates or other financial incentives will be available. For example, will rebates or financial incentives be available for both low-flow toilets (1.6 gpf) and high efficiency (HET) toilets (1.28 gpf)? To what extent will the utility use WaterSense-labeled products in its program?
(In general, the Commission will not allow the utility to recover the costs of rebates on non-WaterSense labeled products. If the utility proposes to include non-WaterSense labeled products, please justify the inclusion of such products in your program and identify the source of funding that will be used for the rebates.)
5. Describe the existing market for the rebate or incentive program.
(The utility should estimate the number of toilets that would be eligible for replacement over the program's lifetime. It may be necessary to rely on other data, such as age of construction, to identify the number of dwellings constructed pre-1994 (1.6 gpf standard) or

pre-1980 (3.5 gpf standard) in assessing this information. In addition, the utility should attempt to quantify the existing market penetration of low-flow or high efficiency toilets in the utility's service area, using information such as the number of dwellings built or remodeled after 1994 identified through building permits or other information.)

6. Identify which customers will be eligible for the rebate/incentive program.
(For example, if the proposed program includes multi-family residential or commercial properties, identify who is authorized to accept rebates – the owner, the property manager, or the tenants. Also, identify whether rebates and incentives will be limited to one per customer or whether multiple incentives would be available to each customer.)
7. Describe how the utility intends to notify its customers of the program.
(For example, public service announcements, point-of-sale advertising, water utility bills, etc.)
8. Describe how the program will be implemented.
(For example, does the utility intend to offer rebates to individual customers, provide vouchers for the purchase of specific products, distribute products that are purchased in bulk, or authorize the installation of products by qualified plumbers?)
9. Describe how the program will be administered.
(For example, will rebates or financial incentives be managed by the utility, a private contractor, or another government agency?)
10. If offering rebates or vouchers, describe how the utility plans to work with local retailers to make sure that acceptable products are available.
11. If offering rebates or vouchers, describe whether the utility intends to verify that the toilets were properly installed. If so, describe who will be responsible for verification.
12. If proposing a distribution or direct installation program, describe how the utility intends to recycle or otherwise dispose of old toilets or other products.
13. Estimate the expected water savings and other benefits that will result from the rebate or incentive program annually and over the program's lifetime. Describe how these savings will benefit the utility's ratepayers. The utility may wish to refer to AWWA Manual M52, or similar guidelines, to assist with calculating expected benefits.

(For example, the utility could calculate the amount of water that will be saved annually and use projected demand growth to identify the number of new residential units that could be served with these savings. Other benefits the utility may wish to include are: customer education and awareness, reduced energy and chemical costs, deferred capital expenditures, and other avoided costs. If the program's end date is indefinite, you should estimate savings and benefits for at least 5 years.)

14. Identify how the utility intends to measure and verify savings and to evaluate program effectiveness, including whether the program is helping the utility to achieve its overall water conservation goals.