

## **PacifiCorp's Planned Changes to the Home Energy Savings Program in California March 2014**

PacifiCorp (Company) is planning to make modifications to the Home Energy Savings program (Program) for residential customer energy efficiency, which is offered through Schedule D-118. The changes are intended to increase overall participation and energy savings achieved through the program, increase the comprehensiveness of the program, and incorporate changing codes and standards.

Due to the comprehensive nature of the Program, the Commission provided for a flexible and market-driven program delivery approach in Application No. 07-07-011<sup>1</sup>. As outlined in Appendix J of the application, Schedule D-118 includes the basic program elements, including: customer eligibility, use of a program administrator for delivery, the seasonal nature of selected incentive offers, and that current incentive levels may change. Specific details on all aspects of the program including incentive levels, eligible equipment specifications and dates for incentive availability are managed by the program administrator using a dedicated program web site with easy links from the Pacific Power web site. Changes in equipment specifications or incentive levels are clearly posted on the Web site with at least 45 days advance notice.

Consistent with the change process for the Program, notice of the changes will be posted on the program web site<sup>2</sup> 45 days prior to implementation. The Company plans to post the changes on the Program web site on March 27, 2014 in order to allow implementation on May 12, 2014. These dates are approximate and could change based on feedback from parties.

### **Background**

The Program is available to residential customers in the Company's California service territory and offers incentives for prescriptive measures which improve energy efficiency. The current Program offers incentives for energy efficient appliances, lighting, heating and air conditioning, and new homes packages. Incentives are available for both existing homes and new homes. The Program was first approved by the California Public Utilities Commission on February 29, 2008<sup>3</sup>. The Program was modified on April 12, 2010 to increase overall participation and energy savings achieved through the Program, increase the comprehensiveness of the Program, and incorporate changing codes and standards.

### **Description of Planned Home Energy Savings Changes**

The Program modifications align with the Application of PacifiCorp (U-901-E) for Approval to Reactivate the Surcharge to Fund Public Purpose Programs and Other Matters filed on July 22, 2013. There are minor variations in the financial forecast for the Program from those included in the surcharge filing. The savings forecast for the Program is significantly higher than the surcharge filing due to higher participation forecasts and updated savings methodology for CFLs.

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<sup>1</sup> Refer to Exhibit J of A.07-07-011.

<sup>2</sup> <http://www.homeenergysavings.net/california/>

<sup>3</sup> Decision No. 08-01-041 dated January 31, 2008.

Year-end results for 2013 for CFLs is 47% higher than 2012 unit volumes. Volumes for general purpose CFLs for 2014 are forecasted to be similar to 2013. The Program anticipates retail general purpose CFLs tapering in 2015 as it will be last year they will be offered by the Program. Specialty CFL and LED volumes are expected to increase each year through 2016.

The updated lighting savings methodology is based on the US Department of Energy's Uniform Methods Project which defines protocols for determining energy savings from energy efficiency measures and programs. The updated methodology is a shift away from using a baseline wattage ratio, which calculated baselines mathematically, to using actual, commercially available baselines. This is a result of significantly better data tracking systems which enable the Program to use lumen outputs of replacement lamps and align them directly with the lumen outputs of baseline lamps. The updated methodology is more accurate, aligns with the US DOE protocols and yields more savings due to better alignment between replacement and baseline lamps.

With the anticipated higher volume of CFL and LED bulbs the Program is expected to be cost-effective with a TRC of 1.12 for 2014-2016 as compared to a TRC of 0.81 for 2013-2016 as included in the surcharge filing. PG&E's 2013 v1c6 E3 calculator was used to screen the Program changes for cost-effectiveness. Cost-effectiveness results are provided in Exhibit 3.

With these changes the Company wants to clarify the definition of "participants" in item #6 under Provision of Service on Schedule D-118. In an effort to increase participation, the Company intends to expand the definition of participants beyond residential customers to include property owners, landlords, property management companies, and homeowner associations not listed as the primary account holder. In order for one of the aforementioned groups or individuals to claim and receive an incentive through the Program, a "Third Party Payment Addendum" or similar document must be submitted along with an incentive application to verify the third party's responsibility for the project.

The Company also wants to clarify requirements for incentive application submission deadlines. The Program has historically used a 90-day submission deadline from the date of purchase or installation for submitting incentive applications. The program will continue to use a 90-day submission deadline but will exercise more latitude for dealing with customers with extenuating circumstances to improve customer service. The Program will also provide longer submission requirements for projects that take several months to complete, such as new homes and whole-home upgrade packages.

The Program modifications are summarized below in Tables 1-4 with complete details provided in the revised Program incentive tables, which are provided in Exhibits 1 and 2<sup>4</sup>.

### **Exhibits Provided**

Exhibit 1 - California HES Incentive Tables – Planned

Exhibit 2 - California HES Incentive Tables – Red-lined Changes

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<sup>4</sup> Exhibit 1 contains the Home Energy Savings program incentive tables, which were provided as part of Exhibit J in A.07-07-011. The incentive tables are marked to show the planned changes.

## Exhibit 3 - California HES Cost Effectiveness Analysis

### Definitions

**British Thermal Unit (Btu):** It is approximately the amount of energy needed to heat 1 pound of water from 39° to 40° Fahrenheit.

**Compact Fluorescent Lamp (CFL):** Light bulbs that produce light much more efficiently than traditional incandescent light bulbs.

**Consortium for Energy Efficiency (CEE):** A consortium of US and Canadian gas and electric efficiency program administrators. Members work to unify program approaches across jurisdictions to increase the success of efficiency in markets. CEE members define one or more tiers of energy performance for a particular product or service. A specification is an advanced level of energy performance, higher than is normal in a market, for a residential, commercial, or industrial product or service.

**Cubic Feet per Minute (CFM):** A measurement of the velocity at which air flows into or out of a space.

**Customer:** Any party who has applied for, been accepted and receives service at the real property, or is the electricity user at the real property.

**DEER (Database for Energy Efficiency Resources):** is a California Energy Commission and California Public Utilities Commission-sponsored database designed to provide well-documented estimates of energy and peak demand savings values, measure costs, and effective useful life all with one data source.

**Direct Install:** Installation of an Energy Efficiency Measure directly by the Company, Program, or a Program-approved contractor or other 3<sup>rd</sup> party.

**Downstream:** Payment of incentive made by the Company to a customer, owner, contractor or other approved third party for the purchase or installation of an Energy Efficiency Measure pursuant to an approved energy efficiency incentive application.

**Energy Efficiency Incentive:** Payments of money made by Company to Owner or Customer or other approved party for installation of an Energy Efficiency Measure pursuant to an approved Energy Efficiency Incentive Application or Invoice.

**Energy Efficiency Measure (EEM):** A permanently installed measure which can improve the efficiency of the Customer's electric energy use.

**Energy Efficiency Ratio (EER):** The ratio of the cooling capacity Btu per hour to the power input (in watts). The higher the EER rating, the more efficient the air conditioner.

**Energy Factor (EF):** Indicates a water heater's overall energy efficiency based on the amount of hot water produced per unit of fuel consumed over a typical day. The higher the energy factor, the more efficient the water heater.

**Heating Seasonal Performance Factor (HSPF):** The efficiency of heat pumps measured by the ratio of Btu heat output over the heating season to watt-hours of electricity used. The higher the number, the greater the efficiency.

**Heating, Ventilation and Air Conditioning (HVAC):** Refers to technology of indoor environmental comfort.

**Light-emitting Diode (LED):** A semiconductor light source.

**Manual J:** Manual J, "Residential Load Calculation," published by the Air Conditioning Contractors of America (ACCA), is the recommended method for sizing heating and cooling systems for use in the United States.

**Manufactured Homes (mobile homes):** A type of prefabricated housing that is largely assembled in factories and transported to the site of use. Units are at least 320 square feet and installed with a permanent chassis to assure the initial and continued transportability of the home.

**Mid-Market:** An approved third party (typically a contractor, retailer or manufacturer) who installs Energy Efficiency Measures at the real property or sells Energy Efficiency Measures to a Customer.

**Modified Energy Factor (MEF):** Measures energy consumption of the total laundry cycle (washing and drying). It indicates how many cubic feet of laundry can be washed and dried with one kWh of electricity; the higher the number, the greater the efficiency.

**New Home:** A newly constructed residence.

**Owner:** The person who has both legal and beneficial title to the real property, and is the mortgager under a duly recorded mortgage of real property, the trustor under a duly recorded deed of trust.

**Prescriptive incentives:** Per unit incentives are listed in the program incentive tables for specific EEMs. Incentives are subject to change.

**Regional Technical Forum (RTF):** Part of the Northwest Power & Conservation Council, the RTF is an advisory committee established in 1999 to develop standards to verify and evaluate conservation savings.

**R-Value:** Indicates insulation's resistance to heat flow. The higher the R-value, the greater the insulating effectiveness.

**Seasonal Energy Efficiency Ratio (SEER):** The efficiency of air conditioners, measured by the cooling output in Btu during a typical cooling-season, divided by the total electric energy input in watt-hours during the same period. The higher the unit's SEER rating, the more energy efficient it is.

**Solar Heat Gain Coefficient (SHGC):** Measures the fraction of solar energy transmitted and tells how well the product blocks heat caused by sunlight. SHGC is measured on a scale of 0 to 1. The lower the SHGC, the less solar heat the window transmits.

**Thermal Expansion Valve (TXV):** A component in refrigeration and air conditioning systems that controls the amount of refrigerant flow into the evaporator, thereby controlling the superheating at the outlet of the evaporator.

**U-Factor:** Measures the rate of heat transfer and indicates how well the window insulates. U-factor values generally range from 0.25 to 1.25 and are measured in Btu/h·ft<sup>2</sup>·°F. The lower the U-factor, the better the window insulates.

**Upstream:** Payment of incentive made by the Company directly to a manufacturer, retailer, or other pre-approved vendor to apply a pre-purchase discount for customers.

**Water Factor (WF):** Measures water efficiency in gallons of water consumed per cubic foot of capacity.

### **General Notes**

- Incentive cannot exceed total price of product or service
- All work must be installed per local, state, and federal building codes and requirements

**Table 1 – Program Modifications (Lighting)**

Measure Name	Description of Change	Measure Summary
<b>CFLs</b>	<p><u>Type of Change:</u>            Modify delivery methods            Change incentive amounts</p>	<p><u>Current Qualifications (unchanged):</u>            ENERGY STAR</p> <p><u>Current Maximum Incentive Amount:</u>            General Purpose: \$1.75            Specialty: \$3.50 (varies by bulb type)</p> <p><u>Revised Maximum Incentive Amount:</u>            General Purpose: Up to \$3.00            Specialty: Up to \$4.00 (for all specialty bulbs)</p> <p><u>Current Delivery Methods:</u>            Upstream</p> <p><u>Revised Delivery Methods:</u>            Upstream            Mail by Request            Direct Install</p> <p><u>Measure Retirement</u>            General purpose CFLs will be retired and will no longer receive incentives starting in 2016.</p>
<b>LEDs</b>	<p><u>Type of Change:</u>            Add a new measure</p>	<p><u>Current Qualifications:</u>            ENERGY STAR</p> <p><u>Maximum Incentive Amount:</u>            All Bulbs: Up to \$23.00</p> <p><u>Delivery Methods:</u>            Upstream            Mail by Request            Direct Install</p>

**Table 1 – Program Modifications (Lighting)**

Measure Name	Description of Change	Measure Summary
<b>CFL and LED Fixtures</b>	<p><u>Type of Change:</u> Modify delivery methods</p> <p>Change incentive amount</p> <p><u>Reason for Change:</u> To align incentives with DEER</p> <p>Shifting delivery models will allow the Program to capture additional savings while reducing incentives and admin costs</p>	<p><u>Current Qualifications (unchanged):</u> ENERGY STAR</p> <p><u>Current Incentive Amount:</u> \$20.00</p> <p><u>Revised Maximum Incentive Amount:</u> Up to \$10.00</p> <p><u>Current Delivery Methods:</u> Downstream</p> <p><u>Revised Delivery Methods:</u> Upstream</p> <p><u>Notes:</u> Torchiere and portable products are not qualified.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<b>Clothes Washers</b>	<p><u>Type of Change:</u> Modify qualification criteria and incentive structure</p> <p><u>Reason for Change:</u> Align with increasing industry standards and RTF</p>	<p><u>Current Qualifications:</u> CEE Tier 2 or Tier 3</p> <p><u>Revised Qualifications:</u> MEF <math>\geq</math> 3.2</p> <p><u>Current Incentive Amount:</u> CEE Tier 2: \$50.00 CEE Tier 3: \$75.00</p> <p><u>Revised Incentive Amount:</u> \$50.00 (customer)</p>

**Table 2 – Program Modifications (Non-Lighting)**

<b>Measure Name</b>	<b>Description of Change</b>	<b>Measure Summary</b>
<b>Clothes Washer Recycling</b>	<p><u>Type of Change:</u> Modify qualification criteria</p> <p><u>Reason for Change:</u> The current requirement of customers having to submit an incentive application for a new unit in order to recycle an old unit is a barrier for recyclers and retailers to participate. The changes remove that barrier to drive participation.</p>	<p><u>Current Qualifications:</u> Requires recycling documentation and requires customer to submit incentive application for a new qualified clothes washer.</p> <p><u>Revised Qualifications:</u> Decommission and recycle an existing clothes washer. The recycled unit must be operable.</p> <p><u>Current Incentive Amount (unchanged):</u> Up to \$25.00 (to recycler or retailer)</p>
<b>Refrigerators</b>	<p><u>Type of Change:</u> Modify qualification criteria and incentive amount</p> <p><u>Reason for Change:</u> Align with increasing industry standards and DEER</p>	<p><u>Current Qualifications:</u> ENERGY STAR</p> <p><u>Revised Qualifications:</u> CEE Tier 3</p> <p><u>Current Incentive Amount:</u> \$20.00</p> <p><u>Revised Incentive Amount:</u> \$50.00 (customer)</p>



**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Refrigerator and Freezer Recycling</b></p>	<p><u>Type of Change:</u> Qualification change</p> <p>Modify delivery methods</p> <p>Clarification of customer eligibility</p> <p><u>Reason for Change:</u> A size cap is being added to limit pick-ups to residential sized units</p> <p>Allow for pick-ups of refrigerators and freezers from retailers</p> <p>Any customer, residential or commercial, with a working residential refrigerator or freezer is eligible to participate</p>	<p><u>Current Qualifications:</u> Refrigerators or freezers must be in working condition and must be plugged in to verify they are working. Units a minimum of 10 cubic feet in size (based on inside measurements) qualify.</p> <p><u>Revised Qualifications:</u> Refrigerators or freezers must be in working condition and must be plugged in to verify they are working. Units a minimum of 10 cubic feet and a maximum of 32 cubic feet in size (based on inside measurements) qualify. Any customer, residential or commercial, with a working residential refrigerator or freezer is eligible to participate.</p> <p><u>Current Incentive Amount:</u> \$35.00</p> <p><u>Revised Incentive Amount:</u> Up to \$50.00 – Downstream Up to \$20.00 – Upstream</p> <p><u>Current Delivery Method:</u> Downstream</p> <p><u>Revised Delivery Method:</u> Downstream Upstream</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Electric Water Heaters</b></p>	<p><u>Type of Change:</u> Modify qualification criteria and incentive amounts</p> <p>Add in automatic retirement date for measure</p> <p><u>Reason for Change:</u> Align qualification criteria with the RTF and reduce the measure incentive to improve cost-effectiveness</p> <p>On April 16, 2015 the federal standard for electric storage tank water heaters will be increased for all equipment sizes, requiring units 55 gallons and above to have an EF of 1.92 or higher, and requiring units smaller than 55 gallons to achieve an EF 0.94 or higher</p>	<p><u>Current Qualifications:</u> California Title 24 Standard</p> <p><u>Revised Qualifications:</u> 25.0-44.9 gal units: EF <math>\geq</math> 0.94 45.0-54.9 gal units: EF <math>\geq</math> 0.95 55.0-74.9 gal units: EF <math>\geq</math> 0.93 75.0-99.9 gal units: EF <math>\geq</math> 0.92 100.0-120.0 gal units: EF <math>\geq</math> 0.85</p> <p><u>Current Incentive Amount:</u> \$40 (customer)</p> <p><u>Revised Incentive Amount:</u> \$50 (customer)</p> <p><u>Measure Retirement:</u> Due to the federal standard change, all electric water heater incentives will be retired after April 15, 2015. Incentives will be provided only for units purchased or installed on or before April 15, 2015. Units may be self-installed.</p>
<p><b>Heat Pump Water Heaters</b></p>	<p><u>Type of change:</u> Add a new measure</p>	<p><u>Current Qualifications:</u> Northern Climate Specification Qualified</p> <p><u>Incentive Amount:</u> Up to \$600 (customer) \$200 (contractor)</p> <p><u>Delivery Methods:</u> Downstream</p> <p><u>Measure Retirement:</u> Due to the federal standard changes units that do not meet the new standard will no longer be offered incentives after April 15, 2015. Units may be self-installed.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<b>Evaporative Coolers</b>	<p><u>Type of Change:</u> Incentive amount</p> <p><u>Reason for Change:</u> Align incentives with associated DEER savings and to allow customer self-installations to increase participation</p> <p>Merge portable and permanently installed evaporative coolers into one measure separated by tiers</p>	<p><u>Current Qualifications (unchanged):</u> Tier 1: 2,000 – 3,499 CFM Tier 2: ≥ 3,500 CFM</p> <p><u>Current Incentive Amount:</u> Tier 1: \$75 (customer) Tier 2: \$150 (customer)</p> <p><u>Revised Incentive Amount:</u> Tier 1: \$50 (customer) Tier 2: \$100 (customer)</p> <p><u>Notes:</u> Contractor not required.</p>
<b>Room Air Conditioners</b>	<p><u>Type of Change:</u> Modify delivery method and incentive amount</p> <p>Updated for latest ENERGY STAR standard which took effect on October 1, 2013</p> <p><u>Reason for Change:</u> To drive participation, decrease incentive costs, and decrease administrative costs</p>	<p><u>Current Qualifications (unchanged):</u> ENERGY STAR</p> <p><u>Current Incentive Amount:</u> \$30.00</p> <p><u>Revised Incentive Amount:</u> Up to \$20.00</p> <p><u>Current Delivery Methods:</u> Downstream</p> <p><u>Revised Delivery Methods:</u> Upstream</p>
<b>Dishwashers</b>	<p><u>Type of Change:</u> Remove an existing measure</p>	<p><u>Retirement:</u> The measure will be retired due to very low unit energy savings, which cause the measure to be not cost-effective.</p>
<b>Ceiling Fans</b>	<p><u>Type of Change:</u> Remove an existing measure</p>	<p><u>Retirement:</u> The measure will be retired due to very low unit energy savings making the measure not cost-effective.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Low Flow Shower-heads</b></p>	<p><u>Type of change:</u> Add a new DEER measure</p> <p><u>Description of measure:</u> A device that constricts the flow rate of water in showers, consequentially reducing the load on a hot water heater</p>	<p><u>Planned Qualification:</u> Unit Flow Rate <math>\leq</math> 1.70 GPM</p> <p><u>Planned Incentive Amount:</u> Up to \$31.00 for all delivery methods</p> <p><u>Planned Delivery Methods:</u> Upstream Mail by Request Direct Install</p>
<p><b>Low Flow Faucet Aerators</b></p>	<p><u>Type of change:</u> Add a new DEER measure</p> <p><u>Description of measure:</u> A device that constricts the flow rate of water in sinks/faucets, consequentially reducing the load on a hot water heater</p>	<p><u>Planned Qualification:</u> Unit Flow Rate <math>\leq</math> 1.50 GPM</p> <p><u>Planned Incentive Amount:</u> Up to \$5.00 for all delivery methods</p> <p><u>Planned Delivery Methods:</u> Upstream Mail by Request Direct Install</p>
<p><b>Thermostatic Valve</b></p>	<p><u>Type of change:</u> Add a new DEER measure</p> <p><u>Description of measure:</u> A device that reduces shower flow rate when water achieves a desired temperature.</p>	<p><u>Planned Qualification:</u> Valve must automatically restrict or shut off water flow rate when a set point is reached and be reset when desired by user</p> <p><u>Planned Incentive Amount:</u> Up to \$30.00</p> <p><u>Planned Delivery Methods:</u> Upstream Mail by Request Direct Install</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Combo Low Flow Showerhead and Thermostatic Valve</b></p>	<p><u>Type of change:</u> Add a new measure</p> <p><u>Description of measure:</u> A low flow showerhead combined with a thermostatic valve</p>	<p><u>Planned Qualification:</u> Unit Flow Rate <math>\leq</math> 1.50 GPM Valve must automatically restrict or shut off water flow rate when a set point is reached and be reset when desired by user</p> <p><u>Planned Incentive Amount:</u> Up to \$54.00 for all delivery methods</p> <p><u>Planned Delivery Methods:</u> Upstream Mail by Request Direct Install</p>
<p><b>Advanced Power Strips</b></p>	<p><u>Type of change:</u> Add a new RTF measure</p> <p><u>Description of measure:</u> Occupancy/Infrared and load-sensing power strips shut off power to controlled devices when no activity is detected for a set period of time</p>	<p><u>Planned Qualification:</u> Power strip must have occupancy, infrared, or load-sensor and automatically shut off the plug loads when no motion or reduced load is detected for a period of time.</p> <p><u>Planned Incentive Amount:</u> Up to \$60.00</p> <p><u>Planned Delivery Methods:</u> Upstream Downstream Direct Install</p>
<p><b>Attic Insulation</b></p>	<p><u>Type of change:</u> Add a new DEER measure</p>	<p><u>Planned Qualifications:</u> <math>R_{\text{initial}} \leq 19</math> <math>R_{\text{final}} \geq 38</math> Home's primary heat source is electric</p> <p><u>Planned Incentive Amount:</u> \$0.20/sf for single-family projects \$0.35/sf for multi-family projects</p> <p><u>Delivery Methods:</u> Downstream</p> <p><u>Note:</u> Incentive is paid based on square footage of attic space insulated. Measure can be installed by customer or contractor.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<b>Wall Insulation</b>	<p><u>Type of change:</u> Add a new DEER measure</p>	<p><u>Planned Qualifications:</u> No existing wall insulation <math>R_{\text{final}} \geq 13</math> or fill wall cavity Home’s primary heat source is electric</p> <p><u>Planned Incentive Amount:</u> \$0.75/sf for single &amp; multi-family projects</p> <p><u>Delivery Methods:</u> Downstream</p> <p><u>Note:</u> Incentive is paid based on square footage of wall area insulated. Measure can be installed by customer or contractor.</p>
<b>Air Sealing</b>	<p><u>Type of Change:</u> Add a new DEER measure</p>	<p><u>Planned Qualification:</u> Air seal entire home per program manual Must achieve at least a 15% reduction in natural air changes per hour (ACHN) Home’s primary heat source is electric Installation completed by contractor</p> <p><u>Planned Incentive Amount:</u> Tier 1: 15% - 29.9% Reduction in ACHN: \$200 (customer) No contractor incentive</p> <p>Tier 2: <math>\geq 30\%</math> Reduction in ACHN: \$200 (customer) \$200 (contractor)</p> <p><u>Planned Delivery Methods:</u> Downstream</p> <p><u>Notes:</u> Single incentive is paid per eligible home</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Central Air Conditioner</b></p>	<p><u>Type of Change:</u> Modify incentive and qualification</p> <p><u>Reason for change:</u> To align incentives with updated DEER savings</p> <p>On January 1, 2015, the federal standard for central air conditioners will be increased for all equipment sizes, requiring units to have a minimum SEER of 14. To maintain integrity of the Program measure, the Program qualification criteria will increase as well.</p>	<p><u>Current Qualifications:</u> ≥ 15 SEER ≥ 12.72 EER TXV</p> <p><u>Revised Qualifications:</u> Units purchased/installed in 2014: ≥ 15 SEER Units purchased/installed on or after January 1, 2015: ≥ 17 SEER</p> <p><u>Current Incentive Amount:</u> \$100 (customer) \$25 (contractor)</p> <p><u>Revised Incentive Amount:</u> \$100 (customer)</p> <p><u>Notes:</u> Measure will automatically update on January 1, 2015 and move from a 15 SEER to 17 SEER requirement due to the federal standard changes in 2015.</p>
<p><b>Central Air Conditioner Tune Up</b></p>	<p><u>Type of Change:</u> Remove existing measure</p>	<p><u>Retirement:</u> The measure will be retired due to very low unit energy savings, which cause the measure to be not cost-effective.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Heat Pump Upgrade</b></p>	<p><u>Type of Change:</u> Modify incentive and add a higher efficiency tier</p> <p><u>Reason for change:</u> To align incentives with DEER savings and to encourage installations of higher efficient equipment.</p>	<p><u>Current Qualifications:</u> ≥ 8.5 HSPF and TXV Previous primary heat source must have been a heat pump</p> <p><u>Revised Qualifications:</u> Tier 1: ≥ 9.0 HSPF, 15 SEER Tier 2: ≥ 9.5 HSPF, 16 SEER Previous primary heat source must have been a heat pump</p> <p><u>Current Incentive Amount:</u> \$350 (customer) \$50 (contractor)</p> <p><u>Revised Incentive Amount:</u> Tier 1: \$100 (customer), \$50 (contractor) Tier 2: \$100 (customer), \$150 (contractor)</p>
<p><b>Heat Pump Conversion</b></p>	<p><u>Type of Change:</u> Modify incentive and add a higher efficiency tier</p> <p><u>Reason for change:</u> To align incentives with RTF savings and to encourage installations of higher efficient equipment.</p>	<p><u>Current Qualifications:</u> ≥ 8.5 HSPF and TXV Previous primary heat source must have been a permanently installed electric resistance heating system (i.e., electric baseboard, electric ceiling/wall heat or electric forced air furnace)</p> <p><u>Revised Qualifications:</u> Tier 1: ≥ 9.0 HSPF, 15 SEER Tier 2: ≥ 9.5 HSPF, 16 SEER Previous primary heat source must have been a permanently installed electric forced air furnace</p> <p><u>Current Incentive Amount:</u> \$450 (customer) \$50 (contractor)</p> <p><u>Revised Incentive Amount:</u> Tier 1: \$1,000 (customer), \$50 (contractor) Tier 2: \$1,000 (customer), \$550 (contractor)</p>



**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<b>Ductless Heat Pump</b>	<p><u>Type of Change:</u> Modify incentive</p> <p><u>Reason for change:</u> To align incentives with RTF savings and to drive participation</p>	<p><u>Current Qualifications (unchanged):</u> ≥ 16 SEER ≥ 9 HSPF</p> <p><u>Current Incentive Amount:</u> Single-Head Units: \$550 (customer) \$50 (contractor)</p> <p>Multi-Head Units: \$750 (customer) \$50 (contractor)</p> <p><u>Revised Incentive Amount:</u> Single-Head Units: \$1,000 (customer) \$300 (contractor)</p> <p>Multi-Head Units: \$1,500 (customer) \$300 (contractor)</p>
<b>Heat Pump Tune Up</b>	<p><u>Type of Change:</u> Remove existing measure</p>	<p><u>Retirement:</u> The measure will be retired due to very low unit energy savings, which cause the measure to be not cost-effective.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<b>Duct Sealing &amp; Insulation</b>	<p><u>Type of Change:</u> Add a new DEER measure</p>	<p><u>Planned Qualifications:</u> R<sub>existing</sub> ≤ 2 or replace all existing insulation with at least R-8. Must add at least R-8 to ducts. Home’s primary heat source is electric (ducted). Installation completed by contractor</p> <p><u>Planned Incentive Amount:</u> \$500 (customer) \$100 (contractor)</p> <p><u>Planned Delivery Methods:</u> Downstream</p> <p><u>Notes:</u> Services can be performed by multiple contractors. The primary contractor will receive the contractor incentive. Cannot be claimed if performing HVAC equipment replacement or upgrade.</p>
<b>Duct Sealing</b>	<p><u>Type of Change:</u> Add a new DEER measure</p> <p><u>Reason for change:</u> To provide increased opportunities for participation and to allow customers who already have duct insulation to reduce their duct leakage</p>	<p><u>Planned Qualification:</u> Home’s primary heat source is electric (ducted). Existing insulation should only be removed if it is being replaced. Installation completed by contractor</p> <p><u>Planned Incentive Amount:</u> \$200 (customer)</p> <p><u>Planned Delivery Methods:</u> Downstream</p> <p><u>Notes:</u> Cannot be claimed if performing HVAC equipment replacement or upgrade.</p>

**Table 2 – Program Modifications (Non-Lighting)**

Measure Name	Description of Change	Measure Summary
<p><b>Whole-home Upgrade Package</b></p>	<p><u>Type of change:</u> Add a bonus incentive for installing multiple measures</p> <p><u>Description of Bonus:</u> Customers who install several measures together are eligible for a bonus incentive. Each element of the combined measure must meet the qualifications of the individual measure.</p>	<p><u>Planned Qualifications:</u> Customer must perform multiple of the following Program measures per Program requirements:</p> <ul style="list-style-type: none"> <li>• Heat Pump Upgrade</li> <li>• Heat Pump Conversion</li> <li>• Ductless Heat Pump</li> <li>• Whole-home Attic Insulation</li> <li>• Whole-home Wall Insulation</li> <li>• Duct Sealing &amp; Insulation</li> <li>• Air Sealing</li> </ul> <p><u>Planned Incentive Amount:</u> Up to \$1,000 bonus per home (Incentive will vary based on type and quantity of measures installed.)</p>

**Table 3 – Program Modifications (Non-Lighting, New Homes)**

Measure Name	Measure Name	Measure Name
<b>New Homes Electric</b>	<p><u>Type of Change:</u> Remove existing measure.</p>	<p><u>Retirement:</u> To align with industry best practices the prescriptive measure will be retired and replaced with the Home Performance Path.</p>
<b>New Homes Whole Home Performance Path</b>	<p><u>Type of Change:</u> Add a new measure.</p> <p><u>Description of measure:</u> A flexible compliance method for contractors to build to energy efficient new homes and to rewards contractors for building towards net zero homes. The measure is structured so that contractors don't build to a minimum standard—instead they are rewarded for building homes as efficiently as possible.</p>	<p><u>Planned Qualifications:</u> To align with the California Advanced Homes Program, the Program will offer incentives to builders based on the new homes' percentage improvement beyond Title 24, beginning at 15% better than code and increasing. The home's performance will be modeled and verified by independent third-parties or by Program staff, and the models will be delivered to the Program for final savings and incentives calculations. Additional details on Program website.</p> <p><u>Planned Incentive Amount:</u> Up to \$5,000</p>
<b>New Homes, Ductless Heat Pump</b>	<p><u>Type of Change:</u> Add a new measure.</p>	<p><u>Planned Qualifications:</u> ≥ 16 SEER ≥ 9 HSPF</p> <p><u>Planned Incentive Amount:</u> Single-Head or Multi-Head Units: \$1,300 (customer/builder)</p>

**Table 4 – Program Modifications (Non-Lighting, Manufactured Homes)**

Measure Name	Description of Change	Measure Summary
<p><b>Manufactured Homes Duct Sealing</b></p>	<p><u>Type of Change:</u> Add a new RTF measure</p>	<p><u>Planned Qualification:</u> Must have ducted electric heating system serving at least 80% of the home’s floor area. Existing insulation should only be removed if it is being replaced. Installation to be completed by contractor.</p> <p><u>Planned Incentive Amount:</u> Up to \$750 (contractor)</p> <p><u>Planned Delivery Methods:</u> Direct Install</p> <p><u>Note:</u> Contractor will be reimbursed for actual job costs at no cost to the customer. Costs may include surcharge for mileage and duct testing, and other job expenses.</p>
<p><b>New High Performance Manufactured Homes</b></p>	<p><u>Type of Change:</u> Add a new RTF measure</p>	<p><u>Planned Qualifications:</u> Home must meet RTF specifications and receive RTF’s High Performance certification by incorporating energy-efficient enclosure design and construction, HVAC systems, water heating, lighting, and appliances.</p> <p><u>Planned Incentive Amount:</u> \$2,000 (manufacturer)</p>