

**PacifiCorp's Planned Changes to Home Energy Savings Program in Washington
Proposed Effective Date of November 07, 2016**

PacifiCorp (Company) is planning to make modifications to the Washington Home Energy Savings program (Program), which offers incentives and services for residential energy efficiency projects. The changes are minor modification to current program in place for the 2016 – 2017 biennial period. Changes are intended to provide additional clarification on incentive availability, equipment eligibility and to align new homes incentives with available savings beyond the July 1, 2016 energy code.

Consistent with the approved change process for the Program, after receiving and addressing feedback from the Company's Washington Demand-side Management Advisory Group the proposed changes will be posted on the program website 45 days prior to becoming effective and implemented. The changes will be effective November 7, 2016.

Background

The Program, which is offered through Schedule 118, was approved by the Washington Utilities and Transportation Commission (Commission) and began operating in September 2006. The Company filed the program for approval with the Commission on August 11, 2006, and the Program became effective on September 14, 2006 (refer to Docket No. UE-061297). The change process for the Program is described in advice letter 06-004, through which the program was introduced. Language describing the program change process is found on page 3 of Advice No. 06-004, which is copied below.

“...the Company would present information on proposed changes to its Advisory Group and seek comments prior to making changes. Changes in equipment specifications or incentive levels would be clearly posted on the Web site and emailed to the appropriate Commission staff person with at least 45 days advance notice.”

The Program change process is also described in provision of service no. 5 in the program tariff (Schedule 118). Provision of service no. 5 states:

“All changes will occur with a minimum of 45 days-notice, be prominently displayed as a change, include a minimum 45 day grace period for processing prior offers (except for manufacturer buy-down incentive delivery) and be communicated at least once to retailers who have participated within the last year.”

Annual Program reports are available on-line at: www.pacificorp.com/es/dsm/washington.html.

Description of Planned Home Energy Savings Changes

The changes are part of the adaptive management strategy for delivering the Home Energy Savings program during the 2016- 2017 biennium and are intended to provide additional clarification on incentive availability and equipment eligibility.

These changes were provided to the Washington DSM Advisory Group on September 2, 2016 Except for one case noted these changes do not impact the unit energy savings currently in place for the 2016-2017 biennium.

Proposed changes are not expected to materially affect program cost effectiveness and a separate cost effectiveness analysis is not provided.

Proposed Program changes are summarized in Tables 1-8.

Exhibits Provided

Exhibit 1 - Washington HES Incentive Tables – Planned

Exhibit 2 - Washington HES Incentive Tables – Red-lined

Table 1 – Appliance Incentive Table Modifications

Measure	Description of Change	Measure Summary
Clothes Washers	<p><u>Type of Change:</u> Clarification of incentive eligibility requirements tied to water heating and/or dryer fuel and revised reference to program website.</p>	<p><u>Incentive:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p> <p><u>Current Table Note:</u> See additional installation requirements and qualifying models on program website.</p> <p><u>Revised Table Note:</u> See qualifying models on program website.</p> <p><u>Added Table Note:</u> Homes must have electric water heating and/or electric dryer heat for clothes washers to be eligible for incentives.</p>

Table 2 – Lighting Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
Lighting Incentives Table	<p><u>Type of Change:</u> Clarification of incentive availability for the mail by request and direct install offers.</p>	<p><u>Added Table Note:</u> Mail by request and direct install are offered on an initiative basis and may not be available for the entire year. See program website for availability information.</p>

Table 3 – Electronics Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
Advanced Power Strips	<p><u>Type of Change:</u> Expand delivery channels</p> <p><u>Reason for Change:</u> Delivery channels were expanded to provide additional flexibility. Availability information added.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p> <p><u>Current Delivery Methods:</u> Upstream</p> <p><u>Revised Delivery Methods:</u> Downstream Direct Install Mail by Request Upstream</p> <p><u>Added Table Note:</u> Incentives for advanced power strips apply to upstream, mail by request, direct install, and downstream. Only one incentive will be provided per advanced power strip.</p> <p>Mail by request and direct install are offered on an initiative basis and may not be available for the entire year. See program website for availability information.</p> <p>See product list on program website.</p> <p>Incentives for advanced power strips vary by specification qualifications. See website for incentive details.</p>
Smart Thermostats	<p><u>Type of Change:</u> Relocated to the HVAC Incentive Table (Table 4).</p> <p><u>Reason for Change:</u> Smart thermostats are classified as an HVAC measure.</p>	

Table 4 – HVAC Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
<p>Duct Sealing (excludes manufactured homes)</p>	<p><u>Type of Change:</u> Clarified eligibility by home type. Clarified the work must be performed by participating or qualified contractor.</p> <p><u>Reason for Change:</u> Clarified this offer is specific to existing single family and multifamily homes and excludes manufactured homes. The manufactured homes – duct sealing incentive is located in Manufactured Homes (Table 8).</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Current Qualifications:</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.</p> <p><u>Revised Qualifications:</u> Must have ducted electric heating system serving at least 80% of the home’s floor area. Installation completed by a participating or qualified contractor.</p> <p><u>Added Table Note:</u> Multifamily properties may be eligible for the duct sealing incentives.</p>
<p>Smart Thermostats</p>	<p><u>Type of Change:</u> Added to HVAC Incentive Table.</p> <p><u>Reason for Change:</u> Smart thermostats are classified as an HVAC measure.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p>

Table 5 – Weatherization Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
Insulation – Floor (to R-21)	<p><u>Type of Change:</u> Separate the existing floor insulation measure into two measures to better align with common floor joist depths and help increase measure uptake. This is the new measure for the shallower floor joists. Final R requirement added to name to help differentiate from the other floor insulation offer. A new unit energy savings value utilizing the same assumptions for the R-30 measure will be used for savings reporting.</p>	<p><u>Planned Incentive:</u> \$0.20/sf. (customer)</p> <p><u>Planned Qualifications:</u> $R_{\text{initial}} \leq 11$ $R_{\text{final}} \geq 21$ Home’s primary heat source must be electric.</p> <p><u>Planned Delivery Methods:</u> Downstream</p>
Insulation – Floor (to R-30)	<p><u>Type of Change:</u> Updated measure name to differentiate from new offer for shallower floor joist.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p>

Table 6 – New Homes Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
New Homes Incentive Table	<p><u>Type of Change:</u> Removed the home type from the name due to redundancy. Clarification of incentive availability for individual measures and the whole home performance path.</p>	<p><u>Added Table Note:</u> New homes receiving whole home performance path incentives are not eligible for any other incentives in the new homes table.</p>
Whole Home Performance Path	<p><u>Type of change:</u> Revised incentives to reflect savings available beyond the July 1, 2016 code. Clarify incentive eligibility requirements tied to heating fuel type.</p> <p><u>Reason for Change:</u> Updated incentives to align with recent code changes and efficient construction practices in the service territory. Savings and incentive levels for the whole home approach are based primarily on heating energy savings. Revised qualification language improves clarity and facilitates marketing.</p>	<p><u>Current Incentive:</u> Up to \$5,000</p> <p><u>Revised Incentive:</u> \$1,500</p> <p><u>Current Qualification:</u> To align with regional New Homes offerings, the Program will offer incentives to builders based on the new electrically heated homes' percentage improvement beyond the prevailing code, beginning at 15% better than code and increasing. The home's performance will be modeled and verified by independent third-parties and the models will be delivered to the program for final savings and incentives calculations. Home's primary heat source must be electric. See program website for details.</p> <p><u>Revised Qualifications:</u> Incentives available for new electrically heated homes that exceed the prevailing code by a minimum of 15%. The home's performance must be modeled and verified by independent third-parties and the models must be provided to the program for final savings and incentive calculations. See program website for additional details.</p>

Table 6 – New Homes Incentive Table Modifications Continued

Measure Name	Description of Change	Measure Summary
Heat Pump Water Heater	<p><u>Type of Change:</u> Clarification of incentive qualifications and qualified products list.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p> <p><u>Added Table Note:</u> For heat pump water heaters, incentives vary by tier qualification, see website for incentive tiers.</p> <p>For heat pump water heaters, see program website for qualified products list.</p>

Table 7 – Water Heating Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
Water Heating Incentives Table	<p><u>Type of Change:</u> Clarification of incentive availability for the mail by request and direct install offers.</p>	<p><u>Added Table Note:</u> Mail by request and direct install are offered on an initiative basis and may not be available for the entire year. See program website for availability information.</p> <p>Mid-market incentives for low-flow showerheads and low-flow aerators apply to mail by request and direct install.</p>
Heat Pump Water Heater	<p><u>Type of Change:</u> Clarification of incentive qualifications and qualified products list.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Qualifications:</u> (unchanged)</p> <p><u>Added Table Note:</u> For heat pump water heaters, see program website for qualified products list.</p> <p>For heat pump water heaters, incentives vary by tier qualification, see website for incentive tiers.</p>

Table 8 – Manufactured Homes Incentive Table Modifications

Measure Name	Description of Change	Measure Summary
Duct Sealing (customer)	<p><u>Type of change:</u> Add a new manufactured home specific measure and group with other manufactured home measures to improve marketing and trade ally engagement. Measure utilizes the same unit energy savings and incentive as the single family measure. Differentiate this offer from direct install offer by adding (customer) to measure name</p>	<p><u>Planned Qualifications:</u> Manufactured home must have a ducted electric heating system at least 80% of the home’s floor area. Installation must be completed by a participating or qualified contractor.</p> <p><u>Planned Incentive Amount:</u> \$300 (customer) Electrically heated homes only</p> <p><u>Planned Delivery Methods:</u> Downstream</p> <p><u>Planned Table Note:</u> Manufactured homes are eligible for only one duct sealing incentive. The direct install offer may not be combined with the customer offer.</p>

Table 8 – Manufactured Homes Incentive Table Modifications Continued

Measure Name	Description of Change	Measure Summary
<p>Duct Sealing (direct install)</p>	<p><u>Type of Change:</u> Clarifications of direct install offer availability, contractor requirements and overlap with the customer offer.</p> <p><u>Reason for Change:</u> Clarify the direct manufactured home specific duct sealing direct install offer from the customer offer. Group both offers together to simplify marketing and further engage customer and trade allies who may wish to provide the direct install service on a fixed price basis and meet the additional requirements.</p>	<p><u>Incentives:</u> (unchanged)</p> <p><u>Current Qualifications:</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.</p> <p><u>Revised Qualifications:</u> Must have ducted electric heating system serving at least 80% of the home’s floor area. Service is provided by one or more contractors who will perform the work at no cost to the customer on a firm fixed price basis not exceeding the incentive and meet additional program requirements including completing additional trainings.</p> <p><u>Planned Notes:</u> Manufactured homes are eligible for only one duct sealing incentive. The direct install offer may not be combined with the customer offer.</p> <p>Duct sealing direct install will be offered on an initiative basis and may not be available for the entire year. See program website for availability information.</p> <p>Contractors providing the direct install duct sealing services will be reimbursed for actual job costs which may include surcharge for mileage, duct testing, and other job expenses, the total of which may not exceed the incentive. No additional costs will be billed to the customer.</p>