Energy Trust of Oregon, Inc.

Home Energy Solutions
Existing Homes

2009 Program Changes and Cooperative Marketing Redesign

Conservation Advisory Council
January 21, 2009

Energy Trust of Oregon, Inc.

Topics

- Single-family homes
  - Heat pumps
  - Gas furnaces
  - Air sealing
  - Duct sealing
  - Tax credit requirements for duct sealing
  - Home Performance with ENERGY STAR® coupon
- Cooperative marketing
- Multifamily
- Mobile homes
- Weatherization specification revision schedule

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Single-Family Homes

Measure and Program Modifications

- Heat Pumps
- Gas Furnaces
- Air Sealing
- Duct Sealing
- Cooperative Marketing
- Home Performance with ENERGY STAR® Coupon

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Single- Family Homes Heat Pumps

Heat Pump HSPF Modification

- Current Heat Pump requirement – Minimum HSPF 8.5
- New Heat Pump HSPF requirement – Minimum HSPF 9.0
- New HSPF in effect on May 1, 2009

Rationale:

- 2008 Energy Trust trade ally survey showed more than 85% of heat pump installations were HSPF 8.5 or higher
- Consistency with ODOE's specifications

Participant Benefit:

- Eligible for Energy Trust rebate and ODOE Tax Credit for all installations

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Single-Family Homes Furnaces

Stand alone furnace incentive for targeted markets only

- May 1, 2009, stand alone incentives for gas furnaces no longer available

Rationale:

- Gas furnace market shifted with Energy Efficiency programs
- 40% replacement furnaces 95% AFUE or higher
- 70%-75% replacement furnaces 90% AFUE or higher
- High efficiency has become standard for replacements
- May offer high efficiency furnaces incentives for multifamily buildings, moderate income households, and other underserved markets

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Evaluation Studies on Furnaces

Gas furnace installations in:	2007 HES vendor survey	2007 Trade ally survey	2006 Trade ally survey
95% or more efficient	9%	43%	11%
90-94% efficient	56%	37%	48%
80-89% efficient	36%	20%	39%

Note: May not add to 100% due to rounding.

- Non-Trade Ally participating contractors surveyed for the HES evaluation responded that 88% of their furnace installations were furnaces that were 90% or more efficient

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Single-Family Homes Air Sealing

- Current Air Sealing Incentive – $1 per CFM up to $400
- Proposed Air Sealing Incentive – $0.50 per CFM up to $250
- Air leakage test incentive reduced to $25 per residence tested
- New CFM Payment in effect on May 1, 2009

Rationale:

- Initially ratcheted up payment to attract more air sealers
- Incentive needs to align with resulting savings; measure is not cost-effective without this change

Requirements:

- Minimum 200 CFM reduction for incentive
- Blower door test, air leakage test, minimum ventilation level of 8 ACH at 50 Pa (reduction limit waived with approved mechanical ventilation)
- Contractor Invoice must list pre- and post-CFM numbers to qualify

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Single-Family Homes Duct Sealing

- Current Duct Sealing Incentive – $1 per CFM up to $400
- Proposed Duct Sealing Incentive – $0.50 per CFM up to $250
- Duct Leakage test incentive reduced to $25 per duct system tested
- New CFM Payment in effect on May 1, 2009

Rationale:

- Initially ratcheted up payment to attract more duct sealers
- Incentive needs to align with resulting savings; measure cost-effectiveness is not likely without this change

Requirements:

- Duct sealing performed by Oregon Department of Energy/PTCS certified contractor
- Submit PTCS duct sealing form at www. ptcsnw.com

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Tax Credit Requirements for Duct Sealing

As of January 1, 2009, PTCS Duct Sealing Certification and PTCS Duct Sealing Form are now required for trade allies to apply for Oregon Residential Energy Tax Credits

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Revised PTCS Form

This field was added to the PTCS form to incorporate the quality control data from the ODOE worksheet

	42	47	54	62 ☐
Target CFM @ 50 Pa	43	48	55	63
Is Final CFM less than Target CFM?	44 Yes ☐ No ☐	49 Yes ☐ No ☐	56 Yes ☐ No ☐	64 Yes ☐ No ☐

	Pre Test	Post Test
House Pressure	Pa	Pa
Duct Pressure	Pa	Pa
Fan Pressure	Pa	Pa
Ring (0,1,2, or 3)		
Leakage	CFM 50	CFM 50
Test Fan Location		
Pressure Tap Location		

SECTION E – QA / QC INFO (Required)

Notes – *Attach additional sheets if necessary*

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Carbon Monoxide Detector Requirement

- All Duct Sealing jobs receiving a tax credit must install a carbon monoxide detector if there is a combustion appliance inside the conditioned area of the home
- As of May 1, 2009, the HES program will require carbon monoxide detectors to be installed in all homes receiving Energy Trust incentives for duct sealing
- Home Performance with ENERGY STAR jobs require this as well

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Home Performance with ENERGY STAR®

Home Performance with ENERGY STAR ® coupon will be discontinued in 2009

- The current bonus coupon expired December 31, 2008
- For jobs bid prior to December 31, 2008, the bonus coupon will be honored as long as the trade ally provides documentation of the project bid and the job is completed on or before January 30, 2009
- A multiple-measure installation bonus coupon is proposed for late spring

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Cooperative Marketing Restructuring

Structured to reward volume and quality

- Three tracks with consideration for being new
  - Home Energy Solutions Trade Allies
    - New Trade Allies
    - Established
  - Home Performance with ENERGY STAR ®
    - New Trade Allies
    - Established
  - Real Estate Professional Trade Allies

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Home Energy Solutions Trade Allies (First-Year in program)

- First year of participation; quarterly cap based on number of total employees.
- 1–10, $500/quarter
- 11–20, $1,000/quarter
- 21–30, $1,500/quarter
- 31 and up, $2,000/quarter (capped out)

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Home Energy Solutions Trade Allies

$400,000+ in project cost installed (21)

- Quality control pass rate of 95% or greater
- $2,000 per quarter/$8,000 per year

- Quality control pass rate of 94% or less
- $1,500 per quarter/$6,000 per year

$100,000 – $399,999 (60)

- $1,000 per quarter/$4,000 per year

$99,999 and under (113)

- $2,000 per year

* Numbers in parenthesis indicate the number of current HES trade allies out of 196 that fall into a particular category.

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Home Performance Trade Allies (First-Year in program)

- First year of participation; quarterly cap based on total number of employees.
- 1–10, $1,000/quarter
- 11–20, $1,500/quarter
- 21–30, $2,000/quarter
- 31 and up, $3,000/quarter (capped out)
- After first year of being a trade ally, reimbursement is then recalculated semi-annually, on the 15th of every January and July

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Home Performance Trade Allies

$200,000 and up (8)

- Quality control pass rate of 95% or greater
- $3,000/quarter for co-op, $12,000/year

- Quality control pass rate of 94% or less
- 2,500/quarter for co-op, $10,000/year

$50,000–$199,999 (11)

- $2,000/quarter for co-op, $8,000/year

$49,999 and under (7)

- $1000/quarter for co-op, $4,000/year

** Numbers in parenthesis indicate the number of current Home Performance trade allies out of 26 that fall into a particular category.

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Real Estate Professional Trade Allies

Quarterly allotment $1,000/quarter

- Allow reimbursement for only the following:
  - $100 cash back for becoming an Earth Advantage S.T.A.R. and Energy Trust trade ally
  - Web site—fixed annual reimbursement of $250
  - Direct mail and flyers—33% of approved project cost
  - Business cards—33% of approved project cost
- Mechanism to track installation referrals being put into place for 2009
  - 2010 cooperative marketing will be based on project referrals

S.T.A.R.= Sustainable Trained Accredited Realtor

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Multifamily

Measure and Program Modifications

- Windows
- Windows Promotion
- Water Heaters and Boilers

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Multifamily Windows

Minimum window U-value of 0.30 beginning May 1, 2009

Rationale:

- Of the 15,867 windows installed in the 2008 windows promotion, 95% were U-.30 or less
- Program simplification

Requirements:

- Applies to projects with electric or gas heat
- Insulation requirements for window incentives remain the same
- Electric-heated multifamily units
  - $3.00 per sq. ft. incentive for the replacement of single-glazed windows
  - $2.00 per sq. ft. incentive for the replacement of double-glazed windows
- Gas-heated multifamily units
  - $2.25 per sq. ft. incentive for the replacement of both single- and double-glazed windows

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Multifamily Spring Promotion & Custom Track

Windows promotion in Spring will be discontinued

Rationale:

- The multifamily program would like to place more emphasis on HVAC, lighting, appliances and insulation
- Majority of multifamily incentive dollars going to windows at promotional rate returns marginal savings to the program
- Business Energy Tax Credit covers 35%

Custom Track for HVAC solutions

- Custom track available for participants' needing a customized incentive structure built around estimated savings and costs
- Targeted at non-prescriptive HVAC efficiency solutions

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New Incentives – Water Heaters & Boilers

- Domestic hot water tanks
  - A minimum 91% AFUE or 91% thermal efficiency
  - Incentive: $2.50 per kBtu/hr input
- Domestic tankless water heaters with electronic ignition
  - A minimum 73.8% energy factor
  - Incentive: $2.00 per kBtu/hr input
- High-efficiency boiler with electronic ignition
  - A minimum 90% thermal efficiency and 500/kBtu/hr input
  - Incentive: $4.00 per kBtu/hr input

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Existing Mobile Homes New Requirements

Notification letter at 8 ACH

- There will be a requirement to issue a notification letter when less than 8 ACH at 50 Pa exists in the mobile home, even with an approved mechanical ventilation strategy

100% QC jobs with multiple complex ducts

- Beginning May 1, 2009, quality control inspections will be required when more than one complex duct repair incentive is received

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Existing Mobile Homes Air Sealing

- Current Air Sealing Incentive – $1 per CFM up to $300
- Proposed Air Sealing Incentive – $0.50 per CFM up to $250
- Adding Air Leakage Test incentive of $25 per residence tested
- New CFM Payment in effect on May 1, 2009

Rationale:

- Initially ratcheted up payment to attract more air sealers
- Measure incentive needs to align with savings. Measure is not cost-effective based without this change

Requirements:

- Minimum 100 CFM reduction for incentive
- Blower door test, air leakage test, minimum ventilation level of 8 ACH at 50 Pa (reduction limit waived with approved mechanical ventilation)
- Contractor Invoice must list pre- and post-CFM numbers to qualify

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Existing Mobile Homes Duct Sealing

- Current Duct Sealing Incentive – $1 per CFM up to $400
- Proposed Duct Sealing Incentive – $0.50 per CFM up to $250
- Duct Leakage test incentive reduced to $25 per duct system tested
- New CFM Payment in effect on May 1, 2009

Rationale:

- Initially ratcheted up payment to attract more duct sealers
- Incentive needs to align with resulting savings; measure is not likely to be cost-effective without this change

Requirements:

- Minimum 100 CFM reduction for incentive
- Submit BPA PTCS duct sealing form including additional data as already covered under single family

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Weatherization Specification Manual

Updated Weatherization Specification Manual
Release Date: March 31, 2009

The annual review process for the manual is as follows:

- **December 16, 2008:** Discussion with trade allies
- **December 31, 2008:** End of open-comment period
- **February 17, 19, 20, 2009:** Q1 Trade Ally Roundtable Series breakout discussions and information processing begins. A copy of the revised draft will be posted to Energy Trust's website prior to the Q1 Trade Ally Roundtable Series
- **March 31, 2009:** Two hardcopies of final, revised manual will be sent to trade allies
- **May 1, 2009:** New specifications will go into effect

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