

## **PacifiCorp's Planned Changes to Home Energy Savings Program in California Proposed Effective Date of September 1, 2024**

PacifiCorp (Pacific Power) is planning modifications to the Home Energy Savings energy efficiency incentive program, which is offered through Schedule D-118. The planned changes are intended to continue to update the program based on new/updated statewide energy efficiency workpapers as of September 1, 2023, to continue to achieve efficiency targets provided through an equity-based program. The proposed changes are intended to align with the 2023 change from a resource acquisition program to an equity program.

Schedule D-118 includes the basic program elements: 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](#)<sup>1</sup> with links from the [Pacific Power web site](#).

Consistent with the change process for the Home Energy Savings program approved in Decision D.21-12-034 on December 16, 2021, the program changes for 2024 will be filed in a Tier 1 Advice Letter, and following a disposition on the Tier 1 Advice Letter, notice of the changes will be posted on the program website 45 days prior to implementation. Proposed changes to the incentive tables are included in Exhibit 1.

### **Background**

Home Energy Savings, an equity 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, water heating, Heating, Ventilation, and Air Conditioning (HVAC), 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>2</sup> The program was modified on April 12, 2010, June 12, 2014, August 26, 2019, September 24, 2020, March 15, 2021, March 28, 2022, and again on June 15, 2023, to maintain participation, incorporate changing codes and standards, and most recently to shift Home Energy Savings to an equity program in California.

In 2024, the Home Energy Savings program will continue to run as an equity program and will continue to offer incentives for central brushless fan motors, clothes dryers, ductless heat pumps, heat pump conversions, refrigerators and freezers, room air cleaners, room air conditioners, and smart connected power strips. The higher cost HVAC measures will have enhanced incentives for qualifying hard-to-reach and Tribal customers, and eligibility will be defined on the program website. The customer eligibility language is provided below:

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<sup>1</sup> <https://wattsmartsavings.net/california-residential/>

<sup>2</sup> Decision 08-01-041 dated January 31, 2008.

“California residential customers eligible for California Alternative Rates for Energy (CARE) and/or customers residing on tribal lands are eligible for enhanced HVAC incentives.”

In addition to offering enhanced incentives for certain hard-to-reach customers, the Home Energy Savings equity program will continue to target subsets of the Company’s residential customers as follows:

- Target non-English speaking customers with Spanish program materials.
- Utilize focused lead generation developed in consultation with Tribes to engage Tribal customers.
- Coordinate with local organizations to educate other underserved and minority groups about the program and offerings.
- Target multifamily tenants by direct mail, using the multifamily residential rate code.

The program will continue the energy savings kits offering to a subset of customers meeting hard-to-reach and/or Tribal criteria in 2024. The program plans to continue engaging customers residing on Tribal lands, before offering the kits to a broader set of hard-to-reach customers. An estimated 300 energy savings kits were delivered for this initiative in 2023, and an additional 300 kits are planned in 2024. Kit measures will continue to include products that are easy to self-install and include four LED bulbs, a showerhead, two bath aerators, and a kitchen aerator. The kit will also include informational inserts to educate customers about additional energy saving opportunities.

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

The program modifications are summarized below in Tables 1-8 with complete details provided in the revised incentive tables, which are provided in Exhibits 1 and 2.<sup>3</sup> All changes reflect alignment with current statewide workpapers in the eTRM.

In addition to these ongoing initiatives, the program will make the following changes to Home Energy Savings offerings:

- Add Schedule DT to serve customers participating in time-of-use
- Modify heat pump water heater efficiency requirements based on updated workpaper values
- Modify the central brushless fan motor measure incentive to match the updated workpaper normalizing unit of sq-ft of conditioned floor area of the site where the motor is being replaced.

### **Cost-Effectiveness**

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<sup>3</sup> Exhibit 1 contains the Home Energy Savings program incentive tables, which were originally provided as part of Exhibit J in A.07-07-011 and further modified using the program change process described in Schedule D-118. The incentive tables currently in effect are marked to show the planned changes.

Cost effectiveness analysis for the program was previously provided as part of PacifiCorp's 2023-2024 Biennial Budget Advice Letter (Advice 697-E or 2023-2024 BBAL) filed October 7, 2022. The 2023-2024 BBAL also includes a comprehensive description of the Company-specific model used for the analysis. This same model was updated for the planned 2024 program changes. The portfolio segment for Home Energy Savings is Equity, so the program is not required to meet a Total Resource Cost test performance standard.

### **Electronic Technical Reference Manual (eTRM) Alignment Review**

As described in Application 20-12-018,<sup>4</sup> upcoming program changes will be defined as part of budget advice letter preparation. Each budget advice letter will align with statewide workpapers available on the eTRM website (<http://www.caltf.org/etrm-overview>) as of September 1 of a filing year. Decision 21-12-034 changed the frequency of budget advice letters from annual to biennial. The last biennial budget advice letter was filed in 2022 for 2023-2024 and with the last program change in 2023, measures were aligned with the eTRM as of September 1, 2022. This program change for 2024 includes updates based on a review of the eTRM as of September 1, 2023. The tables in Exhibit C include each listed Home Energy Savings measure, whether it is a deemed measure, the relevant measure in the eTRM statewide workpapers, and information about alignment of the Home Energy Savings measure and the eTRM measure.

### **Evaluation Plan**

The Company offers the Home Energy Savings program in its other service territories. Evaluations are conducted at the program level with reports prepared for each state. Consistent evaluation plans throughout PacifiCorp's system-wide territory reduce administrative costs for the program. The most recent evaluation<sup>5</sup> was for the 2021-2022 program.

### **Exhibits Provided**

Exhibit 1 - HES Explanation of Planned Modifications

Exhibit 2 - HES Incentive Tables – Red-lined

Exhibit 3 - Home Energy Savings Electronic Technical Reference Manual (eTRM)  
Alignment Review

Cost-Effectiveness analysis –

Attachment C.1\_PCorp CA BBAL PY2024 - WSB with Portfolio Costs  
Summary.docx (resource acquisition)

Attachment C.2\_PCorp CA BBAL PY2024 - Portfolio Memo.docx (equity and  
resource acquisition)

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<sup>4</sup> See page 23 of Application 20-12-018, approved in Decision D.21-12-034.

<sup>5</sup> Available in the Demand-Side Management Annual Reports section on this page - <https://www.pacificorp.com/environment/demand-side-management.html>

## Exhibit 1 - Explanation of Changes

### Applicable Section

Description of Change	Reason for Change
Modify the list of eligible rate schedules in the “Applicable” section to add Schedule DT.	<p>Adding Schedule DT since this is a new option for residential customers. Any customers billed on this rate will pay the Schedule S-191 public purpose charge that funds the Company’s energy efficiency programs, and these customers should be eligible for the program.</p> <p>The company plans to file to change the Schedule D-118 tariff to remove the list and indicate that the list will be maintained and available on the website (in the Exhibit 1 document). This will allow revisions to the list of eligible rate schedules to be included in the program change filings and avoid the need for two filings when there’s a need to modify the list of eligible rate schedules.</p>

**Table 2 – Water Heating Incentive Table Modifications**

<b>Program Modifications – Water Heating Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
<b>Heat Pump Water Heater</b>	Revise efficiency requirements, separate out customer and market partner incentives.	<u>Qualification:</u> <ul style="list-style-type: none"> <li>&gt; 45 and ≤ 55 gallons: 3.09 or 3.31 UEF</li> <li>Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li> </ul> <u>Customer/Market Partner Incentive:</u> <ul style="list-style-type: none"> <li>Up to \$400</li> </ul>	<u>Qualification:</u> <ul style="list-style-type: none"> <li>&gt; 45 and ≤ 55 gallons: 3.30, 3.50. or 3.75 UEF</li> <li>Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li> </ul> <u>Customer/Market Partner Incentive:</u> <ul style="list-style-type: none"> <li>\$400</li> </ul>

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**Table 4 – HVAC Incentive Table Modifications**

<b>Program Modifications – HVAC Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
<b>Central Brushless Fan Motor</b>	Revise incentive offering.	<ul style="list-style-type: none"> <li></li> </ul> <u>Qualification:</u> <ul style="list-style-type: none"> <li>Must replace a permanent split capacitor (PSC) or shaded pole residential fan (blower) motor.</li> <li>Measure is available in single family, multifamily, and manufactured home installations as normal replacement</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>\$15/ton</li> </ul>	<u>Qualification:</u> <ul style="list-style-type: none"> <li>Must replace a permanent split capacitor (PSC) or shaded pole residential fan (blower) motor.</li> <li>Measure is available in single family, multifamily, and manufactured home installations as normal replacement</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>\$0.10/sq-ft conditioned floor area</li> </ul>

## Exhibit 2

### California Home Energy Savings Program – Changes to the current incentives marked in redline form Measures, Incentives, and Qualifications

#### Applicable:

To new and existing residential customers in all territory served by Pacific Power in the state of California billed on Schedule D, DL-6, DS-8, DM-9, DT or NEM-35. Landlords who own rental properties served by Pacific Power in the state of California where the tenant is billed on Schedule D, DL-6, DS-8, DM-9 or NEM-35 also qualify for this program.

#### 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.

Per unit incentives for specific Energy Efficiency Measures (EEMs) are listed in the program incentive tables below. Current incentives can be found at <https://wattsmartsavings.net/california-residential/>.

**Table 1 - Appliance Incentives Table**

Measure	Qualifications	Customer Incentive
Clothes Washer	<ul style="list-style-type: none"><li>• ENERGY STAR certified</li><li>• Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li></ul>	\$20
Clothes Dryer	<ul style="list-style-type: none"><li>• ENERGY STAR® certified</li><li>• Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li></ul>	\$50
Refrigerator or Freezer	<ul style="list-style-type: none"><li>• Must be on ENERGY STAR® qualifying list.</li><li>• Measure is available in single family, multifamily, and manufactured home installations as normal replacement.</li></ul>	\$20
Room Air Cleaner	<ul style="list-style-type: none"><li>• Must meet clean air delivery rate (CADR) to watt ratio listed on program website.</li><li>• Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li></ul>	\$40

Smart Connected Power Strip	<ul style="list-style-type: none"> <li>• Must meet Tier 2 connected advanced power strip specifications as listed on program website.</li> <li>• Measure is available in single family, multifamily, and manufactured home installations as add-on equipment.</li> </ul>	\$30
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Notes for appliance incentive table:

- See additional installation requirements and qualifying models on program website.
- Incentives for appliances apply to mid/upstream and/or downstream. Only one incentive will be provided per qualifying measure.
- Incentives for appliance measures may be paid to the customer, retailer, and/or manufacturer and may be split between customer, retailer, and/or manufacturer.
- Incentives are not available for coin-operated clothes washers.

**Table 2 - Water Heating Incentives Table**

Measure	Qualifications	Customer Incentive	Market Partner Incentive
Heat Pump Water Heater	<ul style="list-style-type: none"> <li>• &gt; 45 and ≤ 55 gallons: <del>3.09 or 3.31 UEF</del> <u>3.30, 3.50, or 3.75 UEF</u></li> <li>• Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li> </ul>	<u>Customer Install:</u> \$400	<u>Customer Install:</u> \$0
		<u>Contractor Install:</u> \$200	<u>Contractor Install:</u> \$200
Smart Pump	<ul style="list-style-type: none"> <li>• High performance circulator pump must have variable speed controls to accommodate demand.</li> <li>• Pump must utilize an electronically commutated motor, have an integrated variable frequency drive, and have onboard pump controlling logic with self-optimizing programming to allow the pump to learn and operate at the best efficiency point on the pump curve.</li> <li>• Measure is available in single family or multifamily domestic hot water applications as either new construction or normal replacement.</li> <li>• Hydronic heating applications are excluded from this measure.</li> </ul>	\$75	
Faucet Aerator/Flow Control Valve	<ul style="list-style-type: none"> <li>• The existing faucet must have a flow rate of at least 2.2 gallons per minute (gpm), and must not have an aerator installed.</li> <li>• Measure is available in single family, manufactured, or multifamily homes as add-on equipment.</li> </ul>	\$5	

	<ul style="list-style-type: none"> <li>• Kitchen sink aerators/flow control valves (FCVs) must reduce flow rate to 1.5 gpm or less.</li> <li>• Lavatory sink aerators/FCVs must reduce flow rate to 1.2 gpm or less.</li> <li>• This measure is not applicable to new faucets that meet or exceed 2016 CA Appliance Efficiency Regulations (Title 20) code requirement of 1.2 gpm flow rate for lavatory faucet and 1.8 gpm flow rate for kitchen faucet.</li> </ul>	
Low Flow Showerhead	<ul style="list-style-type: none"> <li>• Measure is available in single family, manufactured, or multifamily homes as normal replacement or new construction.</li> <li>• Showerhead must be 1.7 gpm or less.</li> </ul>	\$4
Flow Restriction Valve	<ul style="list-style-type: none"> <li>• Measure is available in single family, manufactured, or multifamily homes as add-on equipment.</li> <li>• Flow restriction valve must be 1.7 gpm or less.</li> </ul>	\$30

Notes for water heating incentive table:

- Market partner incentives for all water heating measures apply to upstream or midstream.
- Home where measure is installed must have electrically heated domestic hot water
- See additional installation requirements on program website.
- Acronyms:  
**FCV:** Flow control valve  
**GPM:** Gallons per minute  
**UEF:** Uniform Energy Factor

**Table 3 - New Homes Incentives Table**

Measure	Qualifications	Customer Incentive
New Homes Whole Home Performance Path	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 and the models will be delivered to the program for final savings and incentives calculations. See program website details.	Up to \$5,000

Notes for new homes incentive table:

- Incentives for all New Homes measures apply to downstream or mid/upstream. Only one incentive will be provided per home.
- Incentives may be paid to the customer, builder, and/or Rater and may be split between customer, builder, and/or Rater. The sum of the incentive payments per unit will be clearly displayed on the program website with applicable dates. The end use portion of the incentive may be changed.
- See additional installation requirements on program website.

**Table 4 – HVAC Incentives Table**

Measure	Qualifications	Customer Incentive
Smart Thermostat	<ul style="list-style-type: none"> <li>• ENERGY STAR® certified.</li> <li>• <a href="#">Home must have a ducted heat pump as its primary heating source.</a></li> <li>• <del>Home must have a ducted heat pump as its primary source for heating.</del></li> <li>• Measure is available in single family, multifamily, and manufactured home installations as normal replacement.</li> </ul>	\$50
Central Brushless Fan Motor	<ul style="list-style-type: none"> <li>• Must replace a permanent split capacitor (PSC) or shaded pole residential fan (blower) motor.</li> <li>• Measure is available in single family, multifamily, and manufactured home installations as normal replacement.</li> </ul>	<del>\$15/ton</del> <a href="#">\$0.10/sq-ft conditioned floor area</a>
Ductless Heat Pump – Multifamily	<ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> <li>• Previous primary heat source must have been a permanently installed electric resistance heating system.</li> </ul>	\$1,000
Ductless Heat Pump – Multifamily Hard-to-Reach	<ul style="list-style-type: none"> <li>• Measure is available in multifamily home installations as normal replacement.</li> </ul>	\$1,500
Ductless Heat Pump replacing Forced Air Furnace	<ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> </ul>	\$1,500

Ductless Heat Pump replacing Forced Air Furnace Hard-to-Reach	<ul style="list-style-type: none"> <li>• Previous primary heat source must have been a permanently installed electric forced air furnace.</li> <li>• Measure is available in single family and manufactured home installations as normal replacement.</li> </ul>	\$2,000
Ductless Heat Pump replacing Zonal heat	<ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> <li>• Previous primary heat source must have been a permanently installed zonal electric heating system.</li> </ul>	\$1,500
Ductless Heat Pump replacing Zonal heat Hard-to-Reach	<ul style="list-style-type: none"> <li>• Measure is available in single family and manufactured home installations as normal replacement.</li> </ul>	\$2,000
Heat Pump Conversion	<ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> <li>• Previous primary heat source must have been a permanently installed electric resistance heating system.</li> <li>• Measure is available in single family, multifamily, and manufactured home installations as normal replacement.</li> </ul>	\$2,500
Room Air Conditioner	<ul style="list-style-type: none"> <li>• ENERGY STAR® certified</li> <li>• Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.</li> </ul>	\$10

Notes for HVAC incentives table:

- Maximum of one smart thermostat per household.
- See additional installation requirements on program website.
- —Enhanced “Hard-to-Reach” incentives are available for customers meeting requirements listed on the program website.
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**Definitions**

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

**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 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. This is an older measure of water heater efficiency that is being phased out and replaced with Uniform Energy Factor (UEF).

**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.

**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.

**NEEA:** Northwest Energy Efficiency Alliance.

**New Home:** A newly constructed single-family residence or a complete remodel of an existing structure into a new living space.

**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.

**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.

**Uniform Energy Factor (UEF):** The newest measure of water heater overall efficiency. The higher the UEF value is, the more efficient the water heater.

**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.