

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](#)¹ 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, 2008.² 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:

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

² 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 2.³ 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

³ 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 20-12-018,⁴ 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 evaluation⁵ 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)

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

⁵ 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

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

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Table 4 – HVAC Incentive Table Modifications

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