

## **PacifiCorp's Planned Changes to Home Energy Savings Program in California Proposed Effective Date of June 15, 2023**

As defined in its Biennial Budget Advice Letter for 2023-2024 (Advice 697-E), PacifiCorp (Pacific Power) is planning to make modifications to the Home Energy Savings program for residential customer energy efficiency, which is offered through Schedule D-118. The proposed changes are intended to align with the change in the primary purpose of the program from resource acquisition to equity and continue to update the program based on current statewide energy efficiency workpapers to improve consistency with other California energy efficiency programs.

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](#) 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 incorporated in the Biennial Budget Advice Letter for 2023-2024 are required to be filed in a Tier 1 Advice letter and, following approval of the Tier 1 Advice letter, notice of the changes posted on the program website<sup>1</sup> 45 days prior to implementation.

### **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, water heating, 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, and again on March 28, 2022, to maintain cost effectiveness and participation and incorporate changing codes and standards.

### **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.

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<sup>1</sup> [California Residential | Wattsmart Savings](#)

<sup>2</sup> Decision No. 08-01-041 dated January 31, 2008.

<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.

Starting in 2023, the Home Energy Savings program will run as an equity program and will offer new 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 initial customer eligibility language is provided below:

“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 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.

Additionally, the program will re-introduce energy savings kits to a subset of customers meeting hard-to-reach and/or Tribal criteria. The program plans to initially engage customers residing on Tribal lands, before offering the kits to a broader set of hard-to-reach customers. An estimated 300 energy savings kits will be available for this initiative in 2023, and an additional 300 kits in 2024. Kit measures will include products that are easy to self-install and include 4 LED bulbs, a showerhead, 2 bath aerators, and a kitchen aerator. The kit will also include inserts to provide customers more information about energy savings opportunities.

### **Cost-Effectiveness**

Cost effectiveness analysis for the program with these changes was provided as part of PacifiCorp’s 2023-2024 Biennial Budget Advice Letter (Advice 697-E) filed October 7, 2022. The 2023-2024 Biennial Budget Advice Letter also includes a comprehensive description of the company-specific model used for the analysis. The portfolio segment for Home Energy Savings is Equity, so the program is not required to meet a Total Resource Cost test performance standard. The resource acquisition portfolio (Wattsmart Business) is projected to be cost effective.

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

As described in Application A.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. The tables in Exhibit 3 include each Home Energy Savings measure, the relevant measure in the eTRM statewide workpapers, and information about alignment of the Home Energy Savings measure and the eTRM measure.

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<sup>4</sup> See page 23 of Application 20-12-018. Decision D.21-12-034 approved this application.  
PacifiCorp’s Planned Changes to Home Energy Savings Program in California for 2023

## **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 2019-2020 program. The evaluation for program years 2021-2022 is underway.

## **Exhibits Provided**

Exhibit 1 - HES Explanation of Changes

Exhibit 2 - HES Incentive Tables – Red-lined

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

Cost-Effectiveness analysis –

Attachment 3.1\_PCorp CA BBAL PY2023 – WSB with Portfolio Costs

Memo\_05Oct2022.docx

Attachment 3.2\_PCorp CA BBAL PY2023 – Portfolio Memo\_05Oct2022.docx

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<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

### Table 1 - Appliance Incentives Table

<b>Program Modifications – Appliance Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
<b>Clothes Washer</b>	Add qualification that measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.	<u>Qualification:</u> ENERGY STAR certified.  <u>Customer/Market Partner Incentive:</u> <b>\$20</b>  <u>Available Delivery Methods:</u> <ul style="list-style-type: none"> <li>• Downstream</li> <li>• Mid/upstream</li> </ul>	<u>Qualification:</u> ENERGY STAR certified. Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.  <u>Customer Incentive:</u> <b>\$20</b>
<b>Clothes Dryer</b>	Add new measure.	N/A	<u>Qualification:</u> ENERGY STAR certified. Measure is available in single family, multifamily, and manufactured home installations as either new construction or normal replacement.  <u>Customer Incentive:</u> <b>\$50</b>
<b>Refrigerator or Freezer</b>	Add new measure.	N/A	<u>Qualification:</u> Must be on ENERGY STAR® qualifying list. Measure is available in single family, multifamily, and manufactured home installations as normal replacement.  <u>Customer Incentive:</u> <b>\$20</b>
<b>Room Air Cleaner</b>	Add new measure.	N/A	<u>Qualification:</u> Must meet clean air delivery rate (CADR) to watt ratio listed on program website. Measure is available in single family, multifamily, and manufactured home installations as either

<b>Program Modifications – Appliance Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
			new construction or normal replacement.  <u>Customer Incentive:</u> \$40
<b>Smart Connected Power Strip</b>	Add new measure.	N/A	<u>Qualification:</u> Must meet Tier 2 connected advanced power strip specifications as listed on program website. Measure is available in single family, multifamily, and manufactured home installations as add-on equipment.  <u>Customer Incentive:</u> \$30
<b>Notes for Appliance Incentive Table</b>	Broadening note language to cover all appliances in this table.	<ul style="list-style-type: none"> <li>• See additional installation requirements and qualifying models on program website.</li> <li>• Incentives for clothes washers apply to mid/upstream and/or downstream. Only one incentive will be provided per qualifying clothes washer.</li> <li>• Incentives for clothes washers may be paid to the customer, retailer, and/or manufacturer and may be split between customer, retailer, and/or manufacturer.</li> <li>• Incentives are not available for coin-operated clothes washers.</li> </ul>	<ul style="list-style-type: none"> <li>• See additional installation requirements and qualifying models on program website.</li> <li>• Incentives for appliances apply to mid/upstream and/or downstream. Only one incentive will be provided per qualifying measure.</li> <li>• Incentives for appliance measures may be paid to the customer, retailer, and/or manufacturer and may be split between customer, retailer, and/or manufacturer.</li> <li>• Incentives are not available for coin-operated clothes washers.</li> </ul>

**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>	Decrease incentive to \$400.	<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 \$600</li> </ul>	<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>\$400</li> </ul>

**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>Smart Thermostat</b>	Open up eligibility to not exclude climate zone 1.	<u>Qualification:</u> <ul style="list-style-type: none"> <li>ENERGY STAR® certified.</li> <li>Incentives are only available for customers residing in climate zone 16.</li> <li>Home must have a ducted heat pump as its primary source for heating.</li> <li>Measure is available in single family, multifamily, and manufactured home installations as normal replacement.</li> </ul> <u>Customer/Market Partner Incentive:</u>	<u>Qualification:</u> <ul style="list-style-type: none"> <li>ENERGY STAR® certified.</li> <li>Home must have a ducted heat pump as its primary source for heating.</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>\$50</li> </ul>

<b>Program Modifications – HVAC Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
		<ul style="list-style-type: none"> <li>• \$50</li> </ul>	
<b>Central Brushless Fan Motor</b>	Add new measure.	N/A	<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>
<b>Ductless Heat Pump – Multifamily</b>	Add new measure.	N/A	<u>Qualification:</u> <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 multifamily home installations as normal replacement.</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$1,000</li> </ul>
<b>Ductless Heat Pump – Multifamily Hard-to-Reach</b>	Add new measure.	N/A	<u>Qualification:</u> <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 multifamily home installations as normal replacement.</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$1,500</li> </ul>
<b>Ductless Heat Pump replacing Forced Air Furnace</b>	Add new measure.	N/A	<u>Qualification:</u> <ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> <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</li> </ul>

<b>Program Modifications – HVAC Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
			installations as normal replacement. <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$1,500</li> </ul>
<b>Ductless Heat Pump replacing Forced Air Furnace Hard-to-Reach</b>	Add new measure.	N/A	<u>Qualification:</u> <ul style="list-style-type: none"> <li>• Minimum 9.0 HSPF.</li> <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> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$2,000</li> </ul>
<b>Ductless Heat Pump replacing Zonal heat</b>	Add new measure.	N/A	<u>Qualification:</u> <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> <li>• Measure is available in single family and manufactured home installations as normal replacement.</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$1,500</li> </ul>
<b>Ductless Heat Pump replacing Zonal heat Hard-to-Reach</b>	Add new measure.	N/A	<u>Qualification:</u> <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> <li>• Measure is available in single family and manufactured home installations as normal replacement.</li> </ul> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>• \$2,000</li> </ul>
<b>Heat Pump Conversion</b>	Add new measure.	N/A	<u>Qualification:</u> <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>



<b>Program Modifications – HVAC Incentives</b>			
<b>Measure Name</b>	<b>Description of Changes</b>	<b>Current Offering</b>	<b>Revised Offerings</b>
			<ul style="list-style-type: none"> <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>\$2,500</li> </ul>
<b>Room Air Conditioner</b>	Add new measure.	N/A	<u>Qualification:</u> <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> <u>Customer Incentive:</u> <ul style="list-style-type: none"> <li>\$10</li> </ul>
<b>Notes for HVAC Incentive Table</b>	Adding language about the Enhanced incentive qualifications.	<ul style="list-style-type: none"> <li>Maximum of one smart thermostat per household.</li> <li>See additional installation requirements on program website.</li> </ul>	<ul style="list-style-type: none"> <li>Maximum of one smart thermostat per household.</li> <li>See additional installation requirements on program website.</li> <li>Enhanced “Hard-to-Reach” incentives are available for customers meeting income qualifications and customers residing on tribal lands. See program website for details.</li> </ul>