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# Energy Efficiency Program Proposal

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## ThermWise Weatherization Rebates Program

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# Program Overview

The ThermWise Weatherization Rebates Program through joint implementation with Questar Gas Company (Questar Gas) and program administrator, Nexant, Inc. (Nexant) targets separately metered residences receiving service on the GS rate schedules. A qualifying residence is a structure that has up to and including four separately metered residential dwelling units.

The program will offer incentives for qualifying weatherization measures. Weatherization measure delivery will leverage the marketing access and existing delivery channels of local businesses, wholesalers and retailers. For some measures, customers will be required to have measures installed by a pre-qualified contractor in order to qualify for incentives.

The ThermWise Weatherization Rebates Program is one of several energy-efficiency programs offered by Questar Gas. The overall objective of the program is to reduce customer energy consumption through the installation of cost-effective shell measures.

# Program Design

## Qualifying Customers

Separately metered existing residences, in Questar Gas' Utah service territory and billed on a GS rate schedule are eligible to participate in the ThermWise Weatherization Rebates Program. A qualifying residence is a structure that has up to and including four separately metered residential dwelling units.

## Measure Eligibility

Table 1 lists the low-cost energy-efficiency measures and eligibility requirements under the weatherization program.

**Table 1. Weatherization Energy-Efficiency Measures**

	Windows <sup>2</sup>	Wall Insulation	Attic Insulation <sup>3</sup>	Floor Insulation	Duct Sealing	Duct Insulation
Baseline requirement	Existing home with gas heat	Existing home with gas heat	Existing home with gas heat	Existing home with gas heat	Existing home; gas heat; ducts in unconditioned <sup>4</sup> space	Existing home; gas heat; uninsulated ducts in unconditioned <sup>4</sup> space
Minimum efficiency requirements	U - .35;	Increment of R-11 or higher	Increment of R-19 or higher	Increment of R-19 or higher	PTCS <sup>1</sup> Levels	R-6 or higher
Measure lifetime (yrs)	25	45	45	45	20	20
Installation by pre-qualified contractor required	No	No	No	No	Yes	Yes

<sup>1</sup> PTCS = Performance Tested Comfort System.

<sup>2</sup> Including sliding glass Patio Doors, but excluding all other doors (storm doors, wood and/or metal doors with windows)

<sup>3</sup> Eligible installations must be between a heated space and an unconditioned space or area outside of the building envelope.

<sup>4</sup> Unconditioned space = An area or room within a building that is not being heated or cooled, that has no fixed opening directly into an adjacent conditioned space, or which is outside of the building envelope.

Weatherization energy-efficiency measures are provided below in Table 2 and include the associated available incentive per unit. These measures will be available to residential customers based on measure eligibility requirements.

**Table 2. Weatherization Energy Efficiency Measures Incentives**

<b>Program Measure</b>	<b>Incentive \$</b>	<b>Incremental Customer Cost</b>	<b>Unit</b>
<b>Windows</b>	\$ .95	\$1.30	sq. ft.
<b>Wall Insulation</b>	\$ .45	\$ .64	sq. ft.
<b>Attic Insulation</b>	\$ .35	\$ .50	sq. ft.
<b>Floor Insulation</b>	\$ .35	\$ .42	sq. ft.
<b>Duct Sealing</b>	\$225	\$310	each
<b>Duct Insulation</b>	\$250	\$347	each

#### Rebate Limitations

The following requirements apply to rebate application payments for the program:

- Rebates are limited to existing homes with gas heat.
- Duct sealing and duct insulation measures must be installed in unconditioned spaces and will be required to have measures installed by a pre-qualified contractor in order to qualify for incentives.
- Qualifying measures receiving rebates under the program may not receive equipment purchase and installation rebates under any other Questar Gas DSM program.
- Dwelling unit must be located in Questar Gas' Utah service territory and be a Questar Gas residential customer (i.e. meter set or account activated).

#### Projected Participants

Table 3 summarizes the ThermWise Weatherization Rebates Program's expected customer participation for each measure during the second year.

**Table 3. Weatherization Energy Efficiency Measure Participation Estimates**

<b>Program Year</b>	<b>Windows</b>	<b>Wall Insulation</b>	<b>Attic Insulation</b>	<b>Floor Insulation</b>	<b>Duct Sealing</b>	<b>Duct Insulation</b>
	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>System</i>	<i>System</i>
<i>Units per participant</i>	105	744	1,205	934	1	1
<i>Estimated Participants</i>	1,000	167	956	88	5	5
<i>Estimated Units</i>	105,000	124,248	1,151,980	82,192	5	5

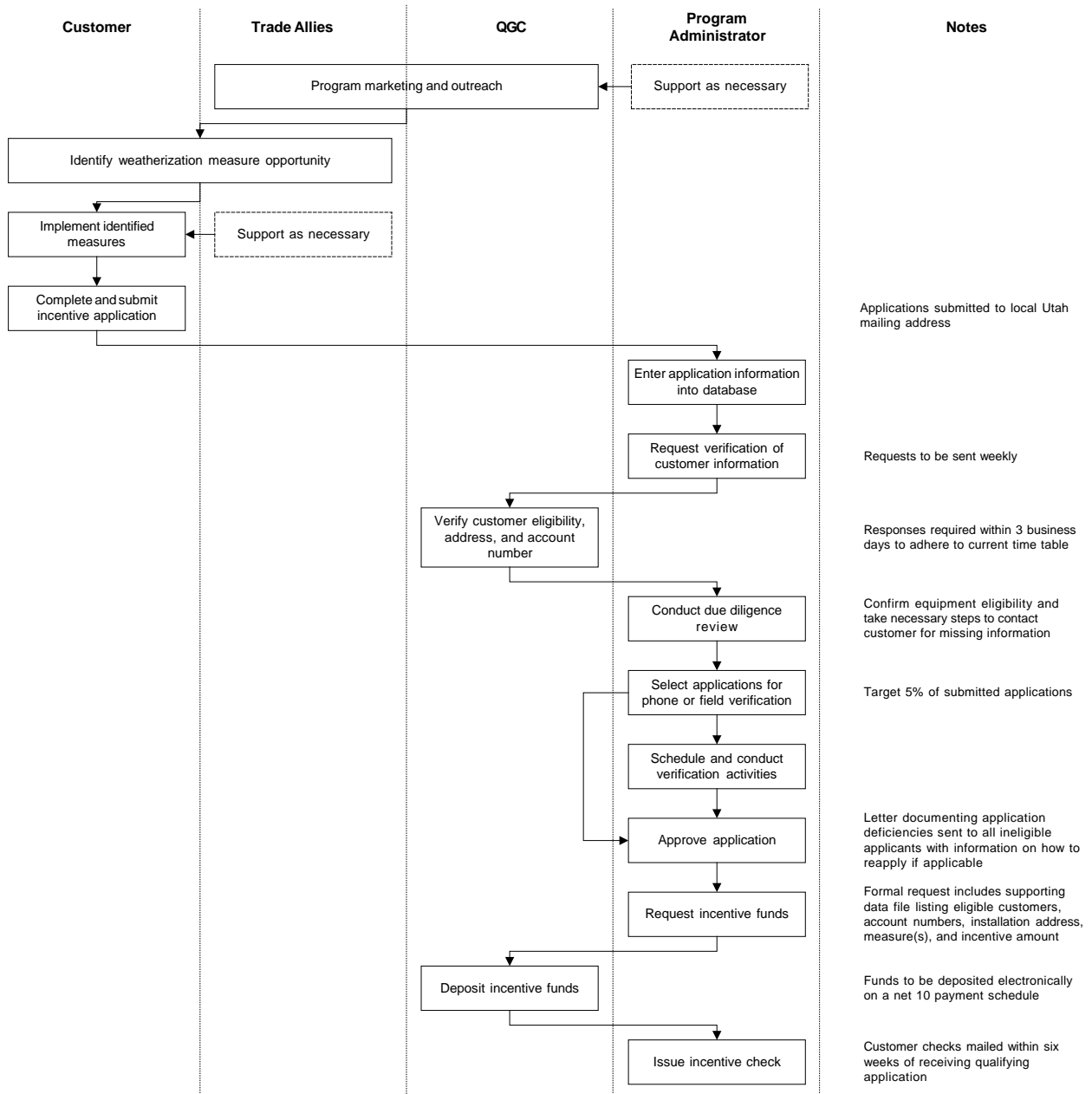
### Process Overview

- **Purchase Equipment** – Customer purchases qualified appliance and receives a rebate form.
  - **Equipment Installation** – Qualifying measure is installed according to program guidelines by a qualified contractor, if required.
  - **Submittal** – Customer submits the completed rebate form along with a copy of proof of purchase and documentation that the equipment meets the program’s minimum efficiency requirements (if applicable).
  - **Receipt and Data Entry** – Program staff date stamp and enter data into the program database.
  - **Internal Checklist Review** – Data is reviewed for accuracy and qualification.
  - **Copy of invoice/Proof of Payment** – A copy of the Customer invoice is required to verify the validity of the sales and purchase information.
- **Qualifying equipment** – The qualifying equipment must meet or exceed the minimum efficiency requirements in Table 1. Questar will require appropriate documentation to confirm eligibility of the measure.
  - **Date sold** – The sale date must be within the valid dates of the program.
  - **Quantity** – Customer must provide valid documentation of the quantity (e.g. square footage) of each eligible measure.
  - **Correction** – If incomplete rebate forms or faulty information is received, Customer will be contacted in order to correct the application and move it through the review and into the approval stage. The rebate will not be processed until appropriate information and/or documentation is provided.
  - **Approval** – Payment for the Customer is approved after all information is received, entered, and the project passes the internal checklist review.
  - **Payment** – Payment is issued and sent to the Customer and the database is updated with payment information.

# Application Process

Figure 1 illustrates the customer participation process for weatherization measure incentives.

## Figure 1. Weatherization Measure Application Process



Questar Gas will provide marketing and promotional support for the ThermWise Weatherization Rebates Program to encourage customer participation and help program cost effectiveness. Marketing strategies may include:

- On-line brochure and associated program information placed on www.ThermWise.com.
- Placement of point-of-purchase brochures and advertising with applicable appliance and equipment dealers and contractors.
- Education and awareness meetings with participating trade allies on program aspects.
- Notification in company newsletters and bill inserts (when applicable) of program information and availability.
- Referrals and customer awareness assistance from the State of Utah Low Income Weatherization Assistance Program.
- Cross-marketing with other Questar Gas energy-efficiency programs and activities, i.e. consumer and trade shows, special promotions, direct sales and rebate check inserts.
- In addition, as with all Questar Gas Demand Side Management (DSM) programs, market transformation education and awareness advertising will incorporate the Residential Weatherization Program into the overall energy-efficiency campaign advertisements and strategies.

#### Trade Ally Identification & Recruitment

Questar Gas and Nexant will implement the following process to identify, screen, and recruit trade ally participants.

**Step 1.** Identify vendors and contractors that serve the area and develop a targeted list of the most influential and active. Examples of sources that will be used to identify and populate the trade ally network include:

- Questar Gas marketing representatives, project managers, and consultants.
- Existing contacts with national and regional equipment distributors.
- Attendance at applicable customer meetings, trade shows, and professional associations.
- Local chamber of commerce offices.
- Telephone directory and web searches.

**Step 2.** Questar Gas and Nexant will develop and hold targeted program overview sessions to describe the program, available opportunities, next steps for potential trade ally members and the participation process.

#### Qualification of Trade Ally Applicants

Interested vendors and contractors identified through the recruitment process will be required to complete and submit a trade ally application and participation agreement. In the review of applications received, Nexant will screen all applicants to maintain the integrity of the trade ally network. Examples of items that will be considered during the trade ally application evaluation process include, but are not limited to:

- Experience and qualifications of key individuals.
- Current licensing and status with respective State of Utah Department of Commerce offices or other governing bodies.
- Number and type of complaints on file with licensing agencies and other sources (e.g. Better Business Bureau).
- References.

All related information and findings from the trade ally application and agreement process will be summarized on an evaluation form and filed with the original application for future reference and reporting needs.

#### Alliance Participant Maintenance

Questar Gas and Nexant will work closely with new trade allies to identify and support efforts to initiate projects and become comfortable with the process. Questar Gas and Nexant will maintain an updated listing of all trade ally participants for distribution to interested customers, account representatives, customer service representatives, as well as the general public.

#### Alliance Support and Project Facilitation

Questar Gas and Nexant will develop and maintain the following functions to support trade ally participants and help meet program savings goals:

- Dedicated program email addresses where Trade Allies can submit inquiries or request additional support/information.
- Dedicated toll free phone numbers to reach the appropriate program coordinator.
- Ensuring the availability of customer-oriented marketing materials and updating existing information and develop new pieces as necessary.
- Maintaining regular email and phone communication.
- Offering and conducting annual training sessions.
- Holding regular face-to-face meetings with targeted trade ally participants.
- Providing assistance with determining customer eligibility, qualifying equipment, and available rebates.
- Supporting trade ally efforts to identify viable energy savings opportunities and estimate the potential energy and cost savings for the customer.
- Helping Trade Allies leverage the availability of other available rebates to further improve customer paybacks.
- Updating program materials such as applications and program manuals.

Table 4 presents the estimated gross customer savings for the weatherization measures.



**Table 4. Weatherization Energy Efficiency Measure Gross Savings Estimates**

<b>Program Year</b>	<b>Windows</b>	<b>Wall Insulation</b>	<b>Attic Insulation</b>	<b>Floor Insulation</b>	<b>Duct Sealing</b>	<b>Duct Insulation</b>	<b>Total</b>
	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>sq.ft.</i>	<i>System</i>	<i>System</i>	
<i>Unit Savings (Dth/unit/yr)</i>	.042	.007	.007	.009	5.70	8.95	
<i>Units per participant</i>	105	744	1,205	934	1	1	
<i>Estimated Year 2 Participants</i>	1,000	167	956	88	5	5	
<i>Estimated Year 2 Units</i>	105,000	124,250	1,152,000	82,192	5	5	
<b>Year 2 Gross Savings Estimates (Dth/yr)</b>	4,410	870	8,064	740	29	45	<b>14,157</b>

The program is currently in the marketplace so all existing tasks will continue without delay assuming program approval. New tasks will be implemented within 45-90 days after program approval, making the necessary changes to reflect new and changed measures.

The program administration represents the on-going delivery of the program. All internal systems, processes and procedures have been created and are in place. Some modifications may be required due to program changes for 2008.

Due-diligence application review activities will include, at a minimum, verification of the following items:

- Customer account number.
- Installation address for submitted account number.
- Valid equipment installation date.
- Equipment eligibility.
- Equipment capacity and efficiency ratings, where applicable.
- The requested incentive amount.

Questar Gas and Nexant will augment the application process quality control measures with random telephone and field inspections to ensure program integrity. These verification activities will serve to verify the following information:

- Installation address.
- Equipment make and manufacturer.
- Equipment model number.
- Equipment size.

The verification process will balance the need for randomness, the need to maintain a robust sample size, and the need to verify the compliance of multiple equipment installers. Nexant will target these additional quality assurance and quality control measures on approximately 5% of all submitted applications. Program Measurement & Evaluation