
Energy Efficiency Program Proposal

ThermWise Multi-family Rebates Program

Program Overview

Questar Gas Company (Questar Gas) is proposing to offer a ThermWise Multi-family Rebates Program. This program will be delivered to customers in the Company's Utah service territory and administered by Portland Energy Conservation Inc. (PECI). The Program will provide rebates for existing multi-family dwellings as well as for new multi-family construction that meets current ENERGY STAR criteria, receiving service on the GS rate schedules. Rebates under the program will be paid directly to property owners, tenants, property managers, and builders for installing energy efficient natural gas measures including high efficiency natural gas space and water heating appliances as well as shell measures (shell measures include insulation and windows).

Before rebates are paid for common area appliances and weatherization measures, existing dwellings will receive an energy project analysis performed by Questar to confirm the existing condition of the appliances and property. The project analysis will provide an opportunity to educate owners on opportunities to reduce the cost of property improvements as a result of making investments in energy efficiency. Finally, the project analysis will also serve to verify energy savings.

Before rebates are paid to builders for ENERGY STAR multi-family projects, proof of ENERGY STAR certification will be required.

The program is designed to leverage marketing and delivery in conjunction with Questar Gas to multi-family property owner associations, local and state organizations and builders / developers. The marketing messages will address barriers and opportunities such as split incentives, occupancy rates and marketability, and opportunities to reduce the cost of property improvements. The Program will also assist owners/managers and builders in understanding how to access tax credits and identify low interest loan opportunities.

The primary objective of the program is to cost effectively deliver a comprehensive offer to multi-family properties that will reduce energy usage for Questar residential customers. Specific strategies and tactics to accomplish these objectives include:

1. Acquire cost-effective savings for Questar Gas GS Customers;
2. Introduce property owners and managers to energy saving opportunities that can improve unit marketability and property value;
3. Insure residential customers, property owners and managers and builders have a positive experience with their participation in the program;
4. Perform project analysis as part of verification, education, and recommendation process.

Program Design

Qualifying Customers

Eligibility will be contingent upon who pays for the energy efficient appliance or measure. Individual and centrally metered units are eligible. Qualified customers must be in Questar Gas service territory and have an active Questar Gas account.

ENERGY STAR multi-family projects can include condominiums and town homes.

List of Qualified DSM Measures

Existing Project Measure	Specification
In-Unit Gas Water Heaters – 40 gallons or less	EF .62 or higher
In-Unit Clothes Washers	1.72 MEF or higher
In-Unit Gas Clothes Dryers	Moisture Sensor
In-Unit Gas Furnaces	90 + AFUE
Common Area Gas Storage Water Heaters	EF .62 or higher
Common Area Coin Operated Clothes Washers	Modified Energy Factor of 1.72 or higher
Common Area Coin Operated Gas Dryers	Moisture Sensor
Common Area Gas Boilers	AFUE of 85% or greater
Wall Insulation	Increment of R-11, existing condition must be R-0
Floor Insulation	Increment of R-19, existing condition must be R-0
Attic Insulation	Increment of R-19, existing condition must be R-19 or less
Replacement Windows	U-factor \leq .35 or less
New Construction Measure	Specification
ENERGY STAR Multi-family	ENERGY STAR Certification

In-Unit Gas Storage Water Heater

Customers can receive rebates for installing a high-efficiency gas storage water heater 40 gallons or more, with an EF of .62 or greater.

In-Unit ENERGY STAR Clothes Washer

Customers can receive rebates for installing an ENERGY STAR qualified clothes washer with a Modified Energy Factor (MEF) of 1.72 or greater.

In-Unit Gas Dryer

Customers can receive rebates for installing a gas dryer with a moisture sensor installed.

High-Efficiency Gas Furnace

Customers can receive rebates for installing a high-efficiency gas furnace with an AFUE rating of 90% or greater.

All the following measures will require a project analysis to pre-qualify for eligibility:

Common Area Gas Water Heaters

Customers can receive rebates for installing a high-efficiency gas storage water heater, 40 gallons or more, with an EF of .62 or greater.

Common Area ENERGY STAR Clothes washer

Customers can receive rebates for installing a coin operated ENERGY STAR qualified clothes washer with a Modified Energy Factor (MEF) of 1.72 or greater.

Common Area Coin Operated Gas Dryer

Customers can receive rebates for installing a coin operated gas dryer with a moisture sensor installed.

Common Area Gas Boilers

Customers can receive rebates for installing a high-efficiency gas boiler with an AFUE of 85% or greater.

Wall Insulation

Customers can receive rebates for installing wall insulation in a minimum increment of R-11. The pre-existing condition must be R-0.

Floor Insulation

Customers can receive rebates for installing floor insulation in a minimum increment of R-19. The pre-existing condition must be R-0.

Attic Insulation

Customers can receive rebates for installing attic insulation in a minimum increment of R-19. The pre-existing condition must be R-19 or less.

Replacement Windows

Customers can receive rebates for installing windows with a U-factor of .35 or less.

ENERGY STAR Multi-family

Builders can receive rebates for building a multi-family residence that meets ENERGY STAR certification. Field verification and proof of ENERGY STAR certification will be required before rebates will be paid. Eligible projects must exceed IECC 2006 requirements for insulation and windows.

To receive a rebate, customers will complete and submit an application for a rebate payment after they purchase and/or install a qualifying program measure. Rebate amounts are provided in the table below. These amounts were determined by examining the best available information on incremental costs of the equipment, recognizing the minimum rebate levels necessary to constitute a viable marketing message and overall program cost effectiveness.

Measure	Rebate	Incremental Customer Cost (\$/unit)
In-Unit Gas Storage Water Heaters	\$50	\$100
In-Unit Clothes Washers	\$50	\$108
In-Unit Gas Clothes Dryers	\$30	\$50
In-Unit Gas Furnaces	\$300	\$675
Common Area Gas Storage Water Heaters	\$50	\$100
Common Area Clothes Washers	\$50	\$108

Common Area Coin Operated Gas Dryers	\$30	\$50
Common Area Gas Boilers	\$400	\$1,300
Wall Insulation	\$.45/sq ft	\$0.64/sq ft
Floor Insulation	\$.35/sq ft	\$0.42/sq ft
Attic Insulation	\$.35/sq ft	\$0.50/sq ft
Replacement Windows	\$.95/sq ft	\$1.30/sq ft
ENERGY STAR Multi-family	\$250	\$881.00

Rebate Limitations

The following requirements apply for all measures:

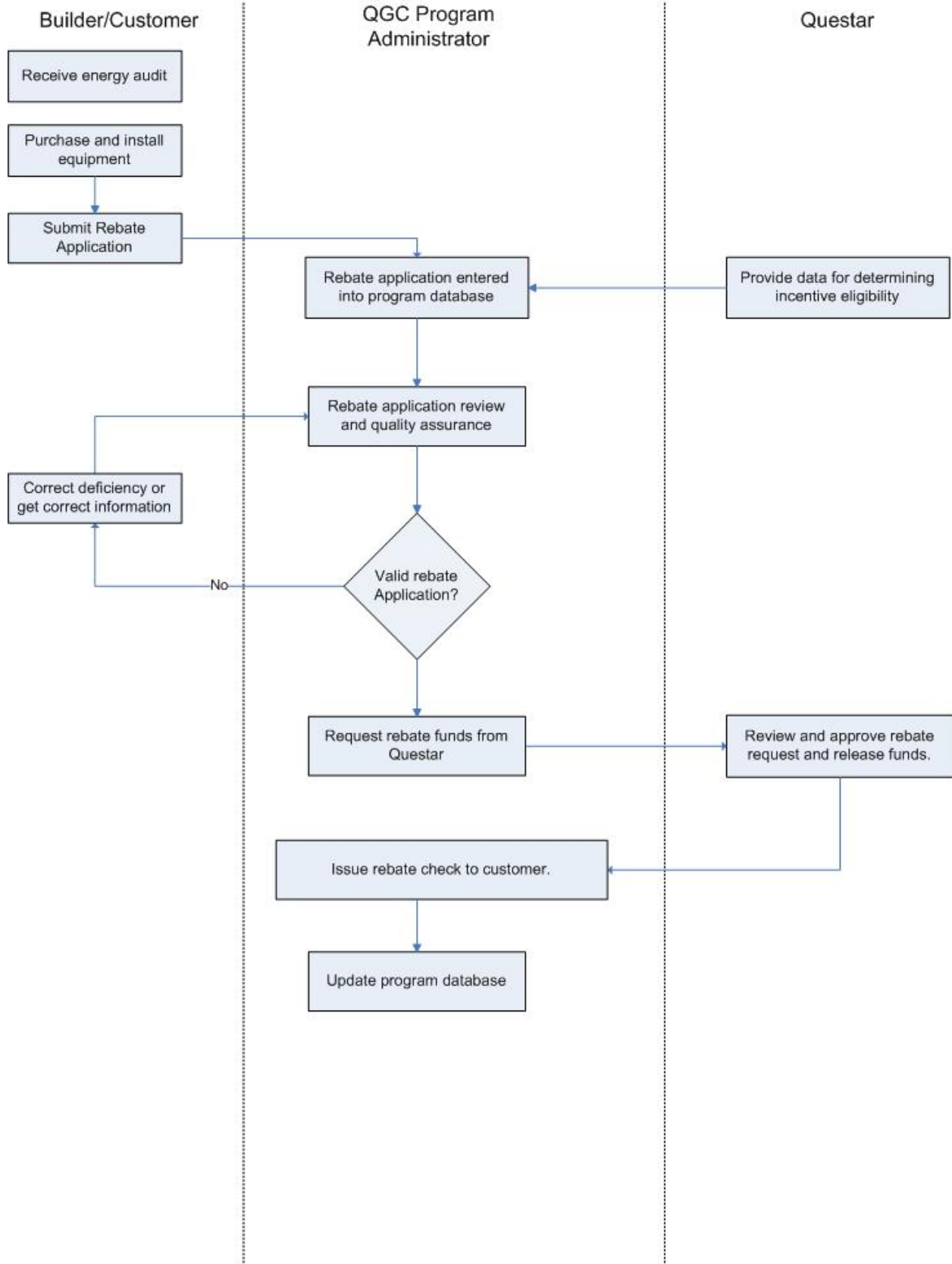
- Measures must be installed at multi-family properties within the Questar Gas Utah service territory with an active Questar Gas account.
- Measures must be purchased new, if applicable and not used or leased.
- Rebates will be paid for up to two of each type of measure purchased and/or installed per unique address. For example, a rebate will be paid for up to two high-efficiency furnaces and up to two high-efficiency water heaters, etc., purchased and installed per dwelling unit.
- Rebates are limited to one ENERGY STAR Multi-family certification per qualifying newly constructed dwelling unit. Each unit will be required to have a unique address and will be tracked by Builder as well as site address.

Measure	Participants
In-Unit Gas Storage Water Heaters	20
In-Unit Clothes Washers	200
In-Unit Gas Clothes Dryers	100
In-Unit Gas Furnaces	150
Common Area Gas Storage Water Heaters	20
Common Area Coin Operated Clothes Washers	200
Common Area Coin Operated Gas Dryers	100
Common Area Gas Boilers	150
Wall Insulation	500
Floor Insulation	200
Attic Insulation	200
Replacement Windows	1,000
ENERGY STAR Multi-family	150
Total	2,990

Process Overview

1. **Receive project analysis**– Some measures will require a project analysis be conducted prior to installation.
2. **Purchase Appliance** – Customer purchases qualified appliance or installs qualified measure and fills out rebate form or builder builds qualifying ENERGY STAR multi-family project and fills out rebate form.
3. **Appliance Installation** – Appliance or measure is installed according to program guidelines, if required.
4. **Submittal** – Customer submits the completed rebate form along with a copy of proof of purchase and/or installation and all other required documentation.
5. **Receipt and Data Entry** – Program staff date stamp and enter data into the program database.
6. **Internal Checklist Review** – Data is reviewed for accuracy and qualification according to the following guidelines:
 - Copy of invoice/Proof of Payment – a copy of the customer invoice is required to verify the validity of the sales and purchase information. A proof of payment must be included that indicates the amount and form of payment associated with the purchase.
 - Qualified appliance – the appliance must be on the most current version of the ENERGY STAR qualified model list or meet program eligibility requirements at time of purchase.
 - Qualified weatherization measures – weatherization measures must meet minimum existing insulation levels and be installed in program specified increments. Replacement windows are eligible for rebates only when they are installed with a weatherization measure.
 - Date sold/Date installed – the sale date(s) must be within the valid dates of the tariff.
 - Serial number – the retailer or customer must provide the appliance serial number to prove uniqueness of each sale.
 - Customer verification – customer must be a residential customer of Questar Gas and sign the rebate form. Utility account numbers will be used to verify this information.
 - ENERGY STAR certification is required for ENERGY STAR projects
6. **Correction** – If incomplete rebate forms or faulty information is received, customers are contacted immediately in order to correct the application and move it through the review and into the approval stage.
7. **Approval** – Payment for the customer is approved after all information is received, entered, and goes verification.
8. **Payment** – Payment is issued and sent to the customer and the database is updated with payment information and every effort is made to stay within a 10 business-day turn-around from receipt to payment.

Customer Application Process



To optimize market participation in the program, a strategic marketing plan will be developed. A marketing campaign will ensure customers, builders, property owners and managers and contractors are aware of the program and the benefits of purchasing and installing energy efficient measures and building to ENERGY STAR standards.

In addition, as with all Questar Gas Demand Side Management programs, market transformation education and awareness advertising will incorporate the program into the overall energy-efficiency campaign advertisements and strategies. All marketing materials will be consistent with other (existing) Questar residential efficiency programs.

Objectives

- Motivate property owners and managers to invest in energy efficiency to upgrade property value and improve unit marketability to tenants.
- Increase Builder commitment to build and offer ENERGY STAR multi-family homes

Key Messages

- **Enhanced comfort** – Tenants enjoy a home with even temperatures throughout – warmer in winter and cooler in summer – and free from drafts.
- **Savings** – Energy efficient multi-family measures can reduce tenant energy bills every month.
- **Good for the environment** – Choosing to live in a complex that uses less energy helps protect our environment.
- **Enhanced reputation as a quality property owner** – Energy efficiency offers market differentiation.
- **Increased renter satisfaction** – Energy efficient new and existing multi-family homes offer high quality living and ownership experience for homebuyers, leading to tenant retention and pride of ownership

Builders

- **Increased customer satisfaction** – High performance ENERGY STAR homes offer a high quality living experience for homebuyers and renters.
- **Increased sales and profits** – Today's homebuyers and renters demand and are willing to make an additional investment to enjoy immediate and long-term energy savings.
- **Marketing support and tools** – ENERGY STAR homebuilders can tap into a variety of tools, including cooperative marketing funds, home branding materials and sales tools.
- **Technical assistance and best practices** – Partnering with professional home energy raters and utility field staff helps Builders stay in the know on best practices based on sound building science.

Target audiences:

- Multi-family association

- Builder organizations
- Low-income organizations
- State-housing development programs

Tools and Resources

All marketing materials developed will follow approved program style guidelines for consistency and brand and will be developed during the Design Phase. Tools to support the program will include:

- Recruitment Tools
- Tool Kits
- Training Materials
- Website
- Marketing Offers

Strategies and Tactics

1. Identify marketing efforts to access hard to reach markets including low income and fixed income complexes.
2. Identify opportunities to promote incentives that align with other program offerings (low income and state housing programs).
3. Promote opportunities for property owners to further reduce investments through the utilization of federal tax credits and/or low interest loan opportunities.
4. Identify opportunities to educate tenants and inform property owners and managers on the challenge of the 'split incentive.' (A result of the incentive disconnect between the parties that pay for the energy saving improvements and those who enjoy the energy bill savings). Include benefits of improved efficiency to increase renter appeal/reduce vacancy rates and improved building quality.
5. Provide homebuilders with tools to market ENERGY STAR homes.

Customer Service Representatives

The program administrator will provide customer service staff to answer customer questions. Staff will be prepared to provide extensive information that includes facts on qualified products, specific benefits of efficient products, and current program rebate parameters. The customer service staff will be available during regular business hours (8:00 am – 5:00 p.m. Mountain Time) to respond to inquiries.

Trade allies will also be directed to work with the customer service staff to ask questions regarding rebates, qualified efficient products, and any other program-related questions.

Website

Information on www.ThermWise.com will increase ease of participation and customer service. Information will include:

- Program forms.
- Rebate information and qualifications for easy reference.
- Trade ally materials including training information.
- Contact information.

Other

This program will assess other customer service needs as they arise. Possible additions to the customer service toolbox could include:

- Bilingual materials.
- Trainings and exchange of informational materials with the Questar Gas call center.

The trade allies and Home Energy Rating System (HERS) raters represent the critical link to delivering an effective and successful program in the market. The program administrator will develop, maintain and support a strong trade ally network.

Recruitment

A strong trade ally network will be supported through an in-field customer service/marketing staff. Trade ally recruitment will be accomplished through a variety of resources including:

- Field representatives promoting the program through site visits to trade allies
- Follow up with potential trade allies through phone contact in addition to face to face meetings in order to speed up enrollment
- Builder Information Kits will be changed to include information specific to the multi-family offering. Delivery of the kits and contact with homebuilders will be made through a variety of resources including:
 - Questar Gas Builder Account Representatives who will promote the offer through their existing sales channels.
 - HERS Raters throughout the region, who will be trained so they can introduce the opportunities to their builders.
 - Introductory letters and Builder Information Kits will be sent to existing Builders in the Questar Gas Utah service territory.

Training

Training will be used to insure quality by builders. Trainings will be provided on many levels from one-on-one scenarios to large group trainings and will be provided through Questar Gas Builder Marketing Representatives, HERS Raters and guest training specialists. Training topics will include:

- Education and assistance for builders regarding program participation.
- Information for builders on energy-efficient building practices.
- Marketing and sales support.

Participation

The program administrator will provide trade allies with resources to support their involvement and help ensure consistent messaging. Field representatives will provide training, marketing materials, rebate forms and general program information.



Measure	Unit Gross Annual Savings (Dth)	Participants	Total Gross Annual Savings (Dth)
In-Unit Gas Storage Water Heaters	1.90	20	38
In-Unit Clothes Washers	1.58	200	316
I- Unit Gas Clothes Dryers	1.02	100	102
In-Unit Gas Furnaces	6.77	150	1,016
Common Area Gas Storage Water Heaters	1.90	20	38
Common Area Coin Operated Clothes Washers	1.58	200	316
Common Area Coin Operated Gas Dryers	1.02	100	102
Common Area Gas Boilers	17.90	150	2,685
Wall Insulation	.007/sq ft	500	5,775
Floor Insulation	.009/sq ft	200	1,800
Attic Insulation	.007/sq ft	200	1,400
Replacement Windows	.0420/sq ft	1,000	8,400
ENERGY STAR Multi-family	10.65	150	1,598
	Totals	2,990	23,586

The program implementation phase begins upon Public Service Commission approval. Approximately 45 – 90 days will be necessary to implement the program including the development of all program materials and the market introduction.

The program administration phase represents the on-going delivery of the program. All internal systems, processes and procedures will be created during the design and implementation phases and will be fine-tuned as the administration phase progresses.

A database will be updated to capture pertinent and required program information. The database will take into account any existing data collection systems to create further synergies. A database is designed to handle the processing and payment of customer rebates.

The database is designed to verify rebate eligibility, provide necessary information for program reporting and collect market information.

Data Tracking

Information collected in the database includes:

- Customer information including name, site address, and account information;
- Equipment details including product name, model number, and serial number;
- Sales data including price, quantity and where purchased;
- Trade Ally information (Builder and contractors performing installations including Builder/company name and contact information);
- Deemed savings of installed measures;
- HERS score for ENERGY STAR homes;

Quality Control

The database is structured to allow for quality control in rebate processing including:

- Prevention of duplicate payments by checking for duplicate entry of site addresses, serial numbers, account numbers, etc;
- Project qualification verified through site location and detailed product information (model numbers, etc.);
- Check for completeness by verifying that all required data has been entered and information is within accepted data parameters.