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# Energy Efficiency Program Proposal

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## ThermWise<sup>SM</sup> Appliance Rebates Program

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# Program Overview

Questar Gas Company (Questar Gas) is proposing to continue offering the ThermWise Appliance Rebates program to Questar Gas residential GS customers in Utah. This program will be available to customers in the Company's Utah service territory and administered by Portland Energy Conservation Inc. (PECI). Rebates will be offered on qualified program measures and mailed to the participating customer upon proof of purchase and/or installation.

Program measures will include high-efficiency space and water-heating appliances, high-efficiency natural gas clothes dryers, ENERGY STAR® qualified clothes washers, residential boilers and solar assisted gas hot water heating systems. Rebates for most measures will be available regardless of who installs the product.

The program will be delivered through local retail and distributor channels. These are many of the same trade allies participating in Rocky Mountain Power's (RMP) Home Energy Savings Program providing the opportunity to leverage implementation resources and coordinate offerings between the programs.

The overall objective of this program is to reduce customer natural gas usage by cost effectively offering rebates to Questar Gas residential customers.

Specific objectives include:

1. Acquire cost-effective gas savings for Questar Gas GS Customers.
2. Ensure trade allies and residential customers have a positive experience with their participation in the program.

The ThermWise Appliance Rebates program is one of several energy-efficiency programs offered by Questar Gas. The program will seek to increase customer awareness and use of energy-efficient practices and technologies in existing residential homes to achieve cost-effective natural gas savings.

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# Program Design

## Qualifying Customers

All individually metered residences receiving service on the GS rate schedule in Questar Gas' Utah service territory are eligible to participate in the program. A qualifying residence is a separately metered dwelling unit in a structure that has up to and including four separately metered residential dwelling units.

## List of Qualified DSM Measures

Measure	Specification
ENERGY STAR® Clothes Washer	Consortium for Energy Efficiency (CEE) Tier 1: Modified Energy Factor (MEF) between 1.72 and 1.99 (January 1, 2009 to June 30, 2009) and MEF of 1.80 to 1.99 (July 1, 2009 to December 31, 2009); CEE Tier 2: MEF of 2.00 or greater; both Tiers require gas water heating
High-Efficiency Gas Clothes Dryer	Moisture sensor installed
High-Efficiency Gas Storage Water Heater	Energy Factor (EF) 0.62 or greater
Tankless Gas Water Heater	Energy Factor (EF) 0.82 or greater
High-Efficiency Gas Furnace	Annual Fuel Utilization Efficiency (AFUE) Rating of 90% or greater
Residential Gas Boilers	AFUE of 85% or greater
Solar Assisted Gas Water Heating	Active system certified OG-100 by Solar Rating and Certification Corporation (S R C C)

### ENERGY STAR Clothes Washer

Customers can receive a rebate for installing an ENERGY STAR qualified clothes washer. To be eligible for Consortium for Energy Efficiency (CEE) Tier 1, the customer must purchase an ENERGY STAR qualified model with a Modified Energy Factor (MEF) between 1.72 and 1.99 effective January 1, 2009 to June 30, 2009 and a MEF between 1.80 and 1.99 effective July 1, 2009 to December 31, 2009. CEE Tier 2 eligibility will be for models with an MEF of 2.00 or greater.

### High-Efficiency Gas Dryer

Customers can receive a rebate for installing a gas dryer with a moisture sensor installed. This sensor turns the dryer off, based upon the remaining moisture content of the clothes, reducing drying time.

### High-Efficiency Gas Storage Water Heater

Customers can receive a rebate for installing a high-efficiency gas storage water heater with an EF of 0.62 or greater. Qualifying water heaters will have a minimum of 40 gallons in capacity.

### Tankless Gas Water Heater

Customers can receive a rebate for installing a tankless gas water heater with an EF of 0.82 or greater.

## High-Efficiency Gas Furnace

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

## High-efficiency Gas Boiler

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

## Solar Assisted Gas Water Heating

Customers can receive a rebate for installing solar assisted gas water heating system, certified OG-100 by the Solar Rating and Certification Corporation (S R C C).

To receive a rebate, customers will complete and submit an application for rebate payment after they purchase and 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)
ENERGY STAR® Clothes Washer - Tier 1 / Tier 2	\$50 / \$75	\$108 / \$131
High-Efficiency Gas Dryer	\$30	\$50
High-Efficiency Gas Storage Water Heater	\$50	\$100
Tankless Gas Water Heater	\$300	\$800
High-Efficiency Gas Furnace	\$300	\$675
Residential Gas Boilers	\$400	\$1300
Solar Assisted Gas Water Heating	\$750	\$6,000

## Rebate Limitations

The following requirements apply for all measures:

- Measures must be installed in residences within the Questar Gas Utah service territory with an active Questar Gas account.
- Measures must be purchased new, not used or leased.
- Rebates will be paid for up to two of each type of measure purchased and installed per separately metered dwelling unit. For example, a rebate will be paid for up to two high-efficiency gas furnaces and up to two high-efficiency gas water heaters, etc., purchased and installed per dwelling unit.

Measure	Participants
ENERGY STAR® Clothes Washer – Tier 1	2,478
ENERGY STAR® Clothes Washer – Tier 2	20,771

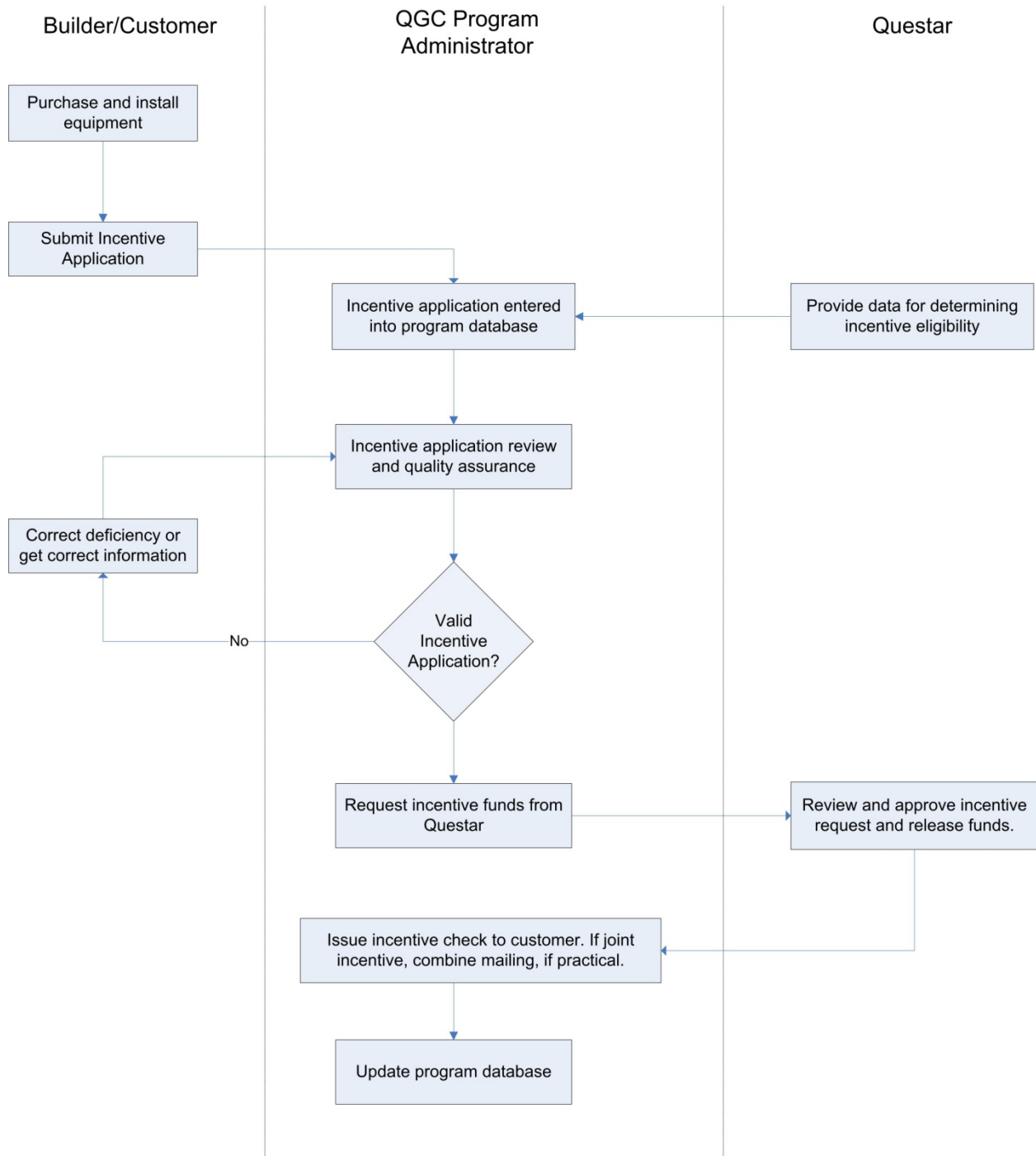
High-Efficiency Gas Dryer	3,851
High-Efficiency Gas Storage Water Heater	370
Tankless Gas Water Heater	626
High-Efficiency Gas Furnace	6,453
Residential Boiler	104
Solar Assisted Water Heating	32

It is the goal of the program to make the rebate application process as simple as possible for customers.

### Process Overview

1. **Purchase Appliance** – Customer purchases qualified appliance and receives a rebate form.
2. **Appliance Installation** – Appliance is installed according to program installation guidelines, by a qualified contractor if required.
3. **Submittal** – Customer submits the completed rebate form along with a copy of proof of purchase.
4. **Receipt and Data Entry** – Program staff date stamp and enter data into the program database.
5. **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.
  - Qualified appliance – the appliance must either be on the most current version of the ENERGY STAR qualified model list at time of purchase or meet the specifications under List of Qualified DSM Measures (pg. 2).
  - Date sold – the sale date must be within the valid dates of the promotion.
  - Serial number – the retailer or customer must provide the appliance serial number to prove uniqueness of each sale.
  - Customer verification – customer must assert that they are a residential customer of Questar Gas and sign the rebate form. Utility account numbers will be used to verify this information.
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 through multiple verification steps.
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 six week turn-around from receipt of valid rebate form to payment.

## Customer Application Process



To optimize market participation in the program, a strategic marketing plan will be targeted to both the consumer and distributors. A marketing campaign will make customers, retailers and contractors aware of the program and the benefits of purchasing, selling and installing high-efficiency appliances.

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.

### Objectives

- Drive demand and sales of ENERGY STAR® qualified appliances and high-efficiency equipment to existing Questar Gas residential customers.
- Raise awareness to consumers about the rebate offers and the benefits of buying high efficiency and ENERGY STAR qualified products.

### Key Messages

To optimize program participation, the marketing campaign will make trade allies and consumers aware of the benefits of purchasing energy-efficient products for their residences. The program will design key messages compatible for both trade allies and consumers depending on the target audience. Key messages include:

#### Consumers

- **Financial Savings** – ENERGY STAR® or high-efficiency appliances are a good investment, reducing utility bills every month and offering potential value to a customer's residence.
- **Good for the environment** – Choosing appliances that use less energy helps to decrease demand for energy and water resources.
- **Enhanced Performance** – Appliances that are designed to be energy efficient often have more features, are of improved quality, and perform to overall higher standards by using innovative technologies and designs.

#### Trade Allies

- **Partnership Benefits** – By becoming a trade ally with this program, retailers or installation contractors can take advantage of marketing support, field staff, training opportunities, and technical assistance.
- **Environmentally Friendly Business** – By offering products and services that promote energy efficiency, trade allies can establish themselves as an environmentally friendly business within their industry.
- **Increased Sales** – Today's consumers are becoming more conscious of energy efficiency and are not only more likely to upgrade an old model with a new energy-efficient appliance to enjoy the immediate and long term savings, but are also placing higher value on energy efficiency as a feature in new appliances.

### Target Audiences

Primary: Residential Consumers

Secondary: Trade Allies including retailers ,distributors and manufacturers

## Tools and Resources

**Point of Purchase Materials** – Product clings will promote the offerings throughout the retail store, and clearly mark products that qualify for rebates to customers.

**Brochure** – A consumer brochure will be created to promote the rebate offerings and educate customers on the benefits of ENERGY STAR and high efficiency products.

**Retail Events** – Partnered retailers will host program sponsored events on location with special offerings on qualified products. Themes could include ENERGY STAR® Days, Efficiency Days, Earth Day, etc.

**Cooperative Advertising** – Partnered retailers and contractors will receive funding for their own projects and promotions that promote the program.

**Outreach Events** – The program administrator will provide brochures, staffing and other materials in support of consumer outreach events including home shows and other opportunities.

**Trade Ally Training Packets** – These will promote program partnership and include reference information to aid trade allies in contacting the program when needed, and will be a “leave behind” after training is completed. Packets will include:

1. Participation letter welcoming trade allies to the program.
2. Rebate forms to provide to customers.
3. Fast facts to aid them in educating their customers on the benefits of the products and the program offerings.

**Website** – Program content will be included in ThermWise.com.

## Strategies and Tactics

1. Provide materials with a unified theme and message to create a cohesive program across product lines and between retailers and contractors.
2. Make program information and rebate forms easy to access, use and redeem.
3. Educate stakeholders including consumers, retailers and contractors, about the benefits of energy efficient products and services.
4. Work with retailers, contractors, RMP and other trade allies whenever possible.

## Call Center

The program administrator will provide a call center to answer customer and trade ally questions through consultation, education and recommendations. Established customer service guidelines and protocols are in place and answers to commonly asked questions will be determined in order to effectively serve all consumer inquiries. Call center staff will be prepared with extensive information that includes facts on qualified products, specific benefits of efficient products, and current program rebate parameters. The call center will be staffed during regular business hours (8:00 am – 5:00 pm Mountain Time) to respond to customer inquiries.

Trade allies will also have access to a separate toll-free hotline. Trade allies will be able to reach an implementation team member to request information on rebates, qualified efficient products, contact information for a field representative, and any other program-related questions.



## Website

Information on [www.ThermWise.com](http://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 represent the critical link to delivering an effective and successful program in the market. Retailers, salespersons, distributors and contractors become the face and the sales force of the program. The program administrator will develop and maintain a strong trade ally network.

## Recruitment

The program administrator will develop and maintain a strong trade ally network that will be supported through field services. Field services are an integral component of the program providing the key relationship between the program and trade allies. 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
- Target participants of the Rocky Mountain Power program and send introductory letters through direct mail

## 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.

## Training

Trade allies will be trained and equipped with appropriate materials and information to properly communicate the participation parameters to the customer. Training support will include:

- One-on-one training sessions, both in person and over the phone.
- Program training materials including program qualifications and procedures, installation requirements, product facts and contact information.
- Continued training on a frequent basis to refresh information and give specific promotion-focused training and corresponding materials.

## Contractor Participation Requirements

For measures that are typically installed by a contractor (high-efficiency furnaces, boilers, ventless heaters, tankless water heaters and solar assisted gas water heating), they must be installed per local building code or other requirements as applicable. Although installation contractors are considered trade allies, a more rigorous qualification process will be established that includes participation and installation guidelines for these contractors.



Measure	Unit Gross Annual Savings (Dth)	Participants	Total Gross Annual Savings (Dth)
ENERGY STAR® Clothes Washer - Tier 1 / Tier 2	1.58 / 2.04	23,249	46,288
High-Efficiency Gas Dryer	1.02	3,851	3,928
High-Efficiency Gas Storage Water Heater	1.90	370	703
Tankless Gas Water Heater	10.20	626	6,385
High-Efficiency Gas Furnace	14.20	6,453	91,633
Residential Gas Boiler	17.90	104	1,862
Solar Assisted Gas Water Heating	15.00	32	480
	<b>Totals</b>	<b>34,685</b>	<b>151,279</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 30-45 days after program approval.

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 2009.

The database will continue to be updated to capture pertinent and required program information. 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.

### 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.