
Energy Efficiency Program Proposal

ThermWise[®] Appliance Rebates Program

Program Overview

Description

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 delivered to customers in the Company's Utah service territory. 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 clothes washers, space and water-heating appliances, and energy-efficient gas fireplaces. Rebates for most measures will be available regardless of who installs the product.

The program will be delivered through local retail, distributor and contractor channels.

Program Design

Program Measures

Qualifying Customers

All residences receiving service on the GS rate schedule in Questar Gas’s Utah service territory are eligible to participate in the program.

List of Qualified Energy Efficiency Measures-

Table 1. Appliance Energy Efficiency Measures

| Measure (Single Family) | Specification |
|---|--|
| Natural Gas Furnace 92% AFUE | Annual Fuel Utilization Efficiency (AFUE) Rating of $\geq 92\% < 95\%$ |
| Natural Gas Furnace 95% AFUE | AFUE Rating of $\geq 95\%$ |
| Natural Gas Furnace with ECM 95% AFUE | AFUE Rating of $\geq 95\%$ with Electronically Commutated Motor (ECM) |
| Natural Gas Furnace with ECM 98% AFUE | AFUE Rating of $\geq 98\%$ with ECM |
| Storage Water Heater .62 EF | Energy Factor (EF) $\geq .62 < .67$ |
| Storage Water Heater .67 EF | EF $\geq .67$ |
| Tankless Water Heater .82 EF | EF $\geq .82 < .90$ |
| Tankless Water Heater .90 EF | EF $\geq .90$ |
| Condensing Storage Water Heater .90 EF | EF of $\geq .90$ or Thermal Efficiency (TE) of $\geq 90\%$ |
| Hybrid Water Heater .90 EF | EF of $\geq .90$ or TE of $\geq 90\%$ |
| Natural Gas Boiler 85% AFUE | AFUE Rating of $\geq 85\% < 95\%$ |
| Natural Gas Boiler 95% AFUE | AFUE Rating of $\geq 95\%$ |
| Solar Assisted Water Heater SRCC OG-300 | Active system certified OG-300 by SRCC |
| Solar Assisted Pool Heater SRCC OG-100 | Certified OG-100 by SRCC |
| Clothes Washer 2.6 MEF | Modified Energy Factor (MEF) ≥ 2.6 |
| Fireplace 70% AFUE | $\geq 70\%$ AFUE |

Gas Furnaces

Customers may receive a rebate for installing a high-efficiency gas furnace. Eligibility requirements for differing tiers are defined as follows:

- Natural Gas Furnace 92% AFUE, the customer must purchase and install a model with an AFUE rating of greater than 92%.
- Natural Gas Furnace 95% AFUE, the customer must purchase and install a model with an AFUE rating of greater than 95%.
- Natural Gas Furnace with ECM 95% AFUE, the customer must purchase and install a model with an AFUE rating of greater than 95% with an ECM.
- Natural Gas Furnace with ECM 98% AFUE, the customer must purchase and install a model with an AFUE rating of greater than 98% with an ECM.

Gas Storage Water Heaters

Customers may receive a rebate for installing a high-efficiency gas storage water heater. Eligibility requirements for differing tiers are defined as follows:

- Storage Water Heater .62 EF, the customer must purchase and install a model with an EF of greater than 0.62 and less than or equal to 0.67.
- Storage Water Heater .67 EF, the customer must purchase and install a model with an EF of greater than 0.67.

Tankless Gas Water Heaters

Customers may receive a rebate for installing a high-efficiency tankless gas water heater. Eligibility requirements are defined as follows:

- Tankless Water Heater .82 EF, the customer must purchase and install a model with an EF greater than 0.82 and less than 0.90.
- Tankless Water Heater .90 EF, the customer must purchase and install a model with an EF greater than 0.90.

Condensing Storage Water Heater

Customers may receive a rebate for installing a high-efficiency gas condensing storage water heater. Eligibility requirements are defined as follows:

- Condensing Storage Water Heater .90 EF or TE, the customer must purchase and install a model with an EF greater than 0.90 or a TE greater than 0.90.

Hybrid Water Heater

Customers may receive a rebate for installing a high-efficiency gas hybrid storage water heater. Eligibility requirements are defined as follows:

- Hybrid Water Heater .90 EF or TE, the customer must purchase and install a qualified model with an EF greater than 0.90 or a TE greater than 0.90.

Gas Boilers

Customers may receive a rebate for installing a high-efficiency gas boiler. Eligibility requirements are defined as follows:

- Natural Gas Boiler 85% AFUE, the customer must purchase and install a qualified model with an AFUE rating greater than 85% and less than or equal to 95%.
- Natural Gas Boiler 95% AFUE, the customer must purchase and install a qualified model with an AFUE rating greater than 95%.

Solar Assisted Gas Water Heating

Customers may receive a rebate for installing a high-efficiency solar assisted gas water heating system. Eligibility requirements are defined as follows:

- Solar Assisted Water Heater certified OG-300 by the Solar Rating and Certification Corporation (SRCC), customers may receive a rebate for installing solar assisted domestic gas water heating systems.
- Solar Assisted Pool Water Heater certified SRCC OG-100, customers may receive a rebate for installing solar assisted domestic pool gas water heating systems.

Clothes Washer

Customers may receive a rebate for installing a top tier qualified clothes washer. Eligibility requirements are defined as follows:

- Clothes Washer 2.6 MEF the customer must purchase a qualifying model with an MEF of 2.6 or greater and have a gas water heater.

Direct Vent Gas Fireplace

Customers may receive a rebate for installing a high-efficiency direct-vent, natural gas fireplace. Eligibility requirements are defined as follows:

- Fireplace 70% AFUE, the customer must install a qualifying fireplace with an AFUE of 70% or greater, intermittent ignition, heat rated, thermostatically controlled with a blower.

Program Rebates, Projected Participation and Savings

To receive a rebate, customers must install a qualifying program measure, complete and then submit a rebate application form within 6 months of the measure installation date. Rebate amounts, projected participation and natural gas savings estimates are provided in Table 2. Rebate amounts are shown per unit and 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.

Table 2. Appliance Energy Efficiency Incentives, Projected Participation and Savings

| Single Family (1-4 units) | | | |
|---|-----------|-------------------------|--------------------------------------|
| Measure | Incentive | Projected Participation | Total Projected Savings (annual Dth) |
| Natural Gas Furnace 92% AFUE | \$200 | 179 | 2,971 |
| Natural Gas Furnace 95% AFUE | \$350 | 3,752 | 76,916 |
| Natural Gas Furnace with ECM 95% AFUE | \$400 | 4,493 | 92,107 |
| Natural Gas Furnace with ECM 98% AFUE | \$450 | 793 | 17,287 |
| Clothes Washer 2.6 MEF | \$50 | 7,285 | 12,676 |
| Storage Water Heater .62 EF | \$50 | 1,524 | 2,606 |
| Storage Water Heater .67 EF | \$100 | 450 | 1,782 |
| Condensing Storage Water Heater .90 EF | \$350 | 60 | 552 |
| Hybrid Water Heater .90 EF | \$350 | 28 | 286 |
| Natural Gas Boiler 85% AFUE | \$400 | 42 | 785 |
| Natural Gas Boiler 95% AFUE | \$600 | 106 | 2,671 |
| Solar Assisted Water Heater SRCC OG-300 | \$750 | 250 | 4,375 |

| Solar Assisted Pool Heater SRCC OG-100 | \$750 | 20 | 1,378 |
|---|------------------|--------------------------------|---|
| Tankless Water Heater .82 EF | \$300 | 96 | 845 |
| Tankless Water Heater .90 EF | \$350 | 522 | 5,011 |
| Fireplace 70% AFUE | \$200 | 247 | 2,668 |
| TOTAL Single Family | N/A | 19,847 | 224,916 |
| Multi-Family (5 or more units) | | | |
| Measure | Incentive | Projected Participation | Total Projected Savings (annual Dth) |
| Natural Gas Furnace 92% AFUE | \$200 | 5 | 28 |
| Natural Gas Furnace 95% AFUE | \$350 | 38 | 429 |
| Natural Gas Furnace with ECM 95% AFUE | \$400 | 53 | 599 |
| Natural Gas Furnace with ECM 98% AFUE | \$450 | 0 | 0 |
| Storage Water Heater .62 EF | \$50 | 15 | 26 |
| Storage Water Heater .67 EF | \$100 | 5 | 20 |
| Tankless Water Heater .82 EF | \$300 | 1 | 9 |
| Tankless Water Heater .90 EF | \$350 | 5 | 48 |
| Condensing Storage Water Heater .90 EF | \$350 | 1 | 9 |
| Hybrid Water Heater .90 EF | \$350 | 1 | 10 |
| Natural Gas Boiler 85% AFUE | \$400 | 1 | 12 |
| Natural Gas Boiler 95% AFUE | \$600 | 1 | 16 |
| Solar Assisted Water Heater SRCC OG-300 | \$750 | 12 | 210 |
| Solar Assisted Pool Heater SRCC OG-100 | \$750 | 1 | 69 |
| Clothes Washer 2.6 MEF | \$50 | 74 | 129 |
| Fireplace 70% AFUE | \$200 | 2 | 8 |
| TOTAL Multi-Family | N/A | 215 | 1,622 |
| TOTAL Appliance Program | N/A | 20,062 | 226,538 |

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.
- Natural gas must be the primary source of heat to qualify for a rebate.
- 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 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.
- Except as otherwise provided in the Low-Income Assistance Program, each rebate will be mailed to the mailing address listed on the Questar Gas customer account.

- A complete rebate application must be submitted within 6 months of the purchase of the qualifying measure to be eligible to receive a rebate.
- Each rebate check will be made payable to the Questar Gas customer account name on record, not the name provided by the customer in the rebate application.
- Property Owner Addendum will be required when applicable.

Implementation

This program is currently in the marketplace. Upon Commission approval, implementation activities will begin for the new program year in order to launch January 1, 2014.

Administration

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 2014.