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# Energy Efficiency Program Proposal

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ThermWise<sup>®</sup> Builder Rebates Program

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# Program Overview

## Description

Dominion Energy Utah (Dominion Energy or the Company) is proposing to continue the ThermWise Builder Rebates program. The program will be delivered to the market and administered by Dominion Energy. The program will be available to residential builders in the Company's Utah service territory and include rebates for installing natural gas energy-efficiency measures in newly constructed single and multifamily residences receiving service on the GS rate schedule. Rebates under the program will be paid directly to the home builder or owner-builder (builder) or as indicated on the application form for energy efficient construction. This could also include payments to ICAST as part of the pilot program. Rebates will be paid for installing specific energy-efficient natural gas measures, including high efficiency natural gas space heating and water heating appliances or solar assisted gas water heating systems. A credit may also be available to builders who install qualifying equipment as defined in Section 2.11 of the Company's Utah Tariff (DEU Energy Efficiency Exhibit 1.9).

The program is designed to leverage marketing and delivery directly to Utah home builders using the Company's staff and any additional program implementation staff as needed. Development, implementation, training, support, and administration will be provided by the Company. All rebates and or credits will be available directly to builders upon completion of program requirements.

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# Program Design

## Program Measures

### Qualifying Customers

Newly constructed single family and multifamily residences in the Company's service territory are eligible to participate in the ThermWise Builder Rebates program.

### Qualified Energy Efficiency Measures

For a complete list of minimum efficiency requirements and rebate amounts, see section 2.11 of the Company's Utah Tariff (DEU Energy Efficiency Exhibit 1.9).

### Pay for Performance

Both single family and multifamily builders must show natural gas savings achieved by comparing usage of the subject home against a software designed User Defined Reference Home (UDRH). Specific software and UDRH requirements are available at ThermWise.com. The UDRH is based on common construction practices for new buildings in Utah and will be developed by the energy engineers specifically for this program. Incentives for this measure are \$3 per saved therm (\$30 per dekatherm (Dth)) and will be based on the software's calculation of gas savings achieved between the reference (UDRH) and the property being built. This proposed Performance measure is similar to the Commission-approved HERS rebate incentives offered by the Company beginning in the 2017. That HERS index measure is being replaced with this more robust alternative. To be eligible, homes must include qualified natural gas service.

### ENERGY STAR® Bonus

Builders may receive a bonus rebate for building a dwelling unit that meets the Pay for Performance requirements and qualifies as ENERGY STAR® under the most current version of RemRate as outlined by the RESNET guidelines or other equivalent versions of approved software tools. Any updates will be posted on www.ThermWise.com. Field verification and ENERGY STAR® compliance certificate must be completed by a HERS rater and will be required before ENERGY STAR® rebate will be paid. To be eligible, homes must include qualified natural gas

### DOE Zero Energy Ready Homes Bonus

Builders may receive a bonus rebate for building a dwelling unit that meets the Pay for Performance requirements and qualifies as a DOE Zero Energy Ready Home. Builders must follow DOE Zero Energy Ready Homes National Program Guidelines and certify the project using an approved rating company. ENERGY STAR® is a required element of the Zero Energy Ready Homes program. Field verification and compliance certificate will be required before rebate will be paid. This measure is intended to be offered in conjunction with the Pay for Performance and ENERGY STAR® Bonus. To be eligible, homes must have natural gas service. This is only available to Dominion Energy residential GS customers.

### ENERGY STAR® Highrise (new Multifamily)

Builders may receive rebates for building a dwelling unit that qualifies under the most recently adopted version of ENERGY STAR® Multifamily Highrise. Submittals, which must be validated by a licensed professional, are used to demonstrate that the program's requirements have been met, that all prerequisites are included, and that each energy conservation measure is installed to specification. To be eligible, homes must include qualified natural gas service. This is only available to Dominion Energy residential GS customers.

## **Gas Furnaces**

Builders may receive a rebate for installing a high-efficiency natural gas furnace. Eligibility requirements are as follows:

- The builder must purchase and install a model with an AFUE Rating of  $\geq 95\% < 97.5\%$ .
- The builder must purchase and install a model with an AFUE Rating of  $\geq 97.5\%$ .

## **Gas Storage Water Heaters**

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

- The builder must purchase and install an ENERGY STAR<sup>®</sup> Certified water heater. Qualifying water heaters will have a minimum of 40 gallons in capacity.

## **Tankless Gas Water Heater**

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

- The builder must purchase and install a tankless ENERGY STAR<sup>®</sup> certified water heater.

## **Condensing Storage Gas Water Heater**

Builders may receive a rebate for installing a high-efficiency condensing natural gas storage water heater. To be eligible for a rebate, the builder must purchase an ENERGY STAR<sup>®</sup> Certified water heater with documentation verifying it is a condensing unit.

## **Hybrid Gas Water Heater**

Builders may receive a rebate for installing a high efficiency hybrid natural gas storage water heater. To be eligible for a rebate, the builder must purchase and install a qualified model with a TE of  $\geq .90$ .

## **Gas Boilers**

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

- The builder must purchase and install a model with an AFUE Rating of  $\geq 85\% < 95\%$ .
- The builder must purchase and install a model with an AFUE Rating of  $\geq 95$ .

## **Solar Assisted Gas Water Heating (domestic)**

Builders may receive a rebate for installing solar assisted domestic natural gas water heating system, certified OG-300 by the Solar Rating and Certification Corporation (SRCC).

## **Solar Assisted Gas Water Heating (pool)**

Builders may receive a rebate for installing solar assisted pool natural gas water heating system, certified OG-100 by the Solar Rating and Certification Corporation (SRCC).

## **2x6 Walls**

Builders may receive rebates for installing an R-23 cavity insulation or equivalent exterior walls with continuous exterior insulation in single family homes. To be eligible, builder must certify the installation of qualifying products.

## **Windows - U-value $\leq$ 0.22**

Builders may receive rebates for installing a window with a U-value  $\leq$  0.22. To be eligible, builder must purchase and install qualified windows.

## **Smart Thermostat**

Customers may receive a rebate for installing a smart thermostat. Eligibility requirements are defined as follows:

- Intuitive User Interface (UI); may include touchscreen or buttons
- Wi-Fi enabled; must be able to communicate wirelessly
- Programmable for schedules, set-backs
- Online dashboard and/or mobile app connected to the user account
- Occupancy sensor (to determine if the user is out of the space)

A list of manufacturers and rebate-qualifying models is available at [www.ThermWise.com](http://www.ThermWise.com).

## **Combined Space and Water Heater Units**

Customers may receive a rebate for installing a combined space and water heating units. Eligibility requirements are defined as follows:

- Must be considered one unit by manufacturer
- AFUE  $\geq$  95%

## **Smart Water Heater Controller**

Customers may receive a rebate for installing a smart water heater control or purchasing a new storage water heater that has factory installed web enabled smart water heater control. Eligibility requirements are defined as follows:

- The rebate is limited to smart water heater controllers installed on gas fired storage tank water heaters
- The controls must have remote water heater on and off and/or setback capabilities using a smartphone app or other online interface
- The ability to implement and/or suggest a water heating schedule to prevent standby firings of the water heater during periods of non-use

## **Program Rebates, Projected Participation and Savings**

A completed rebate application must be submitted within six months of the home occupancy date for subject dwelling units to be eligible to receive a rebate. Builders may elect to receive either a rebate check or a rebate credit for installing furnaces or 2x6 walls which meet the minimum efficiency qualifications listed. A rebate credit will be applied against the Company assessed meter charge and service line contributions. In the case where the rebate credit exceeds the meter and service line contribution charges, a rebate check will be issued to the Builder for the overage. A rebate check will be an option for all other measures and for those builders not participating in the credit option. Rebates will be sent to the Builder contact listed on the builder participation agreement.

**Table 1. Builder Projected Participation and Savings**

<b>Single Family (1-3 units)</b>		
<b>Measure</b>	<b>Projected Participation</b>	<b>Total Projected Savings (annual Dth)</b>
Pay for Performance	2,400	48,000
Energy Star 3.0 Bonus	600	13,668
DOE Zero Energy Ready Homes Bonus	50	1,189
Natural Gas Furnace 95% AFUE	4,000	40,500
Natural Gas Furnace 97.5% AFUE	40	486
Storage Water Heater	1,000	2,860
Tankless Water Heater	750	6,420
Condensing Storage Water Heater	65	564
Hybrid Water Heater .90 TE	1	9
Natural Gas Boiler 85% AFUE	10	91
Natural Gas Boiler 95% AFUE	60	967
Solar Assisted Water Heater SRCC OG-300	1	18
Solar Assisted Pool Heater SRCC OG-100	1	69
2X6 R-23Walls	2,000	10,800
Windows – U-Value <sub>≤</sub> 0.22	30	290
Smart Thermostat	600	2,580
Combined Space and Hot Water	3	55
Smart Water Heater Controller	5	13
<b>TOTAL Single Family</b>	<b>11,616</b>	<b>128,579</b>
<b>Multifamily (4or more units)</b>		
<b>Measure</b>	<b>Projected Participation</b>	<b>Total Projected Savings (annual Dth)</b>
Pay for Performance	1,500	15,000
Energy Star 3.0 Bonus	600	6,678
DOE Zero Energy Ready Homes Bonus	30	368
Natural Gas Furnace 95% AFUE	1,500	11,400
Natural Gas Furnace 97.5% AFUE	25	228
Storage Water Heater	1,700	2,362
Tankless Water Heater	600	3,240
Condensing Storage Water Heater	0	0

Hybrid Water Heater .90 TE	5	26
Natural Gas Boiler 85% AFUE	5	45
Natural Gas Boiler 95% AFUE	12	193
Solar Assisted Water Heater SRCC OG-300	5	88
Solar Assisted Pool Heater SRCC OG-100	5	344
Windows – U-Value $\leq$ 0.22	5	0
Smart Thermostat	800	1,360
Combined Space and Hot Water	15	180
Energy Star Highrise	0	0
Smart Water Heater Controller	0	0
TOTAL Multifamily	6,807	41,515
TOTAL Builder Program	18,423	170,091

### Rebate Limitations

ThermWise Builder Rebate program limitations are defined in Section 2.11 of the Company's Utah Tariff (DEU Energy Efficiency Exhibit 1.9).

### Implementation

This program is currently in the marketplace. Upon Commission approval, implementation activities will begin for the new program year January 1, 2020.

### 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 for 2020.