

➤ **Income Qualified Beneficial Electrification**

A. Description

The Income Qualified Beneficial Electrification pilot is designed to fund the full cost of heat pumps and expand participation within the Income Qualified Single-Family Weatherization, Multifamily Weatherization, and Non-Profit products.

Public Service offers significant funding toward the cost of these upgrades including:

Beneficial Electrification Measures

- Air Source Heat Pumps
- Mini-Split Heat Pumps
- Heat Pump Water Heaters

In addition to these measures, a major focus will be addressing customer bill impacts and identifying best practices for minimizing the energy burden for the target customer segment. Independent load calculations, design review, quality install verification through a 3rd party, pairing efficiency with enrollment options like Percentage of Income Payment Plan (“PIPP”), Renewable Energy, smart meter opportunities and bill credits will be incorporated into the design.

B. Targets, Participants & Budgets

Targets & Participants

Energy savings and participation targets were established in partnership with the third-party implementer Energy Outreach Colorado (“EOC”). Recommendations from the third-party implementer on expected workflow were also considered when developing energy savings targets and participation rates.

Budgets

Budgets were developed based on the cost of labor and equipment installed in low-income homes, multifamily buildings and nonprofit facilities. The Company also allocated funds for necessary wiring and panel upgrade requirements in special situations. Specific to Single-Family Weatherization, the Company also allocated funding for necessary health and safety upgrades for wiring and panel upgrades.

C. Application Process

Single-Family Weatherization

Participating customers must have a household income below 80% of the area median income (“AMI”), which varies by county. Customers will be informed of the Single-Family Weatherization product when they sign up for Colorado LEAP, among other outreach avenues. LEAP qualification is, currently, at 60% of State Median Income (“SME”), while the DOE Weatherization Assistance Program (“WAP”) allows for 200% Federal Poverty Level (“FPL”).

Other reliable data sources may be used to determine eligibility.

Once the customer's income and energy assistance status are verified, they will be qualified by their local weatherization agency, and the third-party implementer, to receive weatherization services. These services will include design review to determine heat pump installation feasibility.

Multifamily Weatherization

To participate in the product, customers must submit an application to EOC. Applications are reviewed by EOC and once approved; a comprehensive audit is performed on the building. Income qualified households must comprise at least 66% of the building's total households for the building to be eligible to apply. EOC will determine which applicant locations have the greatest need for weatherization services. In some cases, if the need is very high, the application may be approved for buildings that are occupied by 50% low-income households. Properties identified as candidates for heat pump installations will be analyzed for potential implementation.

Non-Profit

EOC reaches out to nonprofits primarily serving income qualified customers and communities who may not be aware of funding and educates them on the benefits of an energy-efficient retrofit improvement. Customers who are interested in the product can apply online through the EOC website. The online application must be completed and includes a description of existing equipment in the facility, confirmation of building ownership/facility usage, proof that the building is registered with the Colorado Secretary of State as a 501(c)(3) and documentation showing the financial stability of the organization. Customers approved for grants will receive an onsite assessment and those that are identified as candidates for heat pump installations will be analyzed for potential implementation.

D. Marketing Objectives & Strategies

The primary marketing objective of this product is to leverage Income Qualified Program energy audits, building shell and HVAC measures as well as health and safety funds to encourage proper system sizing, adoption and participation in beneficial electrification. The study will review post-installation bill impacts, identify best practices for minimizing energy burden, and assess various scenarios for heat pump installation. Installation scenarios will include heat pumps with gas back up, full system replacements, heat pumps with electric resistance back up, and heat pumps with boiler back up. A 3rd party Engineering firm will conduct Quality Install Verification and 12 months of post-install bill analysis to examine customer energy burden.

E. Product-Specific Policies

Single-Family Weatherization

Participating customers must receive residential electricity ~~and natural gas~~ from the Company and have a household income below 80% of the area median income ("AMI"), which varies by county. Customers will be informed of the Single-Family Weatherization product when they sign up for Colorado LEAP, among other outreach avenues. LEAP qualification is, currently, at 60% of State Median Income ("SME"), while the DOE Weatherization Assistance Program ("WAP") allows for 200% Federal Poverty Level ("FPL"). Other reliable data sources may be used to determine

eligibility.

Once the customer's income and energy assistance status are verified, they will be qualified by their local weatherization agency, and the third-party implementer, to receive weatherization services.

Multifamily Weatherization

Eligible customers for this product are building owners or property managers of multifamily housing complexes with at least 66% of the rental units occupied by income qualified customers whose income is below 80% of the local area median as defined by the Colorado Housing and Finance Authority. Customers meeting the DOE Weatherization Assistance Program funding guidelines,¹ as determined by the CEO, EOC, local governments, or their agencies, are automatically deemed income eligible

Non-Profit

To receive funding, the following customer and facility eligibility requirements must be met:

- Customers must receive electricity ~~and natural gas~~ from Public Service;
- Customer must operate the non-profit facility on a property they own and for which they pay energy bills, or have a long-term lease that requires only non-profits to occupy the space with plans to be in current location for at least the next ten years; and
- The property must provide services to vulnerable populations including but not limited to: transitional housing, homeless shelters, affordable housing, domestic violence shelters and day shelters, organizations that provide services (substance abuse, health and mental health services, child care, education and/or emergency services) for special needs populations, including income qualified families, the disabled, senior, and youth communities.

F. Stakeholder Involvement

The product is delivered in partnership with federal, state, and nonprofit low-income weatherization organizations. The Company collaborated with Energy Outreach Colorado on the development of beneficial electrification targets, budgets, and the addition of new measures.

G. Rebates & Incentives

The Company will allocate funding toward the equipment and installation costs of predetermined heat pump measures available to income qualified customers and non-profits. Specific to Single-Family Weatherization, the Company will also pay for necessary health and safety upgrades associated with the installation of these heat pump measures which may include wiring and panel upgrades.

¹ <http://energy.gov/eere/wipo/where-apply-weatherization-assistance>