PUGET SOUND ENERGY

Exhibit 3

2024-2025 Program Details

2024 Q3 Update

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I. Introduction

Exhibit 3: Program Details provides discussion about Puget Sound Energy's (PSE or the Company) Customer Energy Management (CEM) department conservation programs, functions, and activities, including those that do not have an associated Conservation Schedule. Exhibit 3 accompanies PSE's Annual and Biennial Conservation Plans (ACP and BCP), and it is updated at throughout the year.

A. Program Revisions

PSE makes adjustments to its conservation offerings, delivery methods, marketing, incentives, and other elements of its programs on a periodic basis. This ensures that PSE anticipates and adapts to customer demand and market trends and is positioned to achieve aggressive conservation savings targets. Consistent with WAC 480-109-110(3), the Conservation Resource Advisory Group (CRAG) was presented with draft copies of Exhibit 3: Program Details on October 2, 2023, prior to the filing of the final draft with the Washington Utilities and Transportation Commission (UTC or Commission) on November 1, 2023.

Following this filing, any subsequent filings will be provided to the CRAG in their "markup" version prior to UTC filings.

B. Document Contents

Following each program's title is the corresponding Conservation Schedule number. A number preceded by an "E" indicates that this is an electric Schedule. Similarly, a number preceded by a "G" indicates that this is a natural gas Schedule. All conservation programs have the same Conservation Schedule number for both natural gas and electric service.

The organization of program detail discussions generally aligns with that of Exhibit 1: Savings and Budgets. This facilitates easy reference from a program's budget to its description, marketing plan, incentive offerings, etc.

All program details in this Exhibit are updated to reflect the most accurate representation of their planned 2024-2025 offerings and services. Most Program Details[1] discuss:

- purpose,
- description,
- eligibility,
- delivery method (e.g., online rebate application, custom grant, instant rebate, etc.),

[1] Residential Energy Management (REM) and Business Energy Management (BEM) sectors only. Portfolio Support and Research and Compliance functions and Other Electric Programs may exclude target market, customer incentives, or marketing and outreach plan sections.

- implementation model (e.g., in-house, via third party management, or other),
- customer experience,
- target market,
- customer incentives, and
- the marketing and outreach plan.

To view specific program Equity Focus information, please view the BCP.

II. General Guidelines for Measures, Incentives, and Eligibility

1. Definitions and terms used throughout this document are governed by the Company's Electric Tariff G and Natural Gas Tariff. Where there is a conflict, the tariff definition shall prevail.

2. Specific terms and conditions are found on the applicable incentive forms, grant documents, rebate application forms, and similar documents available from the Company. Some measures noted in this document apply only to a particular customer type or structure type. Some structure types do not have individual measures/incentives available; rather, an incentive may be applied to the entire qualifying structure. **Please thoroughly read the incentive terms and conditions before investing in an energy efficiency measure.**

3. Some incentive payments noted in this document may be divided in a manner consistent with the Company's program objectives. In some cases, this division may be between the qualifying party or parties receiving the measure. For example, an installing contractor may receive a portion of an indicated incentive amount, with the end-use customer receiving the balance of the indicated amount. Qualifying parties may include, but are not limited to, manufacturers, retailers, distributors, owners of structures, tenants, customers, general contractors, verifiers, approved Washington State Agencies, or similar entities.

4. The term **Maximum Amount**, noted in some programs, represents the total amount of funding available per indicated measure, household, dwelling unit, eligible party or parties, or structure. Incentive amounts may vary, depending on market conditions, funding availability, energy efficiency level of the installed product(s) or measure, eligibility of the party installing the measure, or other similar conditions.

5. At the Company's discretion, and based on changing market conditions, cost-effectiveness, and program objectives, incentive amounts may vary from the indicated Maximum Incentive Amount from time to time. The Company may implement limited-time offers (LTOs), special performance incentives for field forces (SPIFFs), temporary promotions, purchasing of products directly for resale, or other adjustments to incentives. These adjustments will continue to be based on regionally accepted energy savings estimates and efficiency measure costs. These adjustments may be noted on the pse.com website, press releases, advertisements, or other media. It is always a good idea to consult an energy advisor (EA) at 1-800-562-1482 with any questions.

6. The Company's EAs are available to answer specific energy-efficiency questions, Monday through Friday, 8 a.m. to 5 p.m. Many rebate forms and additional program information are also available via the Company's website: pse.com/rebates.

7. Many of the indicated measures require the services of or installation by a professional contractor. Before engaging a contractor, it is important to understand the terms and conditions of the measures for which one may apply and ensure that the contractor meets the Company's qualifying standards.

Generally, contractor qualifications include, but are not limited to being:

a. licensed, bonded, and insured in the State of Washington; and
b. willing to comply with training and inspection by the Company.

8. Some of the indicated measures have very specific requirements that must be satisfied in order to qualify for the indicated incentive. These include, but are not limited to: structural measures (e.g., insulation, windows, etc.), HVAC applications (e.g., heat pumps, air handlers, etc.), plumbing fixtures (e.g., water heaters, boilers, etc.), and so on. Qualifications listed in this document as a part of the measure description are of a general nature only, and they are intended to provide an overview for the customer. Additional information is available on pse.com, via an EA (1-800-562-1482), and is provided in the incentive application form.

   Prior to committing to a potentially large investment, (e.g., a heat pump, water heater, windows, insulation, etc.) it is recommended that customers visit pse.com or call an EA to obtain the complete list of qualifications for the measure being considered.

9. Customers, eligible parties, owners, or tenants with applicable owner permission assume all liabilities associated with contracting, work performance, ensuring applicable permits are obtained, and paying independent contractors. The Company may provide contractor referral services for measures.

10. General terms and requirements for incentive qualification include, but are not limited to:

    a. the original purchase receipt or invoice, indicating the date of purchase;
    b. the address (the physical location) of the location where the measure is being installed;
    c. the name of the person(s), business, or entity name claiming the incentive; and
    d. a structure that is receiving (or will be receiving in the case of new construction) electric service or bundled natural gas service from the Company. Certain service types may be ineligible for conservation rebates, grants, or remuneration. Please consult the specific terms and conditions of particular measures, consult pse.com, call an EA (1-800-562-1482), or review the incentive application form.

11. PSE pursues pilot measures in order to test market acceptance and confirm savings potential. PSE may offer or withdraw these measures at its discretion.

12. There are infrequent circumstances where PSE infrastructure priorities necessitate measure offerings that are different than those listed in the following program discussions. These targeted offerings are intended to defer necessary infrastructure costs in select localities, where detailed avoided costs can be specifically identified. Customers in these

PSE-identified localities may be eligible for increased incentives on standard measures (listed in the following applicable program discussions). Furthermore, measures may be available in these specific localities that — without the application of locally specific avoided costs — would have been otherwise cost-ineffective. PSE created its Targeted Demand-Side Management (Targeted DSM) program to address these needs, and it provides details of the program in the Regional Programs chapter.

III. Residential Energy Management

A. Low Income Weatherization

Schedules E/G 201

1. Purpose

The Low Income Weatherization (LIW) program assists low-income residential customers to improve the energy efficiency of single-family residences, multifamily structures, and manufactured/mobile homes.

During the 2024-2025 biennium, the goal of the LIW program will be to continue to lessen the energy cost burden of low-income customers by improving the energy efficiency of their residences and educating these consumers on routine ways to reduce their energy use and costs.

Program efforts will build on the existing model and extend the partnerships with assistance agencies, as well as leverage other PSE programs for income-eligible customers. In 2024-2025, program staff will work with program partners to identify a plan to distribute additional funds collected from the Microsoft Special Project to expand access to cost-effective energy efficiency services and renewable energy technologies for PSE's low-income electric customers, and it will continue to implement the terms of the 2022 Settlement Stipulation and Agreement, Docket UE-220066/UG-220067.

2. Description

Key interested parties are low-income natural gas and electric customers; county and municipal LIW agencies in the PSE service area; Washington State Department of Commerce (Department of Commerce or Commerce); and participating weatherization contractors and suppliers. Additional program requirements can be found in the current U.S. Department of Energy (DOE) Washington State Department of Commerce Weatherization Manual (Weatherization Manual).

Residential LIW provides the funding of many cost-effective home weatherization measures for low-income customers receiving natural gas and/or electric heat from PSE. Some measures that do not meet standard cost-effectiveness tests may also be approved, and some measures funded may include conservation measures that are cost effective consistent with the Weatherization Manual.

In addition, this program provides funding for health and safety measures and energy-related repairs. A health and safety measure or energy-related repair is a measure that is necessary (1) to install a weatherization measure properly, (2) to protect the health and/or safety of the occupants, (3) to address an existing problem that weatherization could aggravate, or (4) to protect the integrity of the installed measure. Examples include, but are not limited to:

- roof leak repairs;

- electrical inspection and repairs;
- mold/mildew remediation;
- rodent, insect, and pest extermination;
- bath and kitchen ventilation upgrades; and
- furnace or water heater repairs or replacement.

Sources of LIW funding include, but are not limited to, Electric Rider, Gas Tracker, Company funds, Macquarie Transfer Settlement dollars, Special Contract Settlement dollars, or other federal or state government programs.

For those funds that must meet a cost effectiveness standard, up to 30 percent of measure cost may be applied to energy-related repairs or to pay the balance of an energy efficiency measure that is necessary to affect the installation of cost-effective measures.

a. *2019 Macquarie Transfer*

The Settlement Stipulation and Agreement (Macquarie Transfer) is a Multiparty Settlement Stipulation and Agreement, Docket UE-180680, that authorizes the sale of indirect interests in PSE and includes commitments that will benefit low-income customers in PSE's service area.

In the 2024-2025 biennium, PSE will continue implementing the terms of the settlement including:

- a Schedule 201 annual base funding level of no less than $4.43 million for low-income weatherization programs;
- continued annual contributions of $400,000 from shareholder funds for the LIW program;
- continued annual contribution of $500,000 to the LIW program for so long as decoupling adopted in Dockets UC-121697 and UG-121705 continues;
- a one-time contribution of shareholder funds in the amount of $2 million to the LIW program and an additional one-time contribution from shareholder funds in the amount of $1.5 million to the LIW program, or toward renewable energy projects that directly benefit low-income population and, to the extent possible, vulnerable populations (VPs) and highly impacted communities (HICs), all of which will be disbursed by December 31, 2026:
    - PSE has already completed the distribution of shareholder funds in the amount of $2 million to weatherization agencies. In the 2024-2025 biennium, PSE will continue to work with the Energy Project and agency interested parties to disburse the additional $1.5 million; and
- maintenance of a project cost allowance of 30 percent for the Administrative/Indirect Rate associated with the delivery of the LIW program.

b. *Special Contract Funding*

Per stipulations outlined in the special contract between Microsoft and PSE and approved by the Commission, special contract funding is established as a part of the Settlement Agreement in Docket UE-161123.

These fund expenditures can include, but are not limited to, emerging technology, distributed generation, or repairs necessary to install energy-efficiency measures. PSE will continue collaborating with internal and external interested parties during the 2024-2025 biennium to disburse settlement funds in a way that engages interested parties in high-needs communities to provide maximum benefit with minimized financial burden.

c. *2022 GRC Settlement Stipulation and Agreement*

I. PSE agreed to make a good faith effort to increase weatherization measure incentive amounts in 2022. PSE agreed to work with the Conservation Resource Advisory Group (CRAG) to survey actual installed measure costs and adjust rebate amounts per survey findings, if warranted, and fully fund all low-income conservation measures meeting cost-effective standards.

II. PSE agreed to extend its current commitment to maintain an annual base funding level for weatherization through the end of PSE's next GRC as follows:

PSE agrees to continue to fund LIW programs that the low-income agencies inform PSE they can feasibly achieve with an annual base funding level of no less than the amount in PSE's current Biennial Conservation Plan (BCP) LIW programs through the next General Rate Case Settlement.

III. Nothing in this Settlement is intended to modify any of PSE's existing obligations to make shareholder contributions for weatherization funding.

Targeted Electrification Pilot
Up to 50 low-income-qualified customers are eligible to receive whole-home weatherization and heat pump space/water heating upgrades at no cost. PSE will cover the full cost associated with the electrification projects, including the heat pumps and panel upgrades, while the whole-home weatherization will be funded by current Weatherization Assistance agencies. To view a full description of the Targeted Electrification Pilot, please reference GRC Commitment in Section F of the 2024-2025 Biennial Conservation Plan (BCP).

3. Eligibility

Eligible low-income customers — including owners and tenants of single-family, multifamily, and manufactured homes — are defined as those who meet federal poverty guidelines issued by the Department of Commerce and receive natural gas and/or electricity from PSE. Low-Income agencies are contracted with PSE to perform customer income eligibility, manage installation, and track and report project data to PSE.

During the biennium, the program will strive to enhance the customer experience by providing customers options for assistance and addressing barriers to access. To that end, the LIW program will continue to work closely with the PSE Low-Income Home Energy Assistance Program (LIHEAP) on outreach and communication strategies to direct customers at risk of disconnection toward efficiency programs by using aligned collateral and sharing program information while collaborating on PSE action items related to the findings of the Macquarie Transfer Settlement needs assessment and in meeting Clean Energy Transformation Act (CETA) mandates.

4. Clean Energy Transformation Act and Energy Burden

In the 2024-2025 biennium, the PSE LIW program will continue to work to improve access for all PSE customers, embracing principles of diversity, equity, and inclusion (DEI). PSE staff will engage with customer groups such as the Equity Advisory Group (EAG) and leverage energy burden data analysis performed by the PSE Customer Insights team, the results of the Macquarie Transfer Needs Assessment, and subsequent PSE Low Income Needs Assessment (LINA) studies.

As HICs and VPs (as defined by CETA) are identified and updated, these communities will continue to be folded into LIW customer engagement strategies. This will inform program strategies to reduce or remove systematic and participation barriers and to target future outreach and marketing campaigns in communities with high energy burden.

These efforts are intended to demonstrate progress as mandated under Section 12 of CETA. During the 2024-2025 biennium, PSE staff will coordinate with the Department of Commerce and Department of Health (DOH) to meet CETA legislative requirements with particular emphases on Section 12 (utility data collection) and Section 14.

5. Delivery Method

The LIW program provides funding to designated low-income agencies. These agencies manage the direct installation of energy efficiency measures into low-income customer homes using contractors engaged by the agencies.

6. Implementation Model

The LIW program manages all agency conservation measure metrics via in-house PSE program staff.

a. *Opportunities for Program Awareness (Data-Driven Strategies)*

Through the use of segmentation tools, PSE continues to strive to provide more customized outreach to populations in need. In particular, PSE will explore ways to scale the program for all housing sector types to ensure participation by customers with high energy burden and/or in Named Communities as defined by the Clean Energy Implementation Plan (CEIP). PSE will do this through direct marketing campaigns and

coordinated efforts with Community Action Agencies and trusted Community-Based Organizations (CBOs) to identify enhanced methods of program delivery.

7. Customer Incentives

Measures apply to existing single-family, multifamily, and manufactured home structures. Funding for measures and customer eligibility is outlined in PSE's conservation tariffs and is disbursed to local agencies. Payments are based on incentives for measures installed, and local agencies are permitted to receive fixed percentages for administrative costs under the existing tariff.

Under the Matchmaker Agreement with the Department of Commerce, PSE's low-income, tariff-based funding may be combined to support a whole-house approach for structures.

Applicable low-income measure category headings include, but are not limited to:

- building envelope improvements,
- heating system upgrades,
- water heating upgrades,
- lighting upgrades,
- appliance replacement, and
- common area upgrades.

Measure incentive eligibility criteria are based on, but not limited to: established, industry standard cost-effectiveness tests including those employed in the Weatherization Manual; structure type and its location within the PSE service territory; fuel type (natural gas or electric); product type; and product quantity. The majority of measure funding falls into three categories: paid per square or linear foot (e.g., attic insulation), per measure (e.g., an LED bulb), per structure (e.g., one furnace or water heater per home).

Consistent with the aforementioned 2022 GRC settlement, PSE is increasing rebate amounts across all measures to account for inflation. PSE anticipates increasing rebate amounts in 2025 in alignment with Department of Commerce measure cost analysis that is anticipated for completion in 2024. The 2024-2025 Program reflects increased budgets for both the gas and electric programs. Contributing factors include an increase in energy efficiency and health, safety and repair measure costs to keep pace with inflation to treat structures that often are degraded. In the 2024-2025 timeframe, PSE will continue to coordinate with the Washington State Department of Commerce to update and publish Statewide Average Measure Costs in the Weatherization Manual. Finally, on the electric side, the increased budget also reflects a heavy reliance on ductless heat pump installations to meet the Program's electric target.

Multifamily Retrofit

Prescriptive incentives will be applied to measures installed within units of multi-family residences. In addition to this, calculated commercial measures or measures that are cost-effective consistent with the Weatherization Manual are made available for common area and residential unit measures. All calculated incentives will be evaluated using currently accepted PSE commercial engineering calculations or methods consistent with the Weatherization Manual.

a. ***Electric Funding***

Per Structure Basis

Measures	Maximum Payment Amount		
	Single Family	Multifamily	Manufactured Home
Electronic Thermostats (Replacement of bi-metal thermostats with electronic thermostats. Line voltage thermostats only.)	$163.00	$163.00	-
Duct Sealing with other measures (unconditioned spaces)	$895.00	-	$714.00
Water Heater Pipe Insulation (3 feet, or more, with minimum thermal value of R-3)	$27.40	$27.40	$27.40
Heat Pump Water Heater	$1,486.00	$1,486.00	$1,486.00
Ductless Heat Pump (AHRI certified, inverter technology, minimum 1.0 ton)	$5,867.00	$5,360.00	$5,704.00
ENERGY STAR Whole House Fan	$970.00	$970.00	$1,000.00
Heat Pump	$9,229.00	-	$8,336.00

LIW Electric Per Square Foot Basis

Measures	Description	Maximum Payment Amount
Air Sealing Multifamily Structures	Dense Pack Walls and Rim Joists	$3.01 per sq. ft.
	Attic and/or Crawl Space	$1.30 per sq. ft.
	Door Kits	$100.00
	Recessed Can Covers	$40.00
	ENERGY STAR Whole House Fans	$970.00
	Bathroom Fan Timers	$50.00

LIW Electric Per Square Foot Basis Electric Measures Continued

Measures	R-Existing	R-New	Maximum Payment Amount		
			Single Family	Multifamily	Mobile Home
Air Sealing (Per CFM50 Reduction)	-	-	$1.81	-	$1.58
Ceiling Insulation	0	22	-	-	$2.12
	0	30	-	-	$2.41
	0	38	$2.63	$2.63	-
	11	30	-	-	$1.95
	11	38	$2.18	$2.18	-
	19	38	$1.77	$1.77	-
	0	49	$2.93	$2.93	-
	11	49	$2.49	-	-
	19	49	$2.14	$2.14	-

LIW Electric Per Square Foot Basis Electric Measures Continued

Measures	R-Existing	R-New	Maximum Payment Amount		
			Single Family	Multifamily	Mobile Home
Duct Insulation	0	11	$8.85	$8.85	-
Floor Insulation	0	19	$2.55	$2.55	-
	0	22	-	-	$3.25
	0	30	$2.93	$2.93	$3.70
	11	22	-	-	$2.52
	11	30	-	$2.55	-
Wall Insulation	0	11	$3.01	$3.01	$3.08
Windows	Single pane	U-value 0.30	$32.31	$33.10	$26.53
	Double pane	U-value 0.30	$32.31	$33.10	$26.53

LIW Electric Per Measure Basis

Measures	Maximum Payment Amount		
	Single Family	Multifamily	Mobile Home
Smart Thermostat	$484.00	$484.00	$484.00

b. ***Offerings Unique to Structure Type***

Single Family, Multifamily, Mobile Home

Savings to Investment Ratio (SIR) Measure Upgrades, calculated incentive*

*Conservation measures that are cost effective consistent with the Weatherization Manual

c. ***Natural Gas Funding***

Per Structure Basis Savings

Measure	Maximum Payment Amount		
	Single Family	Multifamily	Mobile Home
Duct Sealing (unconditioned spaces)	$895.00	-	$714.00
Water Heater Pipe Insulation (3 feet with minimum thermal value of R-3)	$27.40	$27.40	$27.40
ENERGY STAR qualified Gas Furnace or equivalent	$5,876.00	$5,876.00	-
Integrated Space & Water Heating	$6,747.00	$6,747.00	-
Structure Sealing (Per CFM_{50} Reduction)	$1.81	-	$1.58
ENERGY STAR qualified Water Storage Tank	$1,513.00	$1,513.00	$1,513.00
ENERGY STAR qualified Tankless Water Heater	$2,674.00	$2,674.00	$2,674.00

LIW Natural Gas Per Square Foot Basis

Measures	R-Existing	R-New	Maximum Payment Amount		
			Single Family	Multifamily	Mobile Home
Ceiling Insulation	0	30	-	-	$2.41
	0	38	$2.63	$2.63	-
	11	30	-	-	$1.95
	11	38	$2.18	-	-
	0	49	$2.93	$2.93	-
	11	49	$2.49	-	-
Duct Insulation	0	11	$8.85	$8.85	-
Floor Insulation	0	22	-	-	$3.25
	0	30	$2.93	$2.93	$3.70
Wall Insulation	0	11	$3.01	$3.01	$3.08
Windows	Single Pane	U-Value 0.30	$32.31	-	-

LIW Natural Gas Per Measure Basis

Measure	Maximum Payment Amount		
	Single Family	Multifamily	Mobile Home
Smart Thermostat	$484.00	$484.00	$484.00

d. *Health and Safety Measures and Energy Related Repairs Funding*

Health and Safety Repairs (including, but not limited to):

- electrical safety inspection and repairs
- extermination of pests, insects, or rodents
- mold/mildew abatement
- installation of carbon monoxide monitors in homes with natural gas

Weatherization-Related Repairs (including, but not limited to):

- roof repair
- plumbing repair
- manufactured home skirt repair
- ground cover

Ventilation

- installation of bathroom and kitchen ventilation fans
- crawlspace and attic ventilation

Energy Education

- in-unit and group consultations
- leave-behind information in units and homes

Furnace/Water Heater Repair, Maintenance, or Replacement

8. Target Market

The low-income customers are targeted, including owners and tenants of single-family, multifamily, and manufactured homes, who meet the program's income guidelines and receive natural gas and/or electricity from PSE. Low-income agencies are contracted with PSE to perform customer income eligibility, manage installation, and track and report projects to PSE.

9. Marketing and Outreach Plan

The LIW program is a highly prescribed program that relies on its partner housing agencies to deliver its offerings to eligible low-income homeowner participants. The primary marketing objective is to elevate program awareness to customers and increase end-user participation through key housing agencies' administrators.

Through data-driven targeted marketing and outreach tactics, PSE will increase awareness of PSE's LIW program and the intake of qualified single-family, manufactured home, and multifamily residential electric and natural gas customers within PSE's service territories. Specifically:

- customers who are income-eligible for PSE assistance programs or Low-Income Home Energy Assistance Program (LIHEAP) funding;
- manufactured home customers, in and out of park;
- Named Communities
- Community Action Partner (CAP) agencies;
- community development nonprofits and other social service entities; and
- landlords and property managers.

PSE will continue its commitment to building on recent program enhancements that reach customers by providing and improving in-language outreach and tools to its income-eligible communities. It will also explore other in-language strategies for non-English-dominant customers.

PSE will continue to leverage existing and new data and relationships to co-create enhanced methods of program delivery and customer outreach and education.

a. *Low-Income Program Awareness Tactics*

The main tactic continues to be maintaining meaningful, consistent messages in marketing materials and continuing to center specific, localized outreach efforts that increase customer trust and program access. PSE will supplement community partner outreach with marketing and outreach tools that help maximize awareness of the LIW program in areas that are most likely to include income-eligible customers.

PSE will continue to innovate and implement new communications strategies that aim to break customer communication barriers and build trust.

Some of PSE's key communication channels to elevate customer awareness and participation in PSE low-income assistance programs might include:

- weatherization assistance/HELP joint brochure (multiple languages)

- Marketing and Energy Efficient Communities teams tabling and events (virtual and in-person, as appropriate)
- presentations to neighborhoods and tenant associations (virtual and in-person, as appropriate)
- targeted direct mail pieces
- paid and earned media placements, with a multicultural component
- optimization of PSE web pages
- trade publications
- PSE outreach efforts with local social service agencies and municipal jurisdictions
- media testing in cultural-/language-specific media channels
- participation in national and local Weatherization Days
- social media content and advertisements
- participating in multifamily energy fairs

Any PSE-supplemented community partnerships or marketing promotions will be done in close coordination with the program manager and local agencies.

Low-Income Customer Energy management (CEM) cross-program integration opportunities may include, but will not be limited to:

- leveraging all PSE incentives
- coordinating with partnering utilities
- educational displays:
  - posters or infographics explaining the program services
  - partner marketing with housing agencies

The key strategy is to encourage housing agency administrators to move applications swiftly and smoothly through the approval process and to identify LIW opportunities to eligible candidates.

This strategy requires a communications program that delivers the most current information about the LIW program to agencies.

There will also be an effort to passively deliver collateral through this channel on other single-family residential offerings and energy efficiency tips that could be helpful to candidates on the waiting list. This effort must also allow for peer recognition and

recognition of results accomplishment to motivate administrators to push this program opportunity whenever suitable.

B. Single Family Existing

Schedules E/G 214

1. Purpose

The Single Family Existing (SFE) suite of programs acquires cost-effective energy savings from existing single-family (less than or equal to four units on a parcel) retrofit measures and services. Programs under Schedule 214 include:

- Space Heat
- Water Heat
- Residential Midstream HVAC and Water Heat
- Weatherization
- Home Appliances
- Smart Thermostats
- Home Energy Reports
- Efficiency Boost
- Electric Vehicle (EV) Chargers

2. Description

SFE programs implement cost-effective, targeted, residential energy savings using a menu of prescriptive and calculated efficiency measure incentives, including rebates for SFE structures. Prescriptive rebates are intended to facilitate participation by customers, tenants (who have obtained property owner consent), contractors, manufacturers, retailers, developers, and trade allies, as well as provide administrative efficiencies for PSE in meeting energy efficiency goals.

A group of SFE programs are consumer-oriented — that includes, but is not limited to, Smart Thermostats and Home Appliances. These programs are targeted to a wide variety of retail entities, which includes the PSE Marketplace and other online retail. Program staff also collaborates on consumer electronics and select appliances through PSE's funding relationship with the Northwest Energy Efficiency Alliance (NEEA).

Other SFE programs are delivered to customers mostly through contractors, including Single Family Weatherization, Space Heat, Water Heat, and Residential Midstream HVAC and Water Heat. These programs' target market constituency consists primarily of resellers and contractors who sell, install, and service HVAC systems, water heating systems, windows, and insulation as standalone measures.

3. Eligibility

Eligible parties include: a manufacturer; retailer; distributor; equipment supplier; contractor or agent acting on behalf of the responsible party of service; and a customer or tenant with applicable owner authorization of an existing single-family structure receiving electricity or natural gas through a PSE residential Schedule: Rates 7 (including 17, 27, 37, and 47), 8, 11 and 12.

Single-family residences include structures with four or fewer single-family units that are attached by a contiguous roofline and manufactured or factory built homes (permanently sited). Single-family residences that are within a multi-family campus as defined in electric and natural gas Schedules 217 and 218 of this tariff and structures under construction are ineligible for this program.

Rebates and incentives offered to eligible natural gas and/or electric PSE SFE customers include a variety of end-use classifications but are not limited to:

- Consumer electronics such as sound bars and other efficient products that PSE recommends but does not directly incentivize through PSE's partnership with NEEA and the Regional Product Portfolio;
- appliances, including clothes washers and clothes dryers;
- weatherization, including windows, insulation, air sealing, and duct sealing;
- smart thermostats, including line voltage connected thermostats;
- space heating, including high-efficiency furnaces and conversions from electric resistance to heat pumps;
- water heating, including storage water heaters, tankless water heaters, and heat pump water heaters (HPWH); and
- EV chargers.

4. Programs

These programs are designed to ensure that customers have access to a wide variety of efficient product options. When advantageous to do so, PSE may purchase energy efficiency products directly from manufacturers or distributors to resell to customers or provide to retailers for resale. PSE also provides field services to educate retail and distributor employees on its products, detail-qualifying products, and to ensure compliance with PSE agreements.

a. *Residential Lighting*

After careful evaluation of market and legislative indicators such as the DOE's ruling for energy-efficient lighting, the ENERGY STAR® specification ending, and local market saturation, PSE has made the decision to sunset the Residential Lighting program after December 31, 2023. The Residential Lighting program helped to successfully transform the market and empowered PSE customers to adopt energy-efficient lighting for their homes.

b. *Space Heat*

This program delivers incentives and encourages installations of efficient natural gas and electric space heating systems, including, but not limited to: advanced duct sealing, natural gas furnaces, and electric resistance conversions to ductless and unitary heat pumps. Midstream rebates on space heating equipment are included under the Residential Midstream HVAC and Water Heat program.

i. Delivery Method

The Space Heat Program is a downstream model in which customers either (a) receive an instant discount via a member of PSE's Trade Ally Network (TAN) or (b) apply for the rebate after purchase either through a mail-in or online application. Customers then receive a check in the mail or credit on their bill, and trade allies provide the rebate dollar amount on the invoice for customers.

ii. Implementation Management

Program staff will focus on working with PSE's TAN to assist its customers in installing qualifying measures. A specific implementation focus was made to designated sectors that include home type, equipment type, location, and/or income level.

The downstream and midstream Space Heat programs will support a diverse and equitable workforce in collaboration with regional partners and NEEA, by offering HVAC (and water heating) training to contractors that will provide: continuing education units for professional development and maintenance; lessons on HVAC sizing, system performance, and balancing; professional tips on installation best practices; and an opportunity to participate in roundtable discussions with experts, manufacturers, and utility representatives. Additionally, the regional partners are exploring scholarship opportunities for small contractor firms and contractors serving Named Communities.

The Space Heat program incentivizes advanced duct sealing. Advanced duct sealing will run through the Space Heat program as HVAC contractors are the majority of the installers trained in this technology. In this pilot-like initiative, PSE will monitor the market to see how this new technology changes the duct sealing landscape and will make program changes as needed.

The program has created higher incentive levels to help reach customers with manufactured homes and customers in the low-to-moderate income category. The program is also working with its trade allies to create more useful customer collateral to inform customers about pricing and expectations of HVAC replacements.

Rebate applications are processed by PSE in-house staff.

c. *Water Heat*

This program manages incentives and installations of water heating systems, including , but not limited to, domestic natural gas storage, natural gas tankless, and electric HPWHs.

i. Delivery Method

In the Water Heat program, fulfillment delivery varies depending on the measure or measure type. A selected number of measures are managed within CEM's Rebates Processing organization. Other measures receive instant coupon rebates from retailers.

Examples of measure fulfillment delivery:

- In-house Processed Measures: natural gas tankless water heaters and HPWHs purchased via retail outlets not captured by instant coupon discount.
- HPWHs installed by third parties: rebate requests are submitted to PSE by the customer or contractor.
- Third-Party Retail Instant Coupon Discount Measures: HPWHs.

ii. Implementation Management

In-house Processed Measures: Program implementation management will focus on working with PSE trade allies to assist customers in installing qualifying measures. A specific implementation focus will be made to designated sectors that include home type, equipment type, location, and/or income level. The program has created a higher incentive level to help reach customers with manufactured homes and customers with low-to-moderate income.

Retail Heat Pump Water Heater Implementation: In September 2020, PSE launched its instant retail HPWH rebate at regional Lowe's and The Home Depot stores. In September 2022, the program model was augmented to utilize an instant coupon to address retailer risk. The program works with a third party to implement a retail instant coupon program. The effort is coordinated with Snohomish Public Utility District and NEEA, and it utilizes the Regional Sales Allocation Tool created on behalf of the Bonneville Power Administration to ensure that 100 percent of each store's incentive allocations are covered by a partner. The utility partners and NEEA worked together closely to identify customer and contractor education tactics for 2024-2025.

The implementation strategy is focused on overcoming market hurdles experienced since the launch of the Retail program; increasing customer awareness and demand for the program; providing more help for customers undertaking do-it-yourself installations;

and educating installers on the business opportunities for them and the value proposition for their customers. Prices for steel have increased the cost of retail and wholesale high-efficiency water heaters. PSE will continue to monitor the price fluctuations and work with regional partners and manufacturers to mitigate program impacts through limited-time offers (LTOs), marketing campaigns, and customer education. Another focus area of the Water Heat program will be monitoring any potential introduction of split HPWH systems in the retail space. PSE continues to investigate ways to enhance the retail delivery experience for customers at the point of sale.

The 2021 Washington State Energy Code (WSEC) is expected to go into effect March 15, 2024. Any equipment purchased for homes permitted after this will be expected to adhere to 2021 WSEC. Program staff are monitoring the adoption of new codes in 2024-2025 and will adjust programs as necessary.

Code impacts include, but are not limited to: adjusting baselines for measures, creating new tiers to assure measures remain above code, and assessing cost-effectiveness.

d. *Residential Midstream HVAC and Water Heat*

The goal of the Residential Midstream HVAC and Water Heat program (Residential Midstream) is to engage HVAC and water heater distributors to increase sales of high-efficiency equipment by reducing first costs, encouraging the upselling of high-efficiency products, and increasing the stocking of high-efficiency equipment so that it is readily available for new construction and customers in emergency replacement situations. By intervening up the supply chain, the program influences a much larger portion of the addressable market and helps increase energy savings compared to end user-focused downstream programs.

Residential customers benefit from the lifetime energy savings of high-efficiency HVAC and water heating equipment without the inconvenience of becoming an equipment expert. Instead, builders and customers are motivated to purchase high-efficiency equipment by the market through available stock and instant rebates.

i. **Delivery Method**

PSE utilizes a third-party implementation contractor that works with distributors and direct sales manufacturers to increase stocking and sales of high-efficiency residential HVAC and water heating equipment. Incentives are paid to distributors when they collect and submit an active PSE installation address. Distributors retain a small fee for data collection and are required to pass through the incentive to the contractor, who is encouraged to pass through the discount to the customer.

This midstream model with pass-through incentive requirements helps involve contractors. By providing the incentive directly to the contractor, they have the tools to upsell high-efficiency units. Contractors also know their customer base and can identify

which customers are good candidates for each type of rebated product. Rebates play a key role in subsidizing the additional time and effort required to upsell a high-efficiency unit and reducing the total equipment cost.

ii. Implementation Management

The DOE released a federal minimum efficiency and testing requirement change for air source heat pumps that will go into effect on January 1, 2023, and it applies to all equipment manufactured on or after this date. The federal changes include the transition to measuring efficiency in HSPF2 (heating season performance factor 2) and SEER2 (seasonal energy efficiency rating 2) as opposed to the prior HSPF and SEER measurements.

As there will be existing stock for equipment manufactured under the previous federal minimum standards, the program will monitor the market and modify qualifying equipment metrics as needed. The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) Directory will continue to be used to determine efficiency and capacity ratings of equipment. Qualifying HVAC products include air-cooled heat pumps as rated under AHRI Test Procedures 210/240.

In response to low program participation for HPWHs, they are being removed from the Residential Midstream program in favor of program designs that better engage contractors and customers to educate and encourage the purchase and installation of these water heaters. Residential Midstream continues to be an effective tool in broadening contractor knowledge on PSE's SFE rebates. When contractors are trained on how the Residential Midstream program works, information can also be included on how to qualify for two PSE HVAC rebates: one from the downstream program for the conversion of old inefficient electric resistance heating systems up to a code-compliant model and another from the Residential Midstream program for installing equipment above code.

e. *Single Family Weatherization*

The Single Family Weatherization program helps single-family residential customers, including manufactured home customers, improve the shell of their home through installation of windows, insulation, air sealing, duct sealing, ventilation, and similar measures.

i. Delivery Method

For most measures, there are two pathways by which customers can participate in the Single Family Weatherization program.

The first pathway utilizes PSE's TAN and accounts for more than 95 percent of projects. Contractors provide bids to customers using a PSE-created bid form. Once the bid is accepted, contractors provide an instant rebate to the customer on the invoice. The contractor then applies for a rebate from PSE through the Trade Ally Portal. This pathway is encouraged by PSE since its trade allies are familiar with the weatherization specifications and rebate requirements.

The second pathway is discouraged due to safety and quality considerations and accounts for fewer than 5 percent of projects. It allows customers to either do the work on their own or select an out-of-network contractor. The project must be approved by the program manager and pass inspection by PSE's Verification Team before the customer is mailed a rebate check.

The pathway for windows is different than other weatherization measures. Customers are encouraged, but not required, to use Trade Allies. Customers may directly apply for window rebates after purchase either through a mail-in or online application. Customers then receive a check in the mail or credit on their bill for the rebated amount.

ii. **Implementation Management**

The Single Family Weatherization program is managed via in-house, PSE program staff. Contractor support is offered through the PSE Verification Team and the Trade Ally Support Team. Rebates are processed in-house.

f. *Home Appliances*

The Home Appliances program incentivizes customers to purchase clothes washers and clothes dryers that are ENERGY STAR-rated or above.

Rebate program offerings include front-loading ENERGY STAR clothes washers and dryers, including ENERGY STAR heat pump dryers.

i. **Delivery Method**

The Home Appliances Program is a downstream model in which customers apply for the rebate after purchase either through a mail-in or online application. Customers then receive a check in the mail or credit on their bill.

ii. **Implementation Management**

Program design, metric analysis, incentive-setting, and program policies are managed in-house by PSE program staff. Incentive processing is also managed in-house. In-store signage and store associate education is leveraged to promote the program to

customers. Retailer signage and relationships are managed by a third-party implementer.

g. *Smart Thermostats*

The Smart Thermostat program incentivizes customers to upgrade their regular or programmable thermostat to an ENERGY STAR-rated smart thermostat or select electric line voltage connected thermostat models approved by PSE.

i. Delivery Method

The Smart Thermostat program is primarily a downstream model, in which customers apply for the rebate after purchase either through a mail-in or online application. They then receive a check in the mail or credit on their bill. Store signage, social media, and the PSE website are leveraged to promote the program to customers. Instant rebates are also available on the PSE Marketplace and through PSE TAN contractors.

ii. Implementation Management

The program and rebate processing are implemented by PSE staff. In 2021, PSE added an instant rebate to PSE Marketplace in an effort to ease the application process and increase program participation. Customers receive the rebate at the point of sale after validating their eligibility. The PSE Marketplace is managed by a contracted third party. In 2022, PSE added the ability for HVAC contractors to offer instant discounts on smart thermostats.

Program awareness is marketed via in-store signage, in-store events, email, social media, web, paid advertising, and community outreach.

h. *Home Energy Reports*

PSE's Home Energy Reports (HER) program was implemented in 2008 and delivers customized, periodic reports on energy consumption to participating households and compares the households' energy consumption to that of similar neighboring homes. In addition, the reports provide personalized tips on how to save energy based on the energy usage and housing profile of participants. The HER program is designed to motivate households to reduce energy consumption through behavior changes and participation in other PSE energy efficiency programs.

The HER program provides approximately 530,000 customers with home energy reports. Customers include 100,000 natural gas-only customers receiving digital-only reports added to the program in September 2021. In 2023, PSE added roughly 40,000 low-to-moderate income report recipients to address annual attrition and to increase energy savings and education for those customers.

PSE will continue to enhance and adapt the energy-saving messaging provided to customers based on their input and feedback. PSE will also measure the energy savings of this program on an annual basis, as it has since the program's inception.

i. **Delivery Method**

PSE structures the program as a randomized controlled trial (RCT). The RCT experimental design randomly assigns a population of interest to control and treatment groups. Due to this random assignment, the only differentiating factor between the two groups is the receipt of Home Energy Reports (treatment). This approach produces an unbiased estimate of the change in consumption with a high level of statistical precision. Program energy savings are established by an independent evaluation, based on differences in energy use between control and treatment groups.

Participant groups receive periodic reports via email and mail. As part of program design, customer groups get different combinations of delivery mechanism (digital or paper) and cadence (monthly, bimonthly, and quarterly).

ii. **Implementation Management**

The HER program is currently managed via a contracted third-party implementer, and savings evaluations are performed by an independent evaluator on an annual basis.

i. *Efficiency Boost*

The intent of the Efficiency Boost Program is to reach moderate-income customers who do not quite meet the qualifications of low-income programs, yet, quite often, do not have the same resources as other customer segments.

i. **Delivery Method**

Efficiency Boost rebates are increased rebate amounts for various measures within the Space Heat, Water Heat, Windows, Smart Thermostats, and Home Appliances Programs. Previously, there were higher Efficiency Boost rebates for insulation and sealing too, but in 2024 those rebates were increased and are now consistent for all customers.

The delivery method for Efficiency Boost depends on the program the measure resides in. Generally speaking, if the customer uses a PSE Trade Ally for the measure, they receive the full rebate instantly. If a contractor outside of the TAN is used, the customer can submit a rebate form for processing, and they will receive a check or bill credit if the rebate requirements are met. Income-qualified customers can also access instant rebates on smart or line voltage connected thermostats through the PSE Marketplace.

ii. **Implementation Management**

Efficiency Boost rebates require that the customer have an "income conversation" with an EA in order to determine income eligibility and direct the customer to the most appropriate pathway. Two exceptions to the income conversation rule are thermostats and appliances. The customer still must attest that their income is eligible for the Efficiency Boost rebates for these products, but an income conversation is not required since it is unlikely that a customer would pursue LIW for these upgrades. EAs will direct customers as follows based on their income level:

- If the customer has an income below 80 percent Area Median Income (AMI), the EA directs the customer toward LIW and bill assistance. Customers may elect to participate in Efficiency Boost even if they are eligible for LIW or bill assistance.
- If the customer has an income between 80-90 percent AMI, an EA will direct the customer toward Efficiency Boost rebates.
- If the customer has an income above 90 percent AMI, the EA directs the customer toward standard rebates.

Category	Measure	Maximum Incentive Amount Each	Incentive for Non-Income-Qualified Customers
Weatherization	Attic Insulation R-11 or less to R-49	$1.75 per sq. ft.	$1.75 per sq. ft.
	Floor Insulation R-11 or less to R-30	$2.50 per sq. ft.	$2.50 per sq. ft.
	Wall Insulation R-0 to R-13	$2.50 per sq. ft.	$2.50 per sq. ft.
	Prescriptive Duct Sealing and Insulation	Up to $1,000	Up to $1,000
	Duct Sealing Only	Up to $550	Up to $550
	Prescriptive Air Sealing (Attic and/or Crawl Space)	$0.20 per sq. ft.	$0.20 per sq. ft.

Efficiency Boost Measures Continued

Category	Measure	Maximum Incentive Amount Each	Incentive for Non-Income-Qualified Customers
Windows	Windows, Single Pane to U30	$200 per window, up to $2,000	$50 per window, up to $750
	Windows, Single Pane to U22	$200 per window, up to $2,000	$50 per window, up to $750
	Windows, Double Pane to U22	$200 per window, up to $2,000	$100 per window, up to $1,500
Water Heat	Hybrid Heat Pump Water Heater Tier 3	$700	$500
	Hybrid Heat Pump Water Heater Tier 4	$750	$500
	Natural Gas Tankless Water Heater: ENERGY STAR® qualified	$600	$250
	Midstream Natural Gas Storage Water Heater: ENERGY STAR® qualified	$135	$135
Space Heat*	Midstream Natural Gas Boiler: 95 percent AFUE	$450	$450
	Natural Gas Furnace: 95 percent AFUE	$750	$250
	Zonal Electric Resistance to Ductless Heat Pump Conversion	$2,400	$1,500
	Electric Forced-Air Furnace to Heat Pump Conversion	$2,400	$1,500
Thermostats	Line Voltage Connected Thermostat	$130	$75
	Smart Thermostat	$175	$75
Appliances	ENERGY STAR® Frontload Clothes Washer	$125	$50
	ENERGY STAR® Dryer	$100	$75
	ENERGY STAR® Heat Pump Dryer	$200	$75

j. *Electric Vehicle (EV) Chargers*

Starting in 2024, PSE will offer rebates on ENERGY STAR Level 2 EV chargers both in brick-and-mortar stores and online retail. This is a good example of co-deployment across PSE programs. The rebates are funded by PSE's Transportation Electrification Rider, *not*

the Electric Conservation Rider. However, the Conservation Rider is funding enabling systems such as the PSE Marketplace and rebate processing platform, so the Conservation Rider will claim the energy savings for these products. At the same time, rebates on these products will support Demand Response (DR) programs by encouraging customers to adopt connected devices.

i. Delivery Method

ENERGY STAR Level 2 EV charger rebates will be available downstream: customers will apply for the rebate after purchase either through a mail-in or online application. They will then receive a check in the mail or credit on their bill. Instant rebates will also be available on the PSE Marketplace. The Empower Mobility increased rebate will be available to income-eligible customers both downstream and on the PSE Marketplace.

ii. Implementation Management

The program and rebate processing will be implemented by PSE staff. The instant rebate available on the PSE Marketplace will ease the application process and increase program participation. Customers will receive the rebate at the point of sale after validating their eligibility. The PSE Marketplace will be managed by a contracted third party.

Targeted emails, direct mail, social media, community outreach events, and the PSE website will be leveraged to promote the new program to customers.

5. Customer Incentives

A list of all requirements for incentive eligibility and participation can be found on individual incentive or program application forms.

PSE maintains a comprehensive list of approved conservation measures in its List of Measures, Incentives, and Eligibility. Program staff regularly review incentive amounts and savings values, which are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Incentives may be subject to change in response to revisions in savings estimates, average incremental cost, market conditions, or changes in federal efficiency standards or state codes. PSE reserves the right to adjust incentives.

a. *Single Family Existing Electric Service*

PSE offers some measures on a pilot basis. In these cases, the measure is color-coded separately from standard offerings in the applicable program's measure tables. PSE pursues pilot measures in order to test market acceptance and confirm savings potential.

PSE may, from time to time, also offer bonuses, sales incentives (also known as SPIFFs), or LTOs to the below-noted incentives. For example, PSE will offer a bundle incentive to

customers who receive three or more weatherization measures as part of the same project. PSE may offer or withdraw these measures at its discretion.

Category		Measure	Maximum Incentive Amount Each
Appliances		ENERGY STAR® Clothes Washer	$125.00
		ENERGY STAR® Clothes Dryer	$100
Controls		Smart Thermostat	$175.00
HVAC	**Heat Pumps***	Electric Resistance to Ductless Heat Pump HSPF 8.0 (Site Built Homes)	$1,500.00
		Electric Resistance to Ductless Heat Pump HSPF 8.0 (Manufactured Homes)	$2,400.00
		Electric Forced Air Furnace to Heat Pump HSPF 7.2 (DHP HSPF 8.1) (Site Built Homes)	$1,500.00
		Electric Forced Air Furnace to Heat Pump HSPF 7.2 (DHP HSPF 8.1) (Manufactured Homes)	$2,400.00
		Midstream Retrofit and New Construction Air Source Heat Pumps (Tiered ranging from HSPF 9.5 to 11.0)	Tiered ranging $300 - $600
		Advanced Duct Sealing	$1,250
Reporting		Home Energy Reports	Direct mail to program participants. No cost to customers.
Water Heating		Downstream HPWH (NEEA Tier 3 or 4)	$750.00
		Downstream HPWH (NEEA Tier 3 or 4) – Manufactured Home	$750.00
Weatherization		Attic Insulation (R-0 to R-49)	$1.75 per sq. ft.
		Attic Insulation (R-11 to R-49)	$1.75 per sq. ft.
		Floor Insulation (R-0 to R-30)	$2.50 per sq. ft.
		Wall Insulation (R-0 to R-13)	$2.50 per sq. ft.
		Prescriptive Air Sealing – Attic and Crawl Space	$0.20 per sq. ft.
		Prescriptive Duct Sealing and Insulation	Up to $1,000.00 per dwelling unit
		Prescriptive Duct Sealing Only	Up to $550.00 per dwelling unit
		ENERGY STAR Whole House Ventilation	Up to $50.00 per unit
		Floor Insulation R-0 to R-22 - Manufactured Home	$1.75 per sq. ft.
		Prescriptive Duct Sealing - Manufactured Home	Up to $550.00/dwelling unit
		Attic Insulation (R-0 to R-30) - Manufactured Homes	$1.75 per sq. ft.

Single Family Existing Electric Measures Continued

Category	Measure	Maximum Incentive Amount Each
Weatherization	Bundle 3+ Weatherization Measures in One Project	Up to $350 per project
	Bundle 4+ Weatherization Measures in One Project	Up to $500 per project
Windows	Upgrade Single-Pane Windows to a 0.23-0.30 U-Factor– Site Built	$50.00 per window, up to $750.00 per structure
	Upgrade Single-Pane Windows to a 0.22 U-Factor or Better – Site Built	$100.00 per window up to $1,500.00 per structure
	Upgrade Double Pane with Metal Frame Windows to a 0.22 U-Factor or Better – Site Built	$100.00 per window up to $1,500.00 per structure
	Upgrade Single-Pane Windows to a 0.30 U-Factor or Better – Manufactured Home	$200.00 per window, up to $2,000.00 per structure
	Upgrade Double-Pane With Metal Frame Windows to a 0.30 U-Factor or Better – Manufactured Home	$200.00 per window, up to $2,000.00 per structure
Electric Vehicle Chargers	ENERGY STAR Networked EV Charger Level 2 – Empower Mobility	$300
	Empower Mobility program	$600

Note: *Some structural and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.*

b. *Single Family Existing Natural Gas Service*

PSE offers some measures on a pilot basis. In these cases, the measure is color-coded separately from standard offerings in the applicable program's measure tables. PSE pursues pilot measures in order to test market acceptance and confirm savings potential.

PSE may, from time to time, also offer bonuses, sales incentives (also known as SPIFFs), or LTOs to the below-noted incentives. PSE may offer or withdraw these measures at its discretion.

Exhibit 3: Residential Energy Management

Category	Measure	Maximum Incentive Amount Each
Controls	Smart Thermostat	$175.00
Heating	ENERGY STAR-qualified Gas Furnace (Site Built Homes)	$250.00
	Advanced Duct Sealing	$1,250 per home
Reporting	Home Energy Reports	Direct mail to program participants. No cost to customers.
Water Heating	ENERGY STAR-Qualified Storage Water Heater	$100.00
	ENERGY STAR-Qualified Tankless Water Heater	$600.00
Weatherization	Prescriptive Duct Sealing and Insulation	Up to $1,000.00 per dwelling unit
	Prescriptive Duct Sealing Only	Up to $550.00 per dwelling unit
	Prescriptive Air Sealing – Attic and Crawl Space	$0.20 per sq. ft.
	Attic Insulation (R-0 to R-49)	$1.75 per sq. ft.
	Attic Insulation (R-11 to R-49)	$1.75 per sq. ft.
	Floor Insulation (R-0 to R-30)	$2.50 per sq. ft.
	Wall Insulation (R-0 to R-13)	$2.50 per sq. ft.
	Floor Insulation R-0 to R-22 - Manufactured Home	$2.50 per sq. ft.
	Attic Insulation (R-0 to R-30) - Manufactured Home	$1.75 per sq. ft.
	Prescriptive Duct Sealing - Manufactured Home	Up to $550.00 per dwelling unit
	Bundle 3+ Weatherization Measures in One Project	Up to $350 per project
	Bundle 4+ Weatherization Measures in One Project	Up to $550 per project
Windows	Upgrade Single-Pane Windows to a 0.23-0.30 U-Factor – Site Built	$50.00 per window, up to $750.00 per structure
	Upgrade Single-Pane Windows to a 0.22 U-Factor or Better – Site Built	$100.00 per window up to $1,500 per structure
	Upgrade Double-Pane with Metal Frame Windows to a 0.22 U-Factor or Better – Site Built	$100.00 per window up to $1,500 per structure

Single Family Existing Natural Gas Measures Continued

Category	Measure	Maximum Incentive Amount Each
Windows	Upgrade Single-Pane Windows to a 0.30 U-Factor or Better – Manufactured Home	$200.00 per window, up to $2,000.00 per structure
	Upgrade Double-Pane with Metal Frame Windows to a 0.30 U-Factor or Better – Manufactured Home	$200.00 per window, up to $2,000.00 per structure

Note: *Some structural and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.*

6. Target Market

The target market for these programs includes, but is not limited to, single-family property owners or tenants, service contractors, retail partners, efficiency equipment suppliers, distributors, and manufacturers.

7. Marketing and Outreach Plan

PSE's customer marketing and outreach strategy for SFE programs utilizes a variety of customer engagement tactics intended to reach customers where they are at in their participation journey, including education and awareness of new and existing efficient technologies and incentives, in-store promotions, or when working with contractors on equipment installations and upgrades. PSE will prioritize marketing and outreach to customers in Named Communities.

By partnering with national, regional, and local retailers and manufacturers, PSE can offer its residential customers an array of discounted energy-efficient product and appliance options as well as limited-time promotions to deliver solutions to help lower their energy use and save money on their bill.

The SFE suite of programs also delivers prescriptive rebates on home heating, water heating, and weatherization to residential customers through its network of Trade Ally partners. By partnering with local contractors, distributors and third-party providers, PSE offers its residential customers a trusted and reliable network of trained professionals who can install energy-efficient equipment and products and streamline the rebate delivery process

Additionally, each program also has a dedicated page on pse.com. As applicable, program pages include offerings, participation requirements, links to qualified product lists, PDF mail-in applications, and links to the in-house rebate processor online rebate portal. All materials for rebate processing must be approved by PSE Brand, Marketing, and Digital Experience departments prior to being made available to customers for use.

The goal for the SFE marketing and outreach plan is to reach a wide and diverse segmentation of customers, both existing and new, through unique and innovative advertising, retail, customer

engagement, and customer outreach campaigns that build awareness of and drive participation in PSE's energy efficiency programs. The SFE team will strive to anticipate customers' needs and deliver to them the right energy efficiency solutions at the right time that help them use less energy and save more money.

This will be achieved through the following specific objectives:

- **Customer awareness**: The team will notify customers via multiple channels that it has energy efficiency programs and rebates that can save them money and help meet their goals.
- **Market intelligence**: The team will refine existing propensity models and utilize new customer segmentation technology and tools to deliver targeted marketing messages and offers.
- **Strategic partnerships**: The team will collaborate with retailers, manufacturers, contractors, distributors, community nonprofit service providers, and regional utilities to increase awareness of program offers and driving savings.
- **Savings**: The team will send motivated consumers to in-store or online retailers for product purchase, including instant discounts and LTOs.
- **Contractor referrals**: The team will provide customer referrals to trusted, reliable, and safe contractors to help them choose the right energy-efficient equipment and drive participation in rebates.
- **Self-service tools**: The team will design campaigns and promotions utilizing online self-service tools that eliminate barriers to participation and streamline the rebates process.
- **Customer satisfaction**: The team will improve PSE's relationships with customers by offering first-rate offers and products, access to PSE's contractor network, and providing stellar service.
- **Education**: The team will help customers understand how PSE's myriad energy efficiency options can not only save them money but also increase the comfort and improve the value of their homes.

The SFE team will endeavor to accomplish its goals by focusing on the following strategies and tactics:

a. *Advertising*

- PSE will leverage targeted email sends based on propensity scores and utilize new customer segmentation technology to create effective campaigns that raise customer awareness and drive results.
- PSE will leverage brand awareness through creative advertising campaigns to promote energy efficiency programs and offers.

- Comprised of digital web banners and keyword search, programmatic advertising will be targeted to qualified customers who are in the market for energy-efficient appliances, smart thermostats, and energy-efficient home heating, water heating, weatherization, and other equipment.
- Individual program advertising campaigns will be planned and implemented according to relevant seasonality and feature categories and by using contextual and audience/behavior targeting to optimize messaging and reach the right customers at the right time.
- Advertising campaigns will be delivered through a variety of different channels, which may include: digital display, digital video, TV, radio, keyword search, paid social, out-of-home, and transit.

b. *Cross-Program Campaigns*

- Collaboration with other relevant programs with similar goals and a shared audience on an integrated residential customer engagement campaign approach will be integral to increasing customer awareness and driving overall residential energy efficiency savings.
- A multi-program integrated approach gives customers a comprehensive look at the full range of energy efficiency offerings.
- Cross-program campaigns will be delivered through a variety of channels and tactics, including, but not limited to: email, direct mail, social media, events, and customer outreach.

c. *Retail-Focused Campaigns*

- PSE will partner with retailers and manufacturers to further promote its goal of reaching and engaging with more of its customers.
- Retail campaigns and promotions put PSE's messaging in front of customers at the point-of-purchase via in-store signage.
- Engaging customers in stores through high-impact events will allow PSE to further educate both customers and retail store associates on the benefits of energy efficiency and increase attribution to PSE.
- In collaboration with retailers and manufacturers, PSE will provide LTOs and/or special product placement to leverage rebate and product pricing structure that would be more likely to get customers to buy.
- PSE will continue to educate customers both directly and through retail sales associates, engaging them within the stores on the best energy efficiency products on the market.

d. *Contractor-Driven Campaigns*

- PSE will partner with contractors, distributors, and manufacturers to promote special and limited-time offers to drive participation in programs and rebates.
- PSE will integrate trade allies into customer engagement campaigns to provide opportunities to increase contractor referrals and educate customers on the benefits of energy efficiency.
- PSE will leverage contractor partners' customer bases to co-promote programs and rebates.

e. *Ongoing Promotions*

- PSE will refine point-of-purchase materials, both online and in-store, to drive sales and increase attribution.
- PSE will develop new and unique LTOs to attract new and encourage repeat customers.
- PSE will leverage PSE-owned channels to regularly stimulate SFE promotions and LTOs.
- PSE will drive customers via seasonal/usage notifications, email, and advertising to access the online Energy Center for personalized tips and tools to use less energy and save more money.
- PSE will conduct active follow-up to customers who receive referrals to contractor-enabled programs.

f. *Customer Outreach Campaigns*

- PSE will deliver customer engagement and promotion of specific programs and campaigns targeted to Named Communities identified through market intelligence and research.
- PSE will integrate and utilize its service provider and Energy Efficient Communities Team at outreach tabling events (virtual and in-person as appropriate) across the service territory.
- PSE will coordinate with local interested parties to develop strategies to maximize local impacts and open opportunities to build awareness.

g. *Trade Ally Network*

- PSE will support a data-driven performance framework to manage trade allies operating in PSE energy efficiency programs.
- PSE will drive customer referrals for select Trade Ally Network (TAN)-related products.

- PSE will develop an updated suite of marketing collateral and training opportunities for contractors to drive awareness of PSE's energy efficiency rebates and offers.
- PSE will create targeted and innovative advertising campaigns to promote the TAN as a trusted resource of pre-screened, independent trade allies committed to helping customers make smart energy choices.

8. Program-Specific Marketing and Outreach

The following discussions provide outlines of initiatives that PSE will undertake on a program-specific basis. These initiatives are in concert with, or addition to, those broad marketing and outreach tactics outlined in the previous discussions.

a. *Space Heat*

By partnering with local contractors, distributors, and third-party providers, PSE can offer its residential customers a trusted and reliable network of trained professionals able to install energy-efficient equipment and products and streamline the rebate delivery process. PSE leverages the value that trade allies provide to its customers while also providing value to trade allies in the form of referrals, marketing materials, LTOs, and the opportunity for trade allies to provide input on program design and delivery strategies.

In the coming biennium, PSE will focus on the following initiatives:

- developing down-cycle marketing strategies to encourage even participation rates throughout the year;
- developing marketing and outreach strategies to bring space heat measures to market; and
- fostering regional partnerships to increase market penetration of high-efficiency measures. This partnership will focus on existing barriers to market uptake of efficient heating systems, contractor training, and customer awareness.

b. *Water Heat*

By partnering with local contractors, distributors, and third-party providers, PSE can offer its residential customers a trusted and reliable network of trained professionals able to install energy-efficient equipment and products and streamline the rebate delivery process. PSE leverages the value trade allies provide to its customers while also providing value to trade allies in the form of referrals, marketing materials, LTOs, and the opportunity for trade allies to provide input on program design and delivery strategies.

In the coming biennium, PSE will focus on the following initiatives:

- in collaboration with manufacturers, distributors, and contractors, providing special discounts and LTOs to leverage rebate and product pricing structure that would be more likely to get customers to buy;

- developing down-cycle marketing strategies to encourage even participation rates throughout the year;
- developing marketing and outreach strategies to bring natural gas storage and tankless water heater measures to market;
- cross-promoting product and rebate offerings and developing integrated multi-channel marketing and outreach campaigns;
- fostering regional partnerships to increase market penetration of HPWHs — these partnerships will focus on existing barriers to market uptake of HPWHs, contractor training, and customer awareness; and
- developing educational and outreach strategies to address top barriers and myths beyond cost for HPWHs and tankless natural gas water heaters.

c. *Residential Midstream HVAC and Water Heat*

PSE contracts with a vendor for distributor engagement. The engagement includes point-of-purchase collateral and events coordination as well as emails and phone calls.

In 2024, PSE will continue the well-received one-on-one contractor engagement implemented in 2022 to improve midstream and downstream program design, understanding, and participation rates. Contractors unfamiliar with program requirements fail to provide accurate information and increase administrative burdens for distributors seeking reimbursement for qualifying sales.

d. *Weatherization*

The program is marketed in a variety of ways, including PSE awareness emails, educational presentations, and contractor-led marketing. In 2024-2025, PSE will continue to offer customer bonus incentives for projects with three or more measures. This concept has demonstrated multiple benefits, including higher energy savings, lower overall costs for the customer, and less customer disruption.

e. *Home Appliances*

The goal for the Home Appliances program is to reach a wide and diverse group of customers, both existing and new, through unique and innovative advertising, retail, customer engagement, and customer outreach campaigns that build awareness of and drive participation in PSE's energy efficiency programs.

Additionally, PSE will:

- increase awareness of rebate offerings and appliance product options, especially appliances featuring new technology; and
- promote partnerships and LTOs with appliance manufacturers and retailers.

f. *Smart Thermostats*

The goal for the Smart Thermostat program is to reach a wide and diverse segmentation of customers, both existing and new, through unique and innovative advertising, retail, customer engagement, and customer outreach campaigns that build awareness of and drive participation in PSE's energy efficiency programs.

Additionally, Marketing and Outreach strategies will include, but not be limited to:

- increasing consumer adoption of smart thermostat and connected home technology to manage home heating energy use;
- developing clear point-of-purchase materials/custom packaging (online and in-store) that drive customers to purchase smart thermostats; and
- integrating the promotion of smart thermostats with home heating equipment rebates.

C. Single-Family New Construction

Schedules E/G 215

The Single Family New Construction (SFNC) program works with builders and raters to influence higher-than-code energy efficiency homes throughout the PSE electric and natural gas service territory.

For the 2024-2025 biennium, the SFNC program anticipates bringing in a third-party vendor to encourage energy savings in a challenging environment to find such opportunities. Challenges to address include: increasingly stringent 2018 Washington State Energy Code; stricter appliance, lighting, and water fixture standards from Washington House Bill 1444 from 2019; heat pumps and condensing boilers incentivized under PSE's Midstream rebate program; and fewer opportunities for gas savings given building codes and due to general trends toward electrification in the region. With all of these barriers in consideration, PSE's SFNC programs seek innovative ways to push builders toward deeper savings. PSE is also interested in synergies that may exist between certification programs (e.g., LEED, ENERGY STAR, Passive House, Built Green, etc.) and program offerings.

1. Purpose

PSE's SFNC program increases the installation of energy-efficient measures into new electric and natural gas SFNC homes constructed in the PSE service territory. High-efficiency measures ideally need to be specified and installed during design and construction; otherwise, it may be a long time before energy-efficient changes to the buildings will take place. As a result, it becomes a lost opportunity and single-family residences may potentially be limited to reduced efficiency and higher energy use for decades.

The SFNC program targets structures with three or fewer residential units per building. Energy conservation measures include, but are not limited to, energy efficient upgrades to building shell, appliances, and lighting. Most HVAC and water heating systems are no longer eligible for incentives through the SFNC program since they are either code baseline or incentivized through the midstream program.

Eligible customers include owners, developers, or agents acting on behalf of responsible parties of service receiving electricity or natural gas through PSE. This program provides financial incentives to the above audience for both natural gas and electric residential meters. The savings are calculated using REM/Rate modeling software adjusted to the Pacific Northwest Standard modeling protocols. PSE is considering additional incentive models more prescriptive in nature.

All SFNC buildings that are in a stage of construction that is not yet completed or ready for occupancy will be served by residential or commercial incentives. Incentives also apply to new additions to structures and complexes along with renovations that change the occupancy use to residential use. Relevant measures will apply only to the newly constructed and/or substantially renovated portion of the structure.

Structures include all Group R Occupancy and other occupancies as outlined in Washington State Energy Code, also known as the WSEC. These include, but are not limited to: single-family, townhomes, and duplexes.

2. Description

Based on the measure/product type and market factors, PSE may provide incentives to its customers at different points along the value chain. Market barriers vary dramatically from measure to measure and incentive amounts are based on regionally accepted energy savings estimates and incremental efficiency measure costs.

Incentives may be subject to change in response to revisions in savings estimates, average incremental costs, or changes in State codes.

The baseline for efficiency for new construction homes continues to increase with the 2021 WSEC. Due to this higher baseline, savings will be harder to come by for PSE's SFNC program.

3. Eligibility

Qualifying customers include, but are not limited to, SFNC builders, property owners, contractors, efficiency equipment suppliers, distributors, and manufacturers. Structures must be newly constructed single-family homes prior to occupancy. Single-family buildings are classified as containing three attached dwelling units or fewer. Accessory Dwelling Units (ADUs) will only be eligible for incentives if they have a separate heating system from the main structure.

NEEA has developed a savings-above-code calculator tool to help raters and builders understand the impacts of their building design on an individual home. This helps to provide

builders with the options and information they need to determine the costs and benefits of their design beyond the energy code.

PSE, in alignment with NEEA's New Homes Performance Path, Master Builders Associations' (MBA) Built Green programs, and other regional utilities, developed a comprehensive marketing awareness strategy to support current and future homebuilders that construct energy-efficient homes.

PSE's awareness in the community will be communicated through home raters,[2] program collateral, and PSE outreach efforts designed to inform prospective buyers of the program benefits.

4. Delivery Method

The SFNC program affects conservation measures through installation into eligible single-family new construction structures by homebuilders.

5. Implementation Management

PSE anticipates contracting with a third party to implement rater onboarding, rater support, REM/Rate model quality assurance, and to support PSE's marketing and outreach efforts.
Customer Incentives

Program incentives will be based on estimated savings aligned with the current BPA payment structure for SFNC. BPA requirements also integrate the NW Modeling Requirements V22.0 and RTF Unit Energy Savings (UES) Measures through the AXIS Database. When state energy codes are updated, base case homes for each state will be updated, which may result in a reduction in potential energy savings and payment.

Select standalone measures consistent with SFE may also be considered for inclusion. This will help provide builders with options and help streamline the participation process. Builders must demonstrate that any qualifying measures were not used as credits to meet the code minimum.

The SFNC Performance Path utilizes REM/Rate, RTF UES Measures, and the NEEA-maintained AXIS database to compare the modeled energy consumption of a new home to the modeled energy consumption of a typical, code-built home. This allows a customer to request a payment based on the energy savings of the new home, compared to the code home. Calculations are performed by the AXIS database, which provides a report with required documentation to customers.

Measure incentive eligibility criteria are based on, but not limited to: established, industry-standard cost effectiveness tests; structure type and location within the PSE service territory; fuel type (natural gas or electric); product type; and product quantity.

[2] "Certified HERS Raters." HERS = Home Energy Rating System; a nationally recognized system for inspecting and calculating a home's energy performance.

Incentive amounts and savings values are regularly reviewed by PSE and are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Rebates may be subject to change in response to revisions in savings estimates, average incremental cost, or changes in Federal appliance efficiency standards or State codes.

Incentive schedules are identified by heat source. Incentives may be paid upon the completion of work and the submission of required program documentation. Field inspections and audits may be conducted at random to ensure quality installations and verify the completion of work.

PSE is also investigating alternative payment pathways for the future.

a. *Single Family New Construction Electric Service*

Category	Measure	Maximum Incentive Amount Each
Single Family New Construction	Shell Upgrades, incl. Windows	$0.45 per kWh
	HVAC and Water Heat Upgrades	$0.00 (incentive captured via Midstream program)
	Appliance Upgrades	$0.27 per kWh
	Smart Thermostats	$0.10 per kWh

6. Target Market

The target market includes builders and raters of single-family homes. Among the motivations cited by builders for constructing homes that exceed energy codes, some use it as a marketing tactic to differentiate their homes in the marketplace. Others have a strong personal ethic toward energy conservation that drives them to build more energy-efficiently. In some cases, the impetus to build a more energy-efficient home comes at the request of the buyer.

Other frequently mentioned motivations include building a better-quality home and buyer comfort, both of which builders stated are important for achieving buyer satisfaction.

7. Marketing and Outreach Plan

The SFNC program uses a diverse mix of integrated marketing, promotion, and communication strategies and tactics to raise customer awareness.

The primary objective is to elevate awareness of energy-efficient building practices and standards to building partners and help educate their customers (homebuyers) about the benefits of building and living in an energy-efficient home.

The program also uses a mix of marketing activities to reach the designers, builders, owners, and developers of new single-family homes.

PSE is exploring results of an RFP that may result in a vendor who will take lead on marketing to potential vendors and raters in order to increase participation in the program. The vendor and PSE staff would develop and execute a plan to maintain productive relationships with partnering designers, builders, owners, developers, and raters.

PSE plans to partner with MBAs and NEEA and work with raters to increase program participation. The primary high-level strategies used to help penetrate the market include the following:

a. *Green Building Cooperatives*

The SFNC program's partnership goal with various green building associations is to increase the number of homes certified through Built Green, LEED, and other green building programs.

Green building cooperatives help PSE to extend visibility using less money, as it provides a broader reach than what could be obtained independently. Partners promote PSE's energy efficiency programs, green building, and building practices that result in energy-efficient homes. Key partners include but are not limited to: MBAs (King, Snohomish, Pierce, Central, Skagit, Island Counties); and Sustainable Connections.

b. *Education, Communication, and Awareness*

Maintaining consistent program communication, awareness, and energy efficiency educational elements are complementary to the success of achieving savings target goals.

Some key initiatives to elevate education, communication, and awareness may include:

- direct-to-builder brochures.
- direct mail and advertisements
- newsletters
- online/website development
- consumer education: model home signage, builder cooperatives
- cross program positioning: Energy Efficiency Communities Team, REM
- other PSE division collaborations: Customer Construction Services

c. *Industry Events and Builder Relations*

As a lead-generating tool and to increase program awareness with large volumes of industry partners, builders, contractors, suppliers, and associated design professionals, the program exhibits at various green building conferences and exhibitions as well as presenting to smaller organizations and workshops.

Primary promotional tactics include:

- development of displays and signage;
- design and production of collateral materials;
- pre-event advertising: publications, e-news, e-vites, web;
- tracking leads generated for ROI;
- continuing to participate in conferences and tradeshows;
- hosting or co-hosting events for customers and contractors with other programs; and
- continuing to co-sponsor the MBA at a modest level.

D. Manufactured Home New Construction

Schedules E/G 215

The Manufactured Home New Construction (MHNC) program engages retailers and retail sales staff to influence increased energy efficiency standards throughout PSE territory.

1. Purpose

PSE's program is designed to increase purchases of efficient manufactured homes that meet ENERGY STAR and Northwest Energy Efficient Manufactured Housing (NEEM) standards. In this way, high-efficiency measures are included for customers right away; otherwise, it may be a long time before energy-efficient changes to the buildings will take place.

2. Description

The MHNC program provides incentives for cost-effective measures to electric and natural gas customers. The base case (pre-existing) is a current manufactured home built in the Pacific Northwest, which tends to be slightly better than Housing and Urban Development (HUD) code. The base case considers individual components including envelope, HVAC, lighting, appliances, and water heating.

3. Eligibility

Qualifying customers include, but are not limited to, manufactured home owners, retailers, and manufacturers. Structures must be newly constructed, single-family manufactured homes prior to occupancy.

PSE will work to influence the market with manufacturers, salespeople, and manufactured homebuyers to build and sell more efficient manufactured homes. PSE awareness in the community will be communicated through in-unit program collateral designed to inform the residents of the program benefits.

Measure incentive eligibility criteria are based on, but not limited to, established, industry-standard cost effectiveness tests, structure type and location within the PSE service territory, fuel type (natural gas or electric), product type, and product quantity. PSE may, at its sole discretion, adjust rebates based on market variables.

Incentive amounts and savings values are regularly reviewed by PSE and are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Rebates may be subject to change in response to revisions in savings estimates, average incremental cost, or changes in federal appliance efficiency standards or State codes.

Incentive schedules are identified by heat source. Incentives may be paid upon the completion of work and the submission of required program documentation. Field inspections and audits may be conducted at random to ensure quality installations and verify the completion of work.

4. Delivery Method

The MHNC program affects conservation measures through manufacturers building qualified homes that retailers then sell to residential PSE customers.

5. Implementation Management

The MHNC program manages all conservation measure via in-house rebate processors. PSE and its third-party field services team, when appropriate, will engage with retailers to provide education around energy efficiency in Manufactured Homes and assistance with strategies to help customers to make energy-efficient decisions.

Starting in 2021, PSE and Snohomish County Public Utility District (SnoPUD) aligned incentives and program rules to simplify the rebate experience for manufactured home retailers that exist in and around locations close to both PSE and SnoPUD territory.

6. Customer Incentives

All incentives are planned to be prescriptive based on RTF-Approved or PSE-deemed measures.

Manufactured homes must be electrically heated and designed, constructed, and certified by NEEM as a new, high-performance manufactured home.

a. *Manufactured Home Electric Service*

Category	Measure	Maximum Incentive Amount Each
***Manufactured Home New Construction**	ENERGY STAR®	$1,000.00
	ENERGY STAR® w/ NEEM+	$2,000.00

Sales Performance Incentive Funds (SPIFFs) may be offered through PSE's sales incentives for ENERGY STAR and ENERGY STAR w/NEEM+ rated manufactured homes for up to $400 per unit sold.

These sales incentives are given to individual salespeople who sell qualified manufactured homes to customers in PSE's service area and assist the customer with the paperwork process. There may be instances where the company (retailer, reseller, etc.) receives the SPIFF. SPIFFs are offered to encourage salespeople to offer PSE's rebates at the point of sale.

b. *Manufactured Home Natural Gas Service*

Category	Measure	Maximum Incentive Amount Each
***Manufactured Home New Construction**	ENERGY STAR®	$1,000.00
	ENERGY STAR® w/ NEEM+	$2,000.00

Sales Performance Incentive Funds (SPIFFs) may be offered through PSE's sales incentives for ENERGY STAR and ENERGY STAR w/NEEM+ rated manufactured homes for up to $400 per unit sold.

These sales incentives are given to individual salespeople who sell qualified manufactured homes to customers in PSE's service area and assist the customer with the paperwork process. There may be instances where the company (e.g., retailer, reseller, etc.) receives the SPIFF. SPIFFs are offered to encourage salespeople to offer PSE's rebates at the point of sale.

7. Target Market

The target market includes, but is not limited to, manufactured home end users, retailers, and manufacturers.

8. Marketing and Outreach Plan

The MHNC program uses a diverse mix of integrated marketing, promotion, and communication strategies and tactics to raise customer awareness. The primary objective is to elevate awareness of energy-efficient manufacturing practices and standards to manufacturing partners and help educate their customers (homebuyers) about the benefits of building and living in an energy-efficient manufactured home.

The primary high-level strategies used to help penetrate the market include the following:

a. *Retailer Outreach*

The MHNC program's goal is to increase the number of manufactured homes certified through the NEEM housing program and to promote the benefits of purchasing a certified home. Through retailers and retailer salespersons, the MHNC program will promote PSE's energy efficiency programs and green building practices that result in energy-efficient manufactured homes. Key partners may include, but are not limited to: NEEA, ENERGY STAR, and NEEM.

b. *Education, Communication and Awareness*

Maintaining consistent program communication, awareness, and energy efficiency educational elements are complementary to the success of achieving savings target goals.

Some key initiatives to elevate education, communication, and awareness may include:

- manufacturer learning sessions
- online/website development
- consumer education: model home signage
- cross-program positioning: Energy Efficient Communities Team
- other PSE division collaborations: customer construction services
- turnkey retailer marketing packets communicating the value of energy efficiency may be provided by NEEA

E. Multifamily Retrofit

Schedules E/G 217

1. Purpose

The objective of the Multifamily Retrofit program is to increase the installation of cost-effective energy-efficient Measures into existing multifamily (MF) buildings with PSE natural gas and/or electric service.

2. Description

The MF Retrofit program is designed to increase the uptake and installation of selected energy-efficient measures in existing multifamily buildings with five or more attached residential dwelling units located in PSE's electric and natural gas service areas. The team works with property owners, managers, Trade Ally contractors, and tenants to encourage program participation. The program also serves MF campuses that have a mixture of building types including buildings with fewer than five units. MF structures and campuses typically have opportunities for upgrades in the units, common areas, and building envelope.

Measures may include windows, insulation, and air sealing enhancements; appliance, lighting, thermostats, and HVAC upgrades; operations and maintenance (O&M) improvements; behavioral modification; and calculated commercial upgrades, such as central boilers and solar pool heaters. This program targets the installation of energy-efficient measures occurring during planned retrofit and replacement upon failure. PSE will update the current measures list and incentives as needed.

The program continually researches and develops new and innovative means to achieve cost-effective energy savings. Examples include behavioral based Strategic Energy Management (SEM). SEM provides a holistic approach to multifamily property portfolios by engaging managers, maintenance staff, and residents to achieve energy cost savings through behavioral changes, operational improvements, facility maintenance, and attention to utility accounting.

Through effective customer education and implementation, PSE is continually exploring the impacts of how new technologies and energy management plans can contribute to the quantification of behavioral-based energy savings.

3. Eligibility

An owner; developer; contractor; equipment supplier; agent acting on behalf of responsible party of service; or the customer of service of an existing MF structure receiving electricity or natural gas through a PSE residential Schedule 7 (including 17, 27, 37 and 47) and 7A or commercial Schedules 8, 11, 12, 24 and 25 and/or natural gas service under residential Schedule 23 or commercial Schedule 31 or 41 is eligible.

Structures include, but are not limited to: apartments, town homes, condominium residences, and similar structures with five or more attached dwelling units. The program also serves multifamily campuses[3] that may include buildings with fewer than five units. Single-family buildings[4] within a campus may also be eligible to receive incentives.

The Multifamily Retrofit program also provides custom measures affecting commercial Rate Schedules, where savings and incentives are calculated by a PSE energy management engineer (EME) on a per-project basis.

Multifamily measures not listed may be individually considered for incentives, based on overall cost effectiveness and energy efficiency.

4. Delivery Method

The Multifamily Retrofit utilizes a third-party implementer for the direct installation of in-unit measures (e.g., LED products, WaterSense® rated thermostatic restrictor valves). Common

[3] Campuses are defined in Electric and Gas Conservation Schedule 217 in the Availability Section.

[4] Single-family structures are discussed in the Eligibility section under SFE.

area and building envelope measures are contractor-driven, but the third-party implementer organizes marketing and outreach activities to achieve PSE savings targets.

5. Implementation Management

Program design, measure metrics analysis, policy, and financial reconciliation are all performed by in-house PSE staff. A third-party implementer coordinates the direct installation of in-unit measures with property owners. The implementation vendor also performs outreach and marketing activities among property owners and Trade Ally contractors to drive projects for the common areas and building envelope of qualifying structures. Installation projects are inspected and site-verified before incentive applications are authorized by PSE.

6. Customer Incentives

Measure incentive eligibility criteria are based on, but not limited to: established industry standard cost effectiveness tests, structure type, fuel type (natural gas or electric), pre-existing conditions, product type, and product quantity.

a. Multifamily Retrofit Electric Service

PSE offers some measures on a pilot basis. In these cases, the measure is color-coded separately from standard offerings in the applicable program's measure tables. PSE pursues pilot measures in order to test market acceptance and confirm savings potential. PSE may offer or withdraw these measures at its discretion.

PSE may also, from time to time, implement LTOs to stimulate market activity.

Additionally in 2024, the Multifamily Retrofit program will continue offering a moderate-income tier for customers that are either Tribe-owned, military-owned, housing agency-operated, rent-subsidized, or whose structures were built prior to 1986 to better serve this customer segment.

Category	Measure	Maximum Incentive Amount Each
Air Sealing	Dense Pack Walls and Rim Joists	$4.00 per sq. ft.
	Attic and/or Crawl Space	$2.00 per sq. ft.
	Weather Strip Door Kits	$75.00
	Recessed Can Covers	$40.00
	ENERGY STAR® Bathroom Fans	$200.00
	Bathroom Fan Control (Timer/Occupancy)	$50.00
Appliances	ENERGY STAR® Clothes Washer	Up to $175.00
	ENERGY STAR® Clothes Dryer	Up to $100.00
Common Area	Common Area Lighting	$0.45 per kWh saved up to 90 percent of project cost
HVAC	Electronic Line Voltage Thermostat	$50.00
	Electronic Line Voltage Thermostat	No charge to eligible customers
	Electronic Line Voltage Smart Thermostat	$100.00
	Electronic Line Voltage Smart Thermostat	No charge to eligible moderate-income customers
	Smart Thermostat	$175.00
	Smart Thermostat with New Qualifying Heat Pump	$300.00
	ENERGY STAR® Whole House Ventilation Fan	$50.00
	Energy or Heat Recovery Ventilation (EVR/HVR)	$0.45 per kWh saved up to 90 percent of project cost
	Electric Resistance to Ductless Heat Pump or Packaged Terminal unit Conversion	Up to $2,900.00
	Electric Forced Air Furnace to Heat Pump Conversion	$2,000.00
	Variable Speed Drive	Calculated Incentive

Multifamily Retrofit Electric Measures Continued

Category	Measure	Maximum Incentive Amount Each
Insulation	Attic Insulation R-0 to R-38	$1.25 per sq. ft.
	Attic Insulation R-0 to R-49	$1.50 per sq. ft.
	Attic Insulation R-11 to R-38	$0.75 per sq. ft.
	Attic Insulation R-11 to R-49	$1.00 per sq. ft.
	Attic Insulation R-19 to R-38	$0.75 per sq. ft.
	Attic Insulation R-19 to R-49	$0.50 per sq. ft.
	Floor Insulation R-0 to R-30	$1.50 per sq. ft.
	Floor Insulation R-11 to R-30	$1.00 per sq. ft.
	Wall Insulation (Without Air Sealing) R-0 to R-11	$1.50 per sq. ft.
Lighting	In-Unit T8 or T12 Fluorescent Lamp Replacement	$30.00 per unit.
	In-Unit Occupancy Sensor with TLED Upgrade	$25.00 per sensor
	In-Unit Fixture Replacement	$90.00 per fixture
O&M and Behavioral	Strategic Energy Management	$0.045 per kWh saved, plus milestone incentives
Pool Heat	Solar or Heat Pump Pool Heater Upgrade	Calculated incentive
Water Heat	Directly Installed Thermostatic Flow Restrictor Showerhead Adaptor	No charge to eligible customers
	Directly Installed Auto-Diverting Tubspout	No charge to eligible customers
Windows	Single-Pane Windows to U Value 0.30 or Less	$25.00 per sq. ft.
	Single-Pane Windows to U Value 0.22 or Less	$35.00 per sq. ft.
	Double-Pane Windows to U Value 0.30 or Less	$15.00 per sq. ft.
	Double-Pane Windows to U Value 0.22 or Less	$20.00 per sq. ft.
	Double-Pane (Vinyl Frame) Windows to U Value 0.22 or Less	$6.00 per sq. ft.

Specific requirements for electric incentives

- A signed Multifamily Incentive Application must be authorized by PSE prior to installation of upgrades for projects affecting more than one dwelling unit (unless otherwise approved by PSE);
- customers must meet all requirements outlined in the most current PSE Multifamily Retrofit Program Guidelines to participate and receive incentives;
- a Multifamily Payment Request must be authorized by PSE in order to execute incentive payment;
- all calculated incentives will be evaluated using currently accepted PSE commercial engineering calculations;
- all installed measures and incentives require installation by a qualified contractor; and
- air sealing measures must be specifically installed by a PSE certified Multifamily air sealing contractor.

b. Multifamily Retrofit Natural Gas Service

PSE regularly offers some measures on a pilot basis. In these cases, the measure is color-coded separately from standard offerings in the applicable program's measure tables. PSE pursues pilot measures in order to test market acceptance and confirm savings potential. PSE may offer or withdraw this measures at its discretion. PSE may also, from time to time, implement LTOs to stimulate market activity or to drive participation among the moderate-income customer segment.

Category	Measure	Maximum Incentive Amount Each
Air Sealing	Dense Pack Walls and Rim Joists	$4.00 per sq. ft.
	Attic and/or Crawl Space	$2.00 per sq. ft.
	Weather Strip Door Kits	$75.00
Building Envelope	Attic Insulation R-0 to R-38	$1.25 per sq. ft.
	Attic Insulation R-0 to R-49	$1.50 per sq. ft.
	Attic Insulation R-11 to R-38	$0.75 per sq. ft.
	Attic Insulation R-11 to R-49	$1.00 per sq. ft.
	Floor Insulation R-0 to R-30	$1.50 per sq. ft.
	Floor Insulation R-11 to R-30	$1.00 per sq. ft.
	Wall Insulation R-0 to R-11	$1.50 per sq. ft.

Multifamily Retrofit Natural Gas Measures Continued

Category	Measure	Maximum Incentive Amount Each
Building Envelope	Single-pane Windows to U-value 0.30 or lower	$25.00 per sq. ft.
	Single-pane Windows to U-value 0.22 or lower	$35.00 per sq. ft.
	Double-pane Windows to U-value 0.30 or lower	$15.00 per sq. ft.
	Double-pane Windows to U-value 0.22 or lower	$20.00 per sq. ft.
	Double-Pane (vinyl frame) Windows to U value 0.22 or less	$6.00 per sq. ft.
HVAC	Smart Thermostat	$175.00
	Replace Existing Space Heat Boiler	$8.00 per Therm saved up to 90 percent of project cost
	Integrated Space/Water Heating Systems with Energy Star® Tankless or Energy Star® Boiler (In-Unit)	$800.00
	ENERGY STAR® Boiler (In-Unit)	$1,000.00
	ENERGY STAR® Gas Furnace, 95 percent AFUE (In-Unit)	$750.00
	Variable Speed Drive Pump/Motor	$8.00 per Therm saved up to 90 percent of project cost
O&M and Behavioral	Strategic Energy Management	$0.25 per Therm saved, plus milestone incentives
Pool Heaters	Solar Pool Heater	$8.00 per Therm saved up to 90 percent of project cost
	Pool Boiler	$8.00 per Therm saved up to 90 percent of project cost
Water Heat	Directly Installed Thermostatic Restrictor Showerhead Adaptor	No charge to eligible customers.
	Directly Installed Auto-diverting Tubspout	No charge to eligible customers
	ENERGY STAR® qualified Tankless Water Heater	$600.00

Specific requirements for natural gas incentives

- A signed Multifamily Incentive Application must be authorized by PSE prior to installation of upgrades for projects affecting more than one dwelling unit (unless otherwise approved by PSE);
- customers must meet all requirements outlined in the most current PSE MF Retrofit Program Guidelines to participate and receive incentives;
- a Multifamily Payment Request must be authorized by PSE in order to execute incentive payment;
- all calculated incentives will be evaluated using currently accepted PSE commercial engineering calculations; and
- all installed measures and incentives require installation by a qualified contractor.

7. Target Market

The target market includes multifamily property owners, managers, maintenance staff, equipment suppliers, and contractors.

Additionally, the MFR team will continue working with internal teams to co-deploy product offerings through marketing and outreach channels to its target market.

Examples may include: email campaigns with primary and secondary messaging to target audiences with efficiency, renewable, and transportation electrification product offerings; and follow-up communications for past program participants. The team's goal is to maximize customer participation by ensuring customers know how to partner with PSE early in the engagement process.

8. Marketing and Outreach Plan

PSE's Energy Efficient Communities team works in tandem with the program's business development team to promote, expand, and build prospects' networks in a changing market.

Outreach efforts will aim to increase program participation with multifamily property owners and property managers and leverage relationships with Trade Ally contractors.

In 2024-2025, the program will continue to design outreach and marketing for properties with a focus on those who serve Named Communities. The SEM program aims to pilot in-language collateral, outreach, and education about the benefits of energy efficiency and changing customer behavior.

PSE will use segmentation studies and market research to increase program participation and will target properties to take additional energy efficiency actions and upgrades to further their savings and increase the health and marketability of the property.

The MF Retrofit program will partner with PSE's LIW program to provide resources and raise program awareness of PSE's products and services.

The primary promotional strategies include, but are not limited to, the following initiatives.

a. *Industry Events and Membership Collaborations*

Industry events are a strong lead generating tool for the program — it is one of the best ways to develop relationships with contractors and property owners.

The program partners with several multifamily associations managing these types of events. The program leverages outreach through various association memberships such as the Washington Multifamily Housing Association (WMFHA) and the Rental Housing Association (RHA).

These partnerships broaden the program reach to provide venues where members can collectively engage.

The program targets several large-scale exhibitions that are comprised of multifamily property owners, on-site leasing managers, maintenance personnel, contractors, suppliers, and associated professionals. In addition to attending conferences, there are several workshops and presentations held throughout the year that provide additional networking opportunities, learning, recognition, and motivation with smaller organizations. The promotional tactics used to support this strategy include:

- booth and tabletop displays, as appropriate
- booth materials: brochures, drawings, signage
- program handbooks: company and program profiles, logo usage, and applicable advertisements
- pre-event advertising (publications, e-news, evites, web)
- presentation leave-behinds
- post-event surveys/debriefs
- tracking and pursuing leads

In partnership with the Marketing team, the Energy Efficient Communities team will help develop and implement outreach strategies to promote PSE's residential and commercial energy efficiency programs and services. The outreach strategy for the Multifamily Retrofit program will work with both customers and business partners.

The Multifamily Retrofit team will provide tenant customers with information about applicable products and services that PSE provides, and it will help deliver information to property managers/owners and trade allies. This will be done through a variety of outreach mechanisms, program awareness campaigns, general community events (when safe and appropriate), and presentations (virtual and in-person, as appropriate).

b. *Education, Communication, and Awareness*

Maintaining consistent program communication, awareness, and energy efficiency educational elements are complementary to the success of achieving savings target goals.

Some of the key initiatives to elevate education, communication, and awareness may include:

- an awareness and marketing kit for portfolio managers
- a quarterly e-Newsletter to property managers and contractors.
- energy challenges via MF Retrofit's third-party implementer to bolster tenant engagement and encourage behavioral modification — specifically for the SEM program
- energy efficiency certification/recognition to promote property management participation in PSE programs
- development of new materials to highlight the beneficial components of SEM
- EA team members to capitalize on direct install customer engagement opportunities and to help promote related PSE products and services

c. *Collateral Development*

To complement the program's business development outreach efforts, promotional materials are designed and produced to effectively communicate key messages and highlight the benefits of the efficiency measures to target audiences. Persuasive collateral is used during direct and virtual customer engagement, site visits, and event outreach as well as a cross-selling tool for program contractors.

Educational leave-behinds are also designed to help tenants understand the functionality as well as the immediate and long-term benefits of installations. The collateral development strategy may include but is not limited to the following materials:

- executive summaries
- direct installation notices in multiple languages
- case studies
- videos
- cross-utility interaction
- service area maps
- third-party business cards
- customer participation surveys

d. *Advertising Campaigns and Media Relations*

To generate program awareness amongst multifamily customers, various advertising campaigns are launched through multiple means or channels to make customers aware about its presence in the market. The program typically uses a bundled approach to highlight measures and program benefits.

The advertising and media relations tactics used may include:

- print advertisements in trade publications
- contractor advertising co-operatives
- direct Mail and/or e-blasts
- online/website development
- newsletters
- internet advertisements
- social media
- television
- radio
- PR/editorial coverage

e. *Overall Multifamily Retrofit Channel Outreach Strategies*

- Identifying projects and reaching contractors before the retrofit process begins;
- delivering energy efficiency presentations (virtual and in-person) to various community audiences;
- identifying and recognizing business partners for their contributions in serving PSE's customers;
- using targeted marketing by measure; and
- collaboration on LTOs with distributors and recommended energy professionals.

F. Multifamily New Construction

Schedules E/G 218

The following discussion applies to newly constructed multifamily structures. Conservation Schedule terms and conditions, as outlined in the above-noted Schedule numbers, govern the applicability, measure types, funding, analyses, and general rules and provisions for each structure classification. Where there are specific requirements, service offerings, measures,

incentives, marketing efforts, or outreach activities applicable to the specific structure type, those are so noted in each of the following parts.

1. Purpose

The Multifamily New Construction (MFNC) program acquires cost-effective energy savings from MFNC projects that are built above WSEC in electric- and natural gas-heated buildings constructed in the PSE service territory.

In addition to newly constructed multifamily structures covered under terms of Schedule 218 (for both natural gas and electric service), the MFNC program may also include single-family structures where the single-family homes are a part of a campus or larger multifamily project under schedule 215 (for both natural gas and electric service).

Eligible customers for MFNC include owners, developers, or agents acting on behalf of a responsible party of service receiving electricity or natural gas through PSE. This program provides financial incentives to the above audience for both natural gas and electric residential and commercial meters. The incentives offered are mostly calculated, but they can be prescriptive as well.

In the new construction marketplace, high-efficiency measures ideally need to be specified and installed during design and construction. Otherwise, it may be decades before energy-efficient changes to the buildings will take place. For measures and incentives that apply to existing multifamily structures, please refer to the Multifamily Retrofit Program.

2. Description

Incentives are offered to eligible electric and natural gas PSE new construction owners, developers, and customers (cumulatively, the program refers to these as “partners”) who are constructing new multifamily buildings.

For new construction multifamily projects, financial incentives are packaged under one grant and are structured to work in accordance with current Business Energy Management (BEM) programs. PSE provides a single point of contact to development teams for all energy-efficient measures and/or upgrades. This allows PSE to maximize the energy savings opportunity in each development and reduce multi-program confusion for the customer.

Structures include, but are not limited to: single-family dwellings, duplexes, apartments, town homes, condominiums, dormitories, affordable housing, low-income housing, workforce housing, and assisted living residences.

There may be any combination of residential and commercial meter mixes in each type of construction. Once the meter type mix is confirmed with the development team, the appropriate PSE programs are identified to serve that development. Incentives include a variety of end-use classifications, not limited to:

- Envelope: windows, insulation, air sealing;

- Lighting: common area, in-unit, exterior;
- Appliances: clothes washers, clothes dryers, refrigerators, dishwashers;
- Ventilation: in-unit, whole-home, common area, heat recovery; and
- while some HVAC and residential water heat equipment may be eligible in the MFNC program, most equipment will be incentivized through the midstream programs.

For all of the conservation measures installed, PSE receives measure installation data directly from owners and developers. It is therefore possible to precisely track measure details.

a. Affordable Housing

The MFNC program acknowledges there is a critical need in the PSE service territory for affordable housing. There is an extensive need for more living units in the affordable and workforce housing market sector. It is likewise important to help provide customers with high levels of energy efficiency and affordable utility costs. In response to the affordable housing deficiency, PSE offers a higher energy efficiency financial incentive level to MFNC projects that have households that are as high as 80 percent AMI, so long as the average house income for the entire property is 60 percent AMI or less. The goal is to remain consistent with the LIW program and Washington State Housing Finance Commission income eligibility guidelines.

The energy conservation measures offered are intended to be identical to those offered in the standard MFNC program and all enhanced measure incentives are cost effective.

3. Eligibility

Any Customer, owner, or tenant with appropriate owner consent of a new construction commercial, multi-family, or mixed-end-use facility or outdoor lighting that will receive natural gas service from the Company, and/or electric service under a special contract, or Schedules 7, 7A, 8, 24, 25 & 11, 26 & 12, 31, 35, (or their equivalent) of Electric Tariff G or Natural Gas Tariff of the Company through PSE's residential schedule 23 and commercial schedule 31 is eligible for this program.

4. Delivery Method

Measure incentive eligibility criteria are based on, but not limited to: established, industry-standard cost effectiveness tests; structure type and location within the PSE service territory; fuel type (natural gas or electric); product type; and product quantity. The incentives are effective January 1, 2024.

Incentive amounts and savings values are regularly reviewed by PSE and are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Incentive and savings determination is based on a whole-building approach.

Incentives may be subject to change in response to revisions in savings estimates, average incremental cost, or changes in federal appliance efficiency standards or state codes.

Incentive schedules are identified by primary heat source. Calculated incentives will be offered based on standard energy-efficient calculation practices. Incentives may be paid upon completion of work and submission of required program documentation.

Field inspections and audits will be conducted to ensure the quality of installations and verify the completion of work.

Qualifying customers receive incentives by submitting a processing application form, project backup documentation — such as drawings/cut sheets/energy models — and invoices/receipts at the time of verification. Incentive requests are screened for completeness of customer entries, and, where required, for submission of additional documentation. Incentive processing complies with PSE internal audit standards. For projects that are in a shared utility territory (for example, Seattle City Light provides electric and PSE provides natural gas), PSE will encourage the customer to participate in the other utility's programs for the appropriate measures.

5. Implementation Management

The MFNC Program services are implemented through the coordinated efforts of a PSE-contracted third-party vendor and PSE staff. The third-party implementer conducts program outreach and creates a pipeline of projects to go through the MFNC program. The third party also acts as the customer's PSE point of contact throughout the grant process. The third-party is responsible for documenting the proposed efficiency measures and verifying the installation of each measure. The whole building grant process follows the BEM Custom Grant procedure.

A Quality Control (QC) package and payment package provided by the third-party is reviewed by a PSE EME for each project. The third-party activities are managed by CEM program staff who are also responsible for establishing metrics; Key Performance Indicators (KPIs); collecting, archiving, and reporting of savings and expenses; and ensuring customer satisfaction.

If the customer is able to provide an energy model, the project follows the BEM Custom Grants Whole Building Energy Model Approach (this includes a model review, EME QC package, EME QC, and EME verification).

In the 2024-2025 biennium, PSE's new construction programs will aim to seek deeper savings with projects. There are a number of headwinds that will make it tougher to achieve energy savings in new construction, including an increasingly stringent WSEC and fewer opportunities for natural gas savings due to the general trend toward electrification in the region.

PSE will lean heavily on Early Design Assistance (EDA) in order to provide the technical assistance and cost/benefit analysis to assist customers in seeking deeper savings.

6. Customer Incentives

Measure incentive eligibility criteria are based on, but not limited to, established, industry-standard cost effectiveness tests; structure type and location within the PSE service territory; fuel type (natural gas or electric); product type; and product quantity. PSE may, at its sole discretion, adjust rebates based on market variables.

PSE regularly reviews incentive amounts and savings values that are based on regionally accepted energy savings estimates and incremental efficiency measure cost.

Rebates may be subject to change in response to revisions in savings estimates, average incremental cost or changes in federal appliance efficiency standards or state codes.

Incentive schedules are identified by heat source. Calculated incentives will be offered based on standard energy-efficient calculation practices. Incentives may be paid upon the completion of work and submission of required program documentation.

Customers assume full responsibility for selecting and contracting with third-party service providers. A grant agreement or signed prescriptive measure rebate application will be required. Field inspections and audits may be conducted at random to ensure quality installations and verify the completion of work.

a. *Type of Rebate or Incentive*

Qualifying customers receive incentives by submitting a processing application form; project backup documentation, such as drawings/cut sheets; and invoices/receipts at the time of verification. Incentive requests are screened for the completeness of customer entries and, where required, for the submission of additional documentation. Incentive processing complies with PSE internal audit standards.

The MFNC program provides incentives based on a whole-building approach. Qualifying projects may be eligible for varying degrees of incentives, based upon analyses of the range of measures installed and commissioned. Component measures are evaluated individually and funding is based upon cost-effectiveness. Under this approach, customers may receive up to 100 percent of the incremental cost over a code-compliant baseline.

i. Multifamily New Construction Electric Incentives

The Affordable Housing Incentive serves projects up to 80 percent AMI so long as the property average is 60 percent AMI or less. Maximum incentive amount per square foot is 150 percent of standard market rate.

Category	Measure	Maximum Incentive Amount Each
Whole Building	Electric – Market Rate Incentive	Up to $0.45/kWh
	Electric – Affordable Housing Incentive	Up to $0.68/kWh

ii. Multifamily New Construction Natural Gas Incentives

Affordable Housing incentives serve projects up to 80 percent AMI so long as the property average is 60 percent AMI or less.

Category	Measure	Maximum Incentive Amount Each
Whole Building	Natural Gas – Market Rate Incentive	Up to $8.00/Therm
	Natural Gas – Affordable Housing Incentive	Up to $12.00/Therm

7. Target Market

The target market for this program may include, but is not limited to: MFNC builders, developers, architects, mechanical and electrical engineers, lighting designers, property owners, contractors, retail partners, housing authorities, efficiency equipment suppliers, distributors, and manufacturers.

8. Marketing and Outreach Plan

In order to reach the right audience at early stages, marketing teams will explore a diverse set of messaging and tactics to reach architects, municipalities, developers, and engineers. These methods include, but are not limited to: vendor-led Lunch and Learns, vendor-led EDA Meetings, and Big Check Presentations.

Overarching strategies will include, but will not be limited to:

- identifying projects and reaching development teams early in the design process;
- utilizing third-party vendors, hosting EDA meetings with architects, developers, and designers to promote efficient equipment — the EDA is designed to coordinate cross-disciplinary conversations during the design process while substantive changes can still be made;
- driving traffic to new construction homes shows and demos;
- delivering energy efficiency presentations (in-person and virtual) to various community audiences;
- identifying and recognizing business partners for their contributions in serving PSE's customers; and
- hosting vendor-led Lunch and Learns with local architects, developers, and designers to showcase PSE's efficiency offerings.

The program also uses a mix of marketing activities to reach the designers, builders, owners, and developers of new multi-unit residential structures.

The primary high-level strategies used to help penetrate the market include the following:

a. *Green Building Cooperatives*

Green building cooperatives help PSE to extend visibility using less money, and they have a broader reach than what could be obtained independently. Partners promote PSE's energy efficiency programs, green building, and building practices that result in energy-efficient multifamily homes. Key partners include, but are not limited to: Sustainable Connections, AIA Seattle, and Cascadia Green Building Council.

These programs use a bundled approach to release reoccurring messaging and updates to primary and secondary target audiences. They will also develop a strategy based on the developing market conditions and affordable opportunities in appropriate publications.

b. *Education, Communications, and Awareness*

Maintaining consistent program communication, awareness, and energy efficiency educational elements are complementary to the success of achieving savings target goals. Some key initiatives to elevate education, communication, and awareness may include:

- direct-to-builder brochures
- direct mail and advertisements
- leave-behind collateral for new residents.
- newsletters
- online/website development
- consumer education: model home signage, builder cooperatives
- cross program positioning: Energy Efficient Communities and Events teams
- other PSE division collaborations: customer construction services

c. *Industry Events and Builder Relations*

As a lead-generating tool and to increase program awareness with large volumes of industry partners, builders, contractors, suppliers, and associated design professionals, the program exhibits at various green building conferences and exhibitions as well as presenting to smaller organizations and workshops. Primary promotional tactics include:

- development of displays and signage;
- designing and producing collateral materials;
- pre-event advertising: publications, e-news, e-vites, web;
- post-event surveys and debriefs;

- tracking leads generated for ROI;
- continually to participating in conferences and tradeshows; and
- hosting or co-hosting events (in-person and virtual) for customers and contractors with other programs.

G. Residential Pilots

Schedules E/G 249

Pilot programs and demonstration projects may be undertaken to determine whether certain strategies and measures are cost-effective in the long run. Pilots are employed to test cost-effective ways to demonstrate market opportunities for energy efficiency.

Pilots may include tests of measure cost and performance, customer acceptance, and delivery methods. In compliance with WAC 480-109-100(1)(c) and condition (7)(c), PSE will pursue pilots when there is a reasonable expectation of savings achievement in the current or subsequent biennium, and it will only claim energy savings that achieve energy savings sufficient to demonstrate cost-effectiveness by passing the Total Resource Cost (TRC) test.

At this time of this plan, PSE had not identified pilots with uncertain savings. Individual programs will continue adaptive management and “pilot-like” adjustments that try new ways of delivering products with known energy savings.

IV. Business Energy Management

A. Commercial/Industrial Retrofit

Schedules E/G 250

1. Purpose

The purpose of the Commercial and Industrial Retrofit program is to encourage PSE's existing Commercial and Industrial (C/I) customers to use electricity and natural gas efficiently by installing cost-effective energy-efficient equipment, adopting energy-efficient designs, and incorporating energy-efficient operations at their facilities.

2. Description

PSE works with C/I customers to provide incentives for cost-effective energy efficiency upgrades to lighting, equipment, building shell, industrial process, and select operations and maintenance (O&M) improvements. These services are provided on the customer's behalf and, where specified by the customer, will be developed in conjunction with design engineers, contractors, and/or vendors.

PSE conducts site assessments to identify savings opportunities, verifies existing equipment and system operations, and makes recommendations to customers. PSE also reviews third-party savings estimates and analyses, and, when required, performs in-house analyses to validate energy savings. PSE works with financial decision makers at the customer's facility to ensure the customer is aware of cost savings opportunities, including review of energy saving projections that can help obtain favorable financing rates.

C/I retrofit projects commonly include: lighting system upgrades, HVAC equipment upgrades, HVAC controls improvements, commercial refrigeration measures, and industrial process modifications. Additionally, incentives for existing building commissioning (O&M) improvements are provided through the Existing Building Commissioning (EBCx), Monitoring-Based Commissioning (MBCx), Building Tune-Up measures, and the Virtual Commissioning program.

Upon the customer's decision to proceed with a project, PSE issues a standardized Conservation Grant Agreement and Grant Attachment that establishes terms and conditions for participation in PSE's Custom Grant program and also explains how the measure will be verified. After the agreement is signed by both parties, the customer is given notice to proceed with the energy-efficiency project.

Following completion of the project, PSE verifies the installation and energy savings via a site inspection; review of equipment operation and trend log data where necessary; and collection of project invoicing and specifications of installed equipment.

3. Eligibility

All C/I customers receiving electricity or bundled natural gas service from PSE are eligible. Schedule 46, 49, 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for measures offered under this C/I Retrofit program and its related contracted programs. Industrial customers receiving commodity electric service and/or commodity natural gas from PSE are eligible for programs under this schedule. Electrical retail wheeling and gas transport customers are not eligible.

Projects must be submitted and reviewed for funding approval prior to installation/implementation.

4. Programs

a. *Retrofit Custom Grants*

The Custom Grant program provides commercial and industrial (C/I) customers calculated incentives on measures that PSE considers to be cost-effective and provide quantifiable energy savings. Custom grants are available through two programs: Custom Grants (non-lighting measures) and the Business Lighting Incentive (BLi) grant program (lighting and lighting controls measures). The retrofit custom grant program includes site-specific basis incentives, prescriptive-basis incentives, and performance-basis incentives.

i. Delivery Method

The Custom Grant programs affect conservation measures through incentivizing the installation of equipment and through optimization of existing building systems. PSE may use third-party contractors for program support.

ii. Implementation Management

The Custom Grant program manages all conservation measure installations, commissioning, and incentive payments via in-house PSE program staff.

b. *Custom Lighting Grants (Business Lighting Incentive Program)*

To simplify the customer experience, PSE offers one Business Lighting Incentive (BLi) grant program. This single program addresses customers' needs by providing custom calculated incentives for lighting and lighting controls measures. BLi includes retrofit grants, Street Lighting (BLsli) for street lighting flat rate schedule projects, Tenant Improvement (BLti) for tenant improvement lighting only projects, New Construction (BLnc) for new construction lighting only projects, and Express (BLx) for contractors and customers doing maintenance work.

i. **Delivery Method**

The Business Lighting programs affect conservation measures through direct installation into customers' eligible structures by contractors or their customers who make incentive applications.

ii. **Implementation Management**

The Business Lighting programs manage all conservation measure installations via in-house, PSE program staff.

c. *Industrial Programs*

The objective of the Industrial Energy Management (IEM) is to work with industrial customers to identify, evaluate, and implement projects or change energy management practices to improve energy efficiency.

The IEM program provides a comprehensive set of offerings directed at its industrial sector customers. This includes traditional custom capital projects, Industrial Systems Optimization Program (ISOP), Industrial Strategic Energy Management (ISEM), and the Comprehensive Small Industrial (CSI) offering, which provides custom grants targeted at small industrial sector customers.

In 2023, a pilot offering was added to the program targeted at customers participating in ISOP to encourage customers to pursue capital measures identified in the ISOP process by bundling them with the O&M measures and offering additional incentives.

i. **Delivery Method**

The IEM program affects conservation measures through incentivizing the installation of efficient equipment, low and no-cost O&M measures, or customer behavior training via SEM seminars.

ii. **Management**

The IEM program manages all conservation measure installations via in-house PSE program staff, with targeted support for certain program tasks provided by third-party contractors. The pilot offering for ISOP+, a sub-program under ISOP, is implemented using existing resources and engineering support.

d. *Clean Buildings Accelerator*

The Clean Buildings Accelerator (CBA) is designed to assist building owners as they come into compliance with the requirements of the Clean Buildings Law (HB1257). The law

applies to buildings over 50,000 sq. ft. It is a third-party led, SEM-based service that includes training, templates, and a path to some quick, low-cost energy savings actions.

The CBA was designed for lower-resourced organizations, including public organizations and nonprofits. However, organizations of larger sizes, including hospitals and property management groups, have also joined cohorts.

Recruitment efforts are targeted toward customers who have not participated in many past PSE programs who need extra support in starting their compliance journey.

i. Delivery Method

The CBA achieves energy savings by completing a four-month sprint, which includes a virtual energy scan for up to three buildings per customer. The energy scan includes low and no-cost opportunities, primarily via the building's controls system and results in 2 percent deemed savings. A one-year savings true-up is completed at the end of the 15-month engagement, using a regression analysis methodology for each building.

PSE supports customers by presenting other energy efficiency programs to customers and helping to establish existing performance as compared to performance targets for buildings in the CBA program.

The CBA is offered at no cost to participants, however, there are no incentives for energy savings. Customers that complete the CBA program may go on to participate in any other Customer Energy Management (CEM) programs.

Benchmarking and whole-building energy consumption knowledge is foundational, and not just on the PSE-fueled side. Therefore, PSE openly continues to share the CBA program model, best practices, and lessons learned with partner utilities. Four other Washington utilities have adopted the Accelerator model with Stillwater Energy as their delivery vendor: Snohomish PUD, Pacific Power, Avista, and Seattle City Light.

ii. Implementation Management

The CBA program is delivered by Stillwater Energy in a cohort-based approach. Customers work through the four-month sprint together through online workshops, supplemented by individual organization coaching calls and a virtual energy scan for eligible buildings. PSE works closely with Stillwater Energy to help recruit participants and assists during engagement. Stillwater Energy reports to PSE on program participants and their buildings, including performing an energy savings analysis at the end of the engagement.

Since its launch in 2021, the CBA has served 10 cohorts, supporting over 70 customers and counting on their path to compliance (representing hundreds of buildings), targeting energy savings between 2-7 percent or more per building. Similarly to 2023, PSE plans

on having five or six cohorts in 2024. PSE may leverage Business Services, Municipal Relations, Energy Efficient Communities, and other internal teams to help market the CBA.

PSE also seeks speaking engagements to promote awareness of the law and to recruit CBA participants. In 2022, the Washington State Department of Commerce (Department of Commerce or Commerce) sent out notification letters to affected building owners, but PSE received minimal inquiries for assistance. In response, PSE issued notification letters directed at building occupants and building operators to increase participation rates in the CBA. PSE found that program uptake increased significantly after this outreach. In 2023, PSE sent out a letter with a focus on equity, targeting customers that most need help with understanding the law and reducing their carbon footprint.

e. *Telecommunications Efficiency Program*

The objective of the Telecommunications Efficiency program (TEP) is to identify, evaluate, and implement projects for PSE's telecommunication customer and to improve energy efficiency in their facilities by providing them with a comprehensive and flexible program combining capital and performance-based incentives. TEP will be provided to all telecommunication customers receiving commodity electric service from PSE. These telecommunication and internet service providers are in an industry that operate in radio, telecommunications, cellphone, broadband, and cable television, among other services and their facilities.

i. Delivery Method

The program includes all measures that cost effectively save energy. Those measures can be capital investment measures, O&M measures, instant rebates, and custom grants.

ii. Implementation Management

PSE has contracted with Willdan to deliver the TEP program that will continue in the 2024-2025 biennium. Willdan has direct experience working with telecommunications customers and energy-efficient technologies for this sector. PSE program staff will oversee contacts, including internal communication and coordination, and Willdan is responsible for the marketing, outreach, and recruitment of program participants. There are no significant changes to program operations since the previous biennium. Due to the target customers for this program being telecommunications customers, PSE does not have much influence to affect equity implementation but it can support initiatives that the customers participate in.

f. *Virtual Commissioning™ Program*

The objective of the Virtual Commissioning™ Program is to identify customer sites that have large opportunities for energy savings, engage with those customers remotely, provide recommendations for no-cost energy saving improvements, and assess the realized savings based on reductions to the site usage over a span of three to four months. Savings will then be trued up toward the end of the contract period to reconcile savings differences.

i. Delivery Method

PSE sends all available rate schedule 24EC, 25EC, 26EC, 31EC, and 31GC Advanced Metering Infrastructure (AMI) interval data to the implementing consultant daily. The consultant contacts customers on PSE's behalf after reviewing site billing data. Email and phone conversations are used to recommend more efficient operating strategies — typically HVAC set point and schedule adjustments. There are no customer costs outside of the labor hours to correspond with the consultant, and there are no customer incentives provided. Customers interested in capital improvements get referred to PSE for follow-up from the proper person or group.

ii. Implementation Management

This program is delivered via Power TakeOff, with support from PSE in the form of contract oversight and general coordination. The third party maintains an updated Implementation Plan document that details timelines, deliverables, processes, and protocols, among other things. PSE and the third party hold meetings twice per month to make sure any issues are addressed promptly and any outstanding questions are answered.

This is not an openly advertised program because participants are selected based on which sites have the most savings potential. However, if a specific customer has several locations that are within PSE rate schedule 24EC, 25EC, 26EC, 31EC, and/or 31GC and they would like for all their sites to participate in this program, the implementer can examine the usage data and have conversations to see if there is savings potential.

5. Customer Incentives

C/I Retrofit programs include customer incentives. They are not limited to any measure type or market segment. This is intended to provide the customer flexibility in developing projects that will result in energy savings.

Incentives are:

Site-Specific Basis Incentives, or "custom" incentives. They rely on generally accepted engineering calculations and measure costs provided by the customer or the customer's

contractor. Electric and natural gas measures may receive a maximum incentive of up to 70 percent of the measure cost when the grant incentive does not exceed the cost-effectiveness standard, less program administration costs. Measures where cost exceeds the cost-effectiveness standard will receive grants that are on a declining scale and will be less than 70 percent of the measure cost.

Generally, electric and natural gas measures that have a Simple Payback of less than one year are not eligible for a Site-Specific Basis incentive.

Prescriptive Basis Incentives are provided for Commissioning and Optimization of Existing Buildings and for measures that are eligible for rebates under Schedule E/G 262, C/I Incentive Program.

The incentive amount for a measure is the same as that which is available under Schedule E/G 262.

Performance Basis incentives may be provided where energy savings are determined through direct measurement of energy usage and/or the use of efficiency indicators.

Energy-Use Monitoring: PSE may provide secure website access to facility energy-use data for building occupants free of charge for up to two years.

More typically, access will be free of charge for one year to allow the occupant to verify building and/or measure performance according to energy-use projections.

To be eligible, customers must be on a rate schedule with demand (kilowatt [kW]) as well as energy (kilowatt-hour [kWh]) charges. Compatible metering and remote data retrieval capability must be in place at the customer's facility. PSE is not obligated to replace or upgrade nonconforming meters. Customers are expected to use the monitored information to improve energy efficiency at the facility. Customers will demonstrate annual energy savings potential through energy management O&M as well as identification of further efficiency measures and equipment upgrades.

Incentives for short and long payback projects will be adjusted as needed, according to market conditions.

Processing of Incentives: Customers provide PSE with project costs and estimated savings. Customers assume full responsibility for selecting and contracting with third-party service providers. Projects must be approved for funding prior to installation/implementation but exceptions may be considered on a case-by-case basis. A grant agreement will be required.

All C/I Retrofit incentives will be processed using a standard Grant Agreement, listing the measure description, measure life, measure cost, and grant amount. An attachment to the Grant Agreement will list specific measure details and will describe the process PSE will use to verify that the measure is installed correctly and performing efficiently.

The PSE energy management engineer (EME) and the manager of Business Energy Management (BEM) oversee all incentives and program operations. EMEs update project changes in the tracking system and review monthly results.

The manager of BEM reviews the cost-effectiveness of all efforts. A review of results and refinement of program strategies are conducted annually.

Measure incentive eligibility criteria are based on, but not limited to, established, industry-standard cost effectiveness tests, structure type and its location within the PSE service territory, fuel type (natural gas or electric), product type, and product quantity.

Business Lighting Incentives:

BLi include, but are not limited to:

Measures	Description	Maximum Incentive
Grants for Business Lighting	Based on cost and savings analysis, pay the lesser of 70 percent of project cost or the sum of the kWh incentives below. For Named Communities the pay the lesser of 100 percent of the project cost or the sum of the kWh incentives below. For BLti and BLnc the project is capped at 100 percent of the measure cost	
	TLED linear tube prescriptive incentive	$4 per TLED ($2/TLED when replacing an existing TLED – must save 5 watts/tube)
	Per annual kWh savings for Retrofit Lamps and component kits	$0.17
	Per annual kWh savings for full retrofit kits and new fixtures	$0.30
	Per annual kWh savings for new automatic controls in addition to the fixture incentive	$0.20
	Per each interior LED LLLC fixture installed	$100.00
	Per each interior LED LLLC fixture installed outside of daylight zone	$50.00
	Per each interior LED NLC fixture installed	$50.00

Business Lighting Incentives Continued

Measures	Incentive	Eligibility
Grants for Business Lighting	Per each Advanced Exterior Lighting Control (AELC)	$75.00
	Per each existing exterior LED fixtures with added AELC	$50.00
	New Street Lighting LED fixtures	$0.25
	New Street Lighting LED fixtures with AELC	$0.35
Business Lighting Express Incentives	**LED Fixtures**	
	HID to LED fixture - 24 watts or less	$142.00
	HID to LED fixture - 25 watts to 49 watts	$145.00
	HID to LED fixture - 50 watts to 99 watts	$253.00
	HID to LED fixture - 100 watts to 149 watts	$336.00
	HID to LED fixture - Over 150 watts	$374.00
	Interior Controls - Daylight and Occupancy per space	$100.00
	Interior Controls - Daylight Dimming per space	$75.00
	Interior Controls - Occupancy Sensor per space	$50.00
	Exterior Controls- Occupancy Sensor each	$50.00
	Exterior Controls – Photocell each	$75.00
	Troffer - LED - 25w to 50w - from FL	$53.00
	High Bay or Low Bay - LED - 50w to 149w - from FL or HID	$209.00
	High Bay or Low Bay - LED - 150w to 200w - from FL or HID	248.00
	TLED Tubes	
	Lamp - TLED - Any - from any T8 - Comm	$4/tube
	Lamp - TLED - Any - from any TLED with minimum 5W savings per lamp – Comm	$2/tube

Commercial/Industrial Grants

Measures	Incentive	Eligibility
Grants for Non-Lighting Measures including Telecommunications Efficiency Program	Based on cost and savings analysis, pay the lesser of 70 percent of project cost or $0.45 per annual kWh or $8.00 per annual therm savings.	Non-lighting measures, subject to PSE cost-effectiveness standards.
Grants for Advanced Rooftop Controls (ARC)	Based on $225/ton for PSE electric equipment and an additional $50/ton for PSE gas equipment.	Existing, single-zone units that are less than 15 years old, have a cooling capacity greater than 5 tons, and a supply fan greater than 1 HP. Projects that don't meet the eligibility requirements may pursue a non-lighting grant.
Commissioning Offerings **Existing Building** **Monitoring-Based** **Building Tune-Up** **AMI SMB Virtual Commissioning**	See table and information that follows	Depends on services provided by PSE. See table and information that follows
Major HVAC Controls Upgrade	See table and information that follows	Depends on services provided by PSE. See table and information that follows

Retail wheeling customers may utilize their Schedule 258 Large Power User Self-Directed Program incentive allocation.

Existing Building Commissioning (EBCx) Incentives

For existing building commissioning (EBCx), (buildings older than 18 months) incentives are designed to cover up to 100 percent of the commissioning costs, as well as to provide the owner a full list of cost-effective energy savings opportunities.

Incentives are paid in three phases. An assessment is paid once the assessment is completed, a base incentive is paid after a commissioning is completed, and a performance bonus incentive is paid after first-year savings requirements are met and the owner documents that savings improvements are still in place. If the assessment indicates the building is an inappropriate candidate for commissioning, only the assessment incentive will be paid.

If there is no metering at the building level, the customer may also be eligible for an incentive for sub-metering to assist the owner in monitoring building energy usage.

Description	Incentive Details	Maximum Incentive Building's Utility Services		
		PSE all services	PSE Electricity only (other gas)	PSE gas only
Base Incentive for Commissioning (CX)	Incentive Cap	75 percent of Commissioning (CX) Provider Costs		
	Assessment (Minimum Grant)	$5,000	$4,000	$2,000
	Remaining CX Process: (Investigation, Verification, Systems Manual, Training)	$0.35/sf	$0.25/sf	$0.15/sf
Owner Commitment	Cost of Improvements (Maximum)	$0.15/sf	$0.10/sf	$0.10/sf
	Required Improvements	Improvements with ≦ 2 year payback.		
	Implementation Time Frame	Within 6 months of Investigation		
	Senior O&M Staff Time	50 hours to participate in process and training		
One Year Performance Bonus Incentive	Incentive Cap	100 percent of Total Cost (CX Provider + Implementation)		
	Incentive for Electric Savings	$0.05/kWh	$0.05/kWh	N/A
	Incentive for Electric Savings	$0.05/kWh	$0.05/kWh	N/A
	Incentive for Gas Savings	$0.80/therm	N/A	$0.80/therm
	Required Building Savings	8 percent	8 percent	11 percent
	Required documentation	Evidence that improvements are still in place.		
Sub-metering Incentive	Eligible for incentive if no metering is present at the building level	Pay up to $3,000 per building to install sub-metering.		

Combined Utility Path for EBCx in the City of Seattle

Each PSE customer located within the City of Seattle will participate through a combined incentive structure designed and implemented by both utilities. The customer participating in the program must secure preapproval from either both or one of the utilities prior to participation and will adhere to all measure and qualifications and requirements. There is a current requirement within Seattle for all buildings greater than or equal to 50,000 sq. ft. in size to undergo a building tune-up, which includes some, but not all, commissioning activities. As a result, the incentive

offered by PSE to these customers is reduced as to not incentivize activities required by the ordinance. The incentive structure for qualifying customers will be as listed below.

Description	Incentive Details
Assessment Incentive	$1,000
Commissioning Phase	$0.10/sq. ft.
Performance Phase	$0.80/therm

Eligibility for incentives, all building fuel types, requires independent commissioning.

Monitoring-Based Commissioning (MBCx) Incentives

For Monitoring-Based Commissioning (MBCx), (buildings older than 18 months), incentives are designed to cover up to 100 percent of the commissioning costs, as well as to provide the owner a full list of cost-effective energy savings opportunities.

Incentives are paid in three phases. A base incentive is paid once the implementation is completed, and two performance incentive are paid after first and second-year savings requirements are met and the owner documents and provides quarterly reporting.

If there is no metering at the building level, the customer may also be eligible for an incentive for sub-metering to assist the owner in monitoring building energy usage.

Description	Incentive Details	Maximum Incentive Building's Utility Services		
		PSE all services	PSE Electricity only (other gas)	PSE gas only
Base Incentive for Implementation	Install Monitoring-Based Commissioning software and implement Cx regular process meetings.	$0.15/sf	$0.10/sf	$0.05/sf
Owner Commitment	Cost of Improvements (Maximum)	$0.15/sf	$0.10/sf	$0.10/sf

MBCx Incentives Continued

Description	Incentive Details	Maximum Incentive Building's Utility Services		
		PSE all services	PSE Electricity only (other gas)	PSE gas only
One Year Performance Bonus Incentive	Incentive Cap	100 percent of Total Cost (CX Provider + Implementation)		
	Incentive for Electric Savings	$0.05/kWh		
	Incentive for Gas Savings	$0.80/therm		
	Required Building Savings	6 percent		
	Required documentation	Quarterly reporting		
Second Year Performance Bonus Incentive	Incentive Cap	100 percent of Total Cost (CX Provider + Implementation)		
	Incentive for Electric Savings	$0.05/kWh		
	Incentive for Gas Savings	$0.80/therm		
	Required Building Savings	6 percent		
	Required documentation	Quarterly reporting		
Sub-metering Incentive	Eligible for incentive if no metering is present at the building level	Pay up to $3,000 per building to install sub-metering.		

Building Tune-Up Incentives

For Building Tune-Up, (buildings older than 18 months) incentives are designed to cover up to 100 percent of the tune-up costs, as well as to provide the owner a full list of cost-effective energy savings opportunities.

Incentives are paid in two phases. A base incentive is paid once the implementation is completed, and one performance incentive is paid after first-year savings requirements are met.

If there is no metering at the building level, the customer may also be eligible for an incentive for sub-metering to assist the owner in monitoring building energy usage.

Description	Incentive Details	Maximum Incentive Building's Utility Services		
		PSE all services	PSE Electricity only (other gas)	PSE gas only
Base Incentive for Implementation	Implement cost-effective measures.	$5,000	$4,000	$2,000
Owner Commitment	Cost of Improvements (Maximum)	$0.15/sf	$0.10/sf	$0.10/sf
One Year Performance Bonus Incentive	Incentive Cap	100 percent of Total Cost (Tune-Up specialist + Implementation)		
	Incentive for Electric Savings	$0.05/kWh		
	Incentive for Gas Savings	$0.80/therm		
	Required Building Savings	6 percent		
Sub-metering Incentive	Eligible for incentive if no metering is present at the building level	Pay up to $3,000 per building to install sub-metering.		

Virtual Commissioning Program

There are no customer incentives for participating in this program. PSE pays the vendor directly for verified savings on a monthly basis. There will be an annual true-up period where any discrepancies between the invoiced savings amounts and final savings amounts will be reconciled.

PSE is contracted with the vendor to deliver up to 8,000,000 kWh in annualized savings for the 2024-2025 biennium at the payment rates below. Notably, natural gas is still distantly secondary to this program effort due to vendor issues with claiming natural gas savings that comply with IPMVP guidelines from their engagements.

Description	Incentive Details	Incentive Amounts	
		Electric Incentive	Gas Incentive
Virtual Commissioning	Vendor Invoice Payment	$0.25/kWh	$0/Therm

Major HVAC Controls Upgrade Incentives

Major HVAC controls upgrade incentives can cover up to 50 percent of the total applicable project cost depending on verified energy saving from the project. Major HVAC controls upgrades involve adding and/or modifying three or more significant energy-saving control sequences as well as other major upgrades such as new controllers and a new web-based graphical user interface.

Incentives are provided in two phases: a base incentive paid at the end of the installation and a performance incentive paid after almost a full year of actual operation. The performance incentive is based on verified savings at the whole-building level. The incentive level varies depending on the services provided by PSE. See the table below.

The project must meet PSE prescribed requirements for the controls sequences and features and the system must undergo testing to verify proper installation and operation. The project must also include customer training and a facility guide designed to help the operator maintain the facility energy efficiency performance over time.

If there is no energy metering at the building level, the customer may also be eligible for an incentive for sub-metering to assist in determining the actual building performance. The whole-building sub-metering incentive follows the same guidelines as the sub-metering incentive relayed in the commissioning programs.

Incentive Description	PSE Electric (or combined Electric & Natural Gas Service)	PSE Natural Gas Service Only
Maximum Total Incentive = Base + Performance	50 percent of total project cost	25 percent of total project cost
Base Incentive (Based on 5 percent whole building savings*)	$0.45 per kilowatt-hour (kWh) saved (+ $8.00 per therm saved)	$8.00 per therm saved
Maximum Base Incentive	35 percent of cost	15 percent of cost
Performance Incentive (Based on first year whole building savings)	Based on actual percentage of whole building savings greater than 6 percent	$8.00 per therm saved

**Whole building energy use may exclude large non-HVAC uncontrollable/process loads like data centers.*
Whole Building Metering: If there is no energy metering at the building level, the customer may also be eligible for an incentive of up to $3,000 for sub-metering to assist in determining the actual building performance.

Industrial Energy Management Incentives

Industrial Energy Management (IEM) measures are classified into four categories: capital investment measures, O&M measures, SEM and behavioral measures, and CSI measures.

Capital Investment Measures: examples include replacing an inefficient blower with a high-efficiency blower, installing a Variable Frequency Drive (VFD) on a centrifugal fan or pump for part load controls, and installing and new control system to operate the industrial refrigeration system.

***O&M Measures*:** examples include control sequence modification and set point adjustment for refrigeration or heating systems, compressed air leak detection and repair, compressed air shut-off valves at workstations, modulation of fan or blower speeds based on demand and controls, and modification or installation of timers to shut off pumps when not required for the operation.

SEM and Behavioral Measure*s:* examples include creating a SEM cohort and working with customers to establish an organizational changes to set energy-saving goals and engaging all level of people in the organization to work together to achieve the goals. Energy saving can be from behavioral changes, O&M, and capital investment.

CSI Measures: examples include a combination of capital investment and O&M measures. This category is for customer with energy usage of less than 1 million kWh and/or 100,000 therms.

The customer incentive varies based on measure categories as outlined below:

Measures	Incentive	Eligibility
Capital Investment	Based on cost effectiveness of the measure using Autofund to determine the incentive. In general, incentive will be $0.45kWh or $8/therm up to 70 percent of project cost.	Cost effective measures based on Autofund. Incentive can be based on saving estimates or based on measured savings.
Industrial System Optimization	Engineering cost from PSE contracted service providers are covered by program 100 percent. Customer incentive is based on $0.07/kWh and $1.04/therm up to 100 percent of the customer implementation cost.	Based on verified savings.
Strategic Energy Management	1) $0.04 times verified kWh and $0.64/Therm saved up to $50,000 per year per site. 2) Two (2) $1000 potential milestones incentives for each participating customer per site.	Based on meeting milestones or verified savings.

Industrial Energy Management Incentives Continued

Measures	Incentive	Eligibility
Comprehensive Small Industrial	Based on cost effectiveness of the measure using Autofund to determine the incentive. In general, incentive will be $0.45/kWh or $8/therm up to 70 percent of project cost.	Cost effective measures based on Autofund. Incentive can be based on saving estimates or based on measured savings. .
Industrial System Optimization Plus – Pilot Offering	Engineering cost from PSE contracted service providers are covered by program 100 percent. Customer incentive is based on $0.35/kWh and $5.52/therm up to 100 percent of the customer implementation cost of the bundled O&M and capital projects pursued. Customer must complete at least one capital project in order to be eligible for the bundled incentive rate.	Based on verified savings.

6. Target Market

PSE targets all C/I customers with program offerings and marketing efforts appropriate to the given business type, size, and operation.

7. Marketing and Outreach Plan

Customers will learn about the program through awareness-building activities as well as targeted proactive prospecting to customers with high potential for energy savings. Such activities include targeted messaging delivered directly to selected businesses through email, phone calls, and other digital efforts.

Additionally, routine communications with internal PSE channels responsible for direct communication with customers and others who influence decisions about energy efficiency, such as public officials, will yield greater program awareness. This includes:

- regular meetings and communications with Business Services staff, including major accounts executives, business accounts managers, and energy efficiency account executives;
- routine updates to PSE EAs about programs; and
- collaboration with PSE media and social media teams to publicize significant projects and program offerings.

PSE's C/I Retrofit Program, which includes Business Lighting and custom grants, primarily relies on the following channels to maintain an abundant quantity of custom retrofit project leads:

- repeat program participants;
- internal PSE channels such as Business Services; and
- Trade Ally relations with contractors, engineering design firms, and energy service companies (ESCOs).

a. *Communications*

PSE may communicate about C/I Retrofit program offerings as follows:

- continually creating collateral to be more awareness-driving than project generation-focused, which is focused on taking control of one's energy;
- providing information on the web addressing customer needs and more effectively communicate program offerings;
- providing in-person and virtual application and program offering trainings;
- pursuing web-based applications; and
- leveraging other PSE customer-facing departments to communicate PSE Efficiency Program information.

b. *Coordination with PSE Staff and Departments*

Routine communications with internal PSE channels responsible for direct communication with customers and others who influence decisions about energy efficiency, such as public officials, will yield greater program awareness.

- Regular meetings will be held and communications will be had with Business Services staff, including major accounts executives, business account managers, and energy efficiency account managers.
- Routine updates will be made to PSE EAs about programs.
- Collaboration will be done with PSE media and social media teams to publicize significant projects and program offerings.
- Identification of business customers whose energy efficiency achievements illustrate the results of PSE program participation will be done, highlighting their successes at events, in case studies, and through media outreach to increase awareness of program offerings.

c. *Coordination with Program Providers*

PSE will continue to work with contractors, engineers, and ESCOs who develop and deliver custom retrofit energy efficiency projects and who communicate with building owners and managers about PSE's programs.

Coordination efforts may include the following:

- participation in meetings to update trade allies on program offerings
- providing information about PSE's role in energy efficiency retrofit projects
- coordination with trade allies on PSE energy efficiency program messaging
- expansion of TAN into the C/I sector of trade allies
- leveraging of the Northwest TAN for promotion of lighting efficiencies, and Trade Ally relations with contractors, engineering design firms and ESCOs

A section on the website will be built out to contain relevant information around C/I Retrofit including product options, potential energy savings, and contact information for PSE's retrofit specialists.

Additionally, PSE will build out its commercial business followers on select social media platforms to connect them by sharing relevant information and case studies and begin to position PSE as a trusted expert in the field of commercial retrofits.

B. Commercial/Industrial New Construction

Schedules E/G 251

1. Purpose

The purpose of the Commercial/Industrial New Construction (CNC) program is to influence efficient design, building components, and equipment in new buildings by working with customers, developers, tenants, owners, designers, and builders of new C/I facilities. The program provides incentives for the installation of cost-effective energy efficient measures to achieve savings beyond the applicable energy code or industry standard practice where code requirements do not exist.

2. Description

PSE works with owners, designers, and developers of any large or small new C/I facilities, or major remodels, to propose cost-effective energy-efficient upgrades that exceed energy codes or standard practice where minimum efficiency requirements are not prescribed by code. Four paths are available to provide assistance and/or funding for CNC energy efficiency measures.

The first path is similar to the Retrofit program where component measures are evaluated individually and funding is based upon cost-effectiveness. Under this approach, customers may receive up to 100 percent of the incremental cost over a code-compliant baseline. There is a streamlined process for new construction lighting projects that have allowable lighting power density values listed in the applicable code.

The second path is an energy-modeled whole-building approach that utilizes building energy simulation to demonstrate improvement over energy code requirements.

PSE will work with designers to incorporate measures that produce at least 10 percent overall savings beyond applicable energy code, including local jurisdiction amendments. Given the time required for planning and construction, these projects typically take several years to complete.

The third path is also a whole-building approach but does not require energy modeling. This approach, called the EUI (Energy Use Intensity) Performance Method (EUI PM), uses an EUI (in kBTU/sq. ft.) as the baseline and one year of metered data to calculate the savings. The baseline EUIs were developed by the Department of Commerce for new construction buildings. This approach reduces barriers to participation by reducing the documentation requirements and incentivizes good building operation by using actual consumption data.

The fourth path includes Prescriptive Basis incentives for measures that are eligible for rebates under Schedule E/G 262, C/I Incentive Program. The incentive amount for a measure is the same as that which is available under Schedule E/G 262, but energy savings may be calculated based on actual site-specific conditions and code baseline adjustments, if necessary.

Customers assume full responsibility for utilizing their design teams and contractors to provide information to PSE for evaluation of grant funding. Projects must be approved for funding prior to installation/implementation to be eligible.

3. Eligibility

Any customer, owner, or tenant with appropriate owner consent of a new construction commercial, industrial, multi-family, or mixed-end-use facility or outdoor lighting project that will receive natural gas service from the Company, and/or electric service under Special Contracts, or Schedules 7A, 24, 25, 26, 31, 35, 40, 43, 46, 49, 50, 51, 52, 53, 54, 55, 57, 58, 448, 449, 458, 459 (or their equivalent) of Electric Tariff G of the Company.

Customers must currently be or plan to be a PSE business electric and/or natural gas customer, and the new business site must be within PSE's electric and/or natural gas service areas. Customers must be pre-approved by PSE prior to the installation of all energy efficiency improvement measures.

4. Delivery Method

The CNC program affects conservation measures through the direct installation into customers' eligible structure by contractors, developers, and customers who, with consulting services provided by EMEs, enter into a custom grant agreement with PSE.

5. Implementation Management

The CNC program manages all agency conservation measure installations via in-house, PSE EMEs. CNC works closely with Multifamily New Construction (MFNC) and its third-party implementer. Where synergies exist, the third-party implementer also markets the CNC program through its outreach strategies.

6. Customer Incentives

Customers provide PSE with project scope, costs, proposed design details, and energy savings calculations, and PSE will utilize this to calculate estimated savings and incentives. Customers assume full responsibility for selecting and contracting with third-party service providers. A grant agreement or signed prescriptive measure rebate application will be required.

Component Measure Incentives: For energy-efficient measures with a simple customer payback greater than one year, PSE provides grants toward the incremental installed cost of the measure. Maximum grants will be based on the Company's cost-effectiveness criteria. Electric and natural gas measures may receive incentive grants up to 100 percent of the incremental measure cost where the grant incentive does not exceed the cost-effectiveness standard, less program administration costs. Measures that exceed the cost-effectiveness standard will receive grants that are on a declining scale and will be less than 100 percent of the measure cost.

In instances where project first costs, site conditions, or operational parameters lead to a customer fuel choice that would offset gains from implemented efficiency measures, incentives for fuel switching will not be provided. Choices that totally eliminate the need to provide an energy source to the site are not eligible for incentives.

Lighting Power Density New Construction Measure: This measure is a streamlined approach to providing a component incentive for new construction lighting systems that provide better energy performance than a code minimum compliant lighting system. This measure utilizes a PSE-designed energy savings workbook that incorporates the WSEC-required lighting power densities for different building types. Projects must exceed the current code by five percent in order to qualify for an incentive.

***Energy-Modeled Whole Building Approach Incentives*:** PSE provides incentives for projects designed and built to be at least 10 percent more energy efficient than a baseline building built under the applicable Energy Code. The incentive will be based on a whole-building, full-year energy model, with the savings being the difference between a minimally code-compliant baseline model and the proposed building design model.

***Eligibility for Energy-Modeled Whole Building Incentives*:** Energy-Modeled Whole Building Incentives are designed for buildings that will receive electric service from PSE and/or natural gas service from PSE. Projects to be served only with natural gas from PSE only qualify for whole-building incentives based on the modeled natural gas savings. As a guideline, buildings using the whole-building energy model approach incentive should be greater than 50,000 sq. ft., but exceptions can be made by PSE staff on a case-by-case basis.

Projects using multiple energy sources, but to be served with electricity from PSE, must demonstrate that the whole-building efficiency is improved by a minimum of 10 percent to qualify for an incentive. In instances where project first-costs, site conditions, or operational parameters lead to a customer fuel choice that would offset gains from implemented efficiency measures, incentives for fuel switching will not be provided, and choices that totally eliminate the need to provide an energy source to the site are not eligible.

EUI Performance Method Incentives: PSE provides incentives for projects designed and operated at least 10 percent more energy efficient than the baseline EUI. The savings will be based on one year of metered data that is weather-adjusted, compared to the baseline EUI, which will be based on space type. The incentive rate for both natural gas and kWh savings matches the incentive for the energy-modeled whole-building incentive. A base payment was implemented in 2022 and will continue in 2024-2025. PSE will assume 5 percent savings is guaranteed based on the proposed high-efficiency equipment and will pay the associated grant amount to the customer after construction is complete. An EME will verify that high-efficiency equipment has been installed before making this payment. After the performance period, any additional savings will be captured and the associated grant will be paid.

Prescriptive Basis Incentives: Rebates for equipment listed under the electric/natural gas C/I Rebate Incentive Program are available for new construction, except when required by the applicable energy code. Other Prescriptive Basis Incentives are not available within the Schedule 251 program.

When a rebated equipment item has an energy interaction with measures proposed under the whole-building approach, EUI Performance Method, or the component approach, the energy savings for the rebated equipment will be removed from the whole-building energy calculations or the component approach energy savings calculation.

Post Occupancy Building Commissioning Incentives: The post occupancy commissioning offering was sunset in 2023 due to low customer participation and overlap with existing offerings.

Energy-Use Monitoring: Upon occupancy, and subject to availability, the Company may provide secure website access to facility energy-use data for the building occupant, free of charge. Typically, energy consumption data will be available to allow the occupant to verify building and/or measure performance according to energy-use projections. To be eligible, customers must be on a rate schedule with demand (kW) as well as energy (kWh) charges.

Compatible metering and remote data retrieval capability must be in place at the customer's facility. PSE is not obligated to replace or upgrade nonconforming meters. Customers will have the ability to use the monitored information to improve energy efficiency at the facility, capitalize on additional energy savings opportunities, and identify further efficiency measures, equipment upgrades, and O&M activities.

Measure incentive eligibility criteria are based on, but not limited to, established, industry-standard cost effectiveness tests, structure type and its location within the PSE service territory, fuel type (natural gas or electric), product type, and product quantity.

Early Design Assistance: CNC will not offer a third-party EDA approach for C/I customers in 2024-2025 due to low savings achieved in 2022-2023. The cost to operate program outweighed the claimed savings. Multifamily customers are still able to use this option through the MFNC program.

Commercial/Industrial New Construction Incentive Table

Figures are based on the maximum funding amount.

Path	Incentive	Eligibility
Energy Model Whole Building	$0.45 per annual kWh savings and $8.00 per annual therm savings compared to code-baseline or standard practice system. Incremental cost to be the same as the incentive amount.	Facilities must be more than 50,000 sq. ft. and involve multiple measures, as determined by PSE. Facilities less than 50,000 sq. ft. may qualify with PSE approval. Facility must use 10 percent less energy than applicable energy code.
EUI Performance Method	$0.45 per annual kWh saved, and $8.00 per annual therm saved compared to EUI baseline. Incremental cost to be the same as the incentive amount.	Any commercial or industrial space that falls within the space types provided by the Department of Commerce. Facilities must use 10 percent less energy than the EUI for the given space type.
Component Approach	**Lighting:** $0.25 per annual kWh savings compared to code-baseline or standard practice system. Incremental cost to be the same as the incentive amount. In addition, a $0.10/kWh controls bonus and a $75 per LLLC fixture incentive will be available for qualifying fixtures.	For lighting, proposed system must have 5 percent less lighting power density than applicable energy code. LLLC fixtures must meet qualifying criteria listed in

C/I New Construction Incentive Table Continued

Path	Incentive	Eligibility
Component Approach	**Non-lighting, electric:** lesser of 100 percent of the incremental cost or $0.45 per annual kWh savings, subject to PSE Cost-Effective Standards.	For lighting, proposed system must have 5 percent less lighting power density than applicable energy code. LLLC fixtures must meet qualifying criteria listed in the Business Lighting Program.
	Natural gas: lesser of 100 percent of the incremental cost or $8.00 per annual therm savings, subject to PSE Cost-Effective Standards.	
Rebates Measure	See eligible measures list under C/I Incentives Schedule 262 section.	

7. Target Market

Owners and developers of commercial or industrial facilities to be served by PSE with electricity or natural gas are eligible for new construction incentives. Also targeted are market actors, including, but not limited to: owner's representatives, facility design architects and engineers, trade allies, development organizations, property management companies, and financing organizations.

8. Marketing and Outreach Plan

The PSE marketing team will explore a diverse set of messaging and tactics to reach architects, municipalities, developers, and engineers, respectively. Internal to BEM, PSE will focus on collaborating with the MFNC team to best utilize resources and reach PSE's customer base.

The CNC team will work with the Commercial Strategic Energy Management (CSEM) team, Municipal Relations, and Business Services to develop synergies on new projects early in the design process. The CNC team will also work closely with Business Lighting to increase participation in the new construction lighting offering.

Market activity for CNC is expected to be generally unchanged in the 2024-2025 program period. Due to the long lead time for new construction project development, major projects that are started during 2024-2025 often will not contribute energy savings until the 2026-2027

program period. There is an anticipated decrease in natural gas program savings due to more stringent code requirements and proposed or passed local natural gas bans for new construction projects.

PSE's CNC program will remain an incentive for building owners, designers, and developers to include energy-efficiency measures that are above and beyond that which is required by the building code or industry standard practice.

In order to reach the right audience at early stages, the Marketing team will explore a diverse set of messaging and tactics to reach architects, municipalities, developers, and engineers.

Marketing, Communication, and Event personnel will partner with a CNC Subject Matter Expert (SME) on developing and implementing strategies designed to build program awareness, strengthen relationships, and increase participation in PSE's program.

Potential programs and tactics may include:

- identifying upcoming building projects and connecting with project engineers, architects, and/or builders to make them aware of program offerings during the early stages of the project
- providing sponsorships with targeted trade associations, industry conferences, and events where PSE can connect with architects, municipalities, developers, engineers, and contractors to promote the program and the benefits of partnering with PSE
- leveraging current relationships with key architects, municipalities, developers, engineers, and contractors by asking them for referrals for new projects — considering offering them a nominal stipend for each referral that results in a complete project.
- identifying and connecting directly with architects, municipalities, developers, engineers, and contractors who are likely to benefit from PSE's service
- developing digital and printed copies of program collateral highlighting the services, benefits, and advantages this program offers — these materials will be distributed widely during events, presentations, and meetings to architects, municipalities, developers, engineers, and contractors.
- identifying cross-promotion opportunities with other appropriate PSE programs

C. Energy Performance Incentive Programs

Schedules E/G 253

1. Purpose

Energy Performance Incentive Programs includes whole-building, performance-based programs that achieve cost-effective electric and natural gas savings through energy management

practices. Savings may be derived from: preventative O&M, process improvements, and occupant behavior changes.

2. Commercial Strategic Energy Management Program

The Commercial Strategic Energy Management (CSEM) program supports and incentivizes customers to establish and maintain their own Strategic Energy Management (SEM) program that will provide leadership for the efficient management of energy used in their organizations. The SEM program focuses on the development and implementation of an Energy Management Plan (EMP) and O&M program plan to achieve savings by coordinating efficient operations and quality maintenance with low-cost actions and behavior changes by the users at the facilities. The SEM program will use resource accounting software to allow trained staff to monitor resource use and to report on savings. A CSEM customer employs, contracts, or designates existing staff to implement Energy Management responsibilities, including accounting for energy consumption, assessing facilities, recommending actions, monitoring progress, calculating savings, and communicating program information to organization interested parties.

Monetary grants include a start-up incentive for the completion of deliverables associated with building the program foundation, performance incentives based on achieving energy savings associated with Energy Management practices, and target incentives for meeting or exceeding pre-established energy-reduction targets.

The CSEM agreement is valid for three years. Over this time, PSE anticipates a 13-15 percent reduction in overall energy use. Savings are calculated using industry standard practices and energy accounting methodologies. PSE may elect to renew a customer's CSEM agreement in three-year increments to provide continued support and additional performance incentives.

PSE's CSEM support program is comprised of a "menu" of services, which can be tailored to meet the specific needs of the customer. Typical services include, but are not limited to, the following assistance and support:

Program Start Up

- designing and implementing a CSEM program
- developing baselines, policies and guidelines, and facility action plans

Resource Accounting Software

- purchase and/or implementation of resource accounting software
- audits of existing databases to review for inclusion of all facilities, accounts, meters, etc.; sufficient facility details; missing data; and overall data integrity

Technical Assistance

- "three-for-free" on-site walk-through audits to train customer staff to identify opportunities for improved efficiency. This helps jump-start customers on the process of completing an opportunity register
- analysis and reporting of savings relative to established baseline. PSE engineers will work with the customer to calculate SEM energy savings after each 12-month period of their CSEM contract. Adjustments will be made for major capital improvements, change in use, weather, and other factors that may have had a significant impact to facility energy use
- SEM Hub: SEM Hub is a self-service website for customers to access SEM, M&V, and O&M resources to implement at their facilities.
- SEI - Climate Corps Fellowship: Through SEI, PSE will sponsor a fellowship for customers that are facing staffing shortages/difficulties. PSE will pay for 75 percent of the fellowship in the first year, 50 percent in the second year, and 25 percent in the third year, with the customer being responsible for the remainder of fellowship cost

Education and Training

- training in fundamental concepts for designated Energy Champions and support personnel such as custodial, maintenance, and facilities staff
- educational materials for classroom or building occupant use including checklists, fact-sheets, and calculators
- training stipend to support professional development in Building Operation or Energy Management
- Seasonal Campaigns: The purpose of these campaigns is to generate conversations with CSEMs and other interested parties at their organization about low-cost/no-cost seasonal energy saving opportunities. The audience for these campaigns include energy champions, building operators and site supervisors, executive sponsors, and building occupants. These campaigns have been designed with the following goals in mind:
    - Ease of use. These campaigns include templates, draft language and tools designed for busy employees.
    - Proactive, preemptive action. Facilities teams often operate in a reactive mode, responding to occupant requests, operational crises, and external events such as weather. These campaigns support a paradigm shift towards the continuous improvement framework of SEM, where activities are strategic, planned, and preventative.
    - Scalability. These campaigns are made up of talk cards that can be used to prioritize seasonal energy saving opportunities. The content is organized into manageable, easy-to-implement components so busy teams can incorporate new ideas and activities slowly and deliberately, as the schedule allows.

Energy Data Services

- Historical and ongoing monthly PSE billing data and access to resource accounting software.
- Energy interval data for internet viewing of facility natural gas and electric interval meter data.

a. *Delivery Method*

The CSEM program affects conservation measures through the behavioral efficiency management conducted by customers' Energy Champions, and the direct installation into customers' eligible structures by contractors engaged in a custom grant.

b. *Implementation Management*

The CSEM program directs all measure installations, tracking, and reporting of site performance, trainings, and meetings via in-house PSE program staff and EMEs.

PSE continues to explore ways to make the CSEM program cost-effective for smaller customers. PSE efforts will continue to work with CSEM consultants, customers, and other support agencies to develop this market.

PSE periodically works with third parties to deliver customer trainings or other supporting CSEM content.

c. *Customer Incentives*

PSE continues to develop creative incentive options to increase CSEM support for a variety of customer segments. The CSEM program incentives are as follows:

- **Start-Up Incentive** — The start-up incentive is provided in the first year and is intended to share the cost of program start-up. It is paid upon satisfactory completion of deliverables, including an Energy Management Plan, at least one O&M Program Plan, and an opportunity register with at least 10 measures populated.
- **Performance Incentives** — The performance incentive is based on calculated SEM energy savings using linear regression analysis that is performed by PSE engineers.
- **Target Incentive** — The participant must meet or exceed the performance target with their "Total Savings" in order to qualify for the target incentive. Alternatively, the Target Incentive may be achieved through Continuing Engagement Credits (CECs).
- **Training Allowance** — The total incentive payment will be based on actual training and/or software costs and will not exceed the training allowance.

The following table summarizes the incentives for the CSEM program. The grant measures are allocated to the year in which PSE expects them to be paid — the actual timing will vary based on the customer's completion of deliverables.

CSEM Direct Customer Incentive Table — *Figures based on maximum funding amount.*

Program Element		Formula / Notes	Measure Cost	Incentive
Year One	**Training Allowance/ Software Stipend**	Stipend for participation in BOC level 1 & 2 training or other accredited training if desired, subject to approval by PSE. Measure cost is PSE discounted tuition. Support for purchase of resource accounting software.	$2,000	$2,000
	Start-Up Incentives	Start-up incentive provided to customers that submit required first year deliverables within first year of grant. Measure cost is 100 percent of incentive amount.	$10,000	$10,000
	Performance Incentive	Performance incentive of $0.02/kWh and $0.15/therm of savings up to PSE defined performance target (typically 3 percent of baseline). If a customer exceeds the target, the performance incentive increases to $0.035/kWh and $0.25/therm for each additional unit of energy savings over the target up to 70 percent of the measure cost. In this table, an example performance incentive of $12,000 is shown for a customer that saved 600,000 kWh, or 3 percent of 20,000,000 kWh baseline. The measure cost is equal to 100 percent of deemed customer annual program cost, minus the start-up and bonus incentive amount.	$80,000	$56,000 maximum
	Target Incentive or Continuous Engagement Incentive	Target incentive if customer meets or exceeds PSE defined performance target (typically 3 percent of baseline energy use, or completion of continuous engagement credit requirements). Measure cost is 100 percent of incentive amount.	$10,000	$10,000

CSEM Direct Incentives Continued

Program Element		Formula / Notes	Measure Cost	Incentive
Year Two and Three	**Training Allowance/Software Stipend**	Stipend for participation in BOC level 1 & 2 training or other accredited training if desired, subject to approval by PSE. Measure cost is PSE discounted tuition. Support for purchase of resource accounting software.	$2,000	$2,000
	Performance Incentive	Performance incentive of $0.02/kWh and $0.15/therm of savings, up to PSE defined performance target (typically 5 percent of baseline). If a customer exceeds the target, the performance incentive increases to $0.035/kWh and $0.25/therm for each additional unit of energy savings over the target up to 70 percent of the measure cost. In this table, an example performance incentive of $20,000 is shown for a customer that saved 1,000,000 kWh, or 5 percent of their 20,000,000 kWh baseline. The measure cost is equal to 100 percent of deemed customer annual program cost, minus the bonus incentive amount.	$80,000	$56,000 maximum
	Target Incentive or Continuous Engagement Incentive	Target incentive if customer meets or exceeds PSE defined performance target (typically 5 percent of baseline energy use, or completion of continuous engagement credit requirements). Measure cost is 100 percent of incentive amount.	$20,000	$20,000
Total Incentives for Initial Three-Year Agreement			**$306,000**	**$234,000 maximum**

To encourage customers to continue to engage with the CSEM program and take on energy-saving actions, the CSEM team has developed a Continuing Engagement Credit (CEC) system as an alternate to the Target Incentive system. To receive the CEC incentive (which is the same amount as the Target Incentive), each energy manager must earn at least eight points (single fuel) or 12 points (dual fuel) by completing and providing the

appropriate verification for actions under the categories of Training, Implementation, Communication, and Documentation.

d. *Target Market*

PSE offers CSEM to any school district, public-sector government agency, and commercial customer with a minimum portfolio baseload to meet cost-effective thresholds. The CSEM program targets larger commercial customers with multiple facilities such that the cost of implementation can be recovered through savings achieved. Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for CSEM.

Customers qualify for the CSEM program based on their annual PSE energy purchases. A typical customer baseline for maximum program funding is 20,000,000 kWh for electric-only or 2,700,000 therms for natural gas-only service from PSE. Funding levels are prorated based on the amount of staff a customer would need to allocate in order to achieve cost-effective savings from SEM efforts. At a minimum, the customer needs to use 1,000,000 kWh or 135,000 therms, or the equivalent to participate in the program.

e. *Marketing and Outreach Plan*

Commercial, municipal, educational, and governmental customers will learn about the program through awareness-building and proactive prospecting activities. PSE partners with other PSE departments, like Business Services and Municipal Relations, to make connections with potential CSEM applicants. Such activities include targeted messaging delivered directly to selected business through targeted email, phone calls, and other digital efforts. Additionally, program awareness will created on PSE's behalf from lighting distributors, trade allies, PSE account executives, and contractors when they interact with customers located in the PSE service territory.

PSE's CSEM program utilizes a broad array of marketing materials and training activities to reach its customer base. The nature of the CSEM program and its need for ongoing communications efforts with customers blurs the distinction between promotional marketing and customer communications. An integrated approach is required to support this program.

Potential programs and tactics may include:

Program Communications to Existing Customers

- support the CSEM program with development of information and training materials for customers
- recognize outstanding customers with awards and designations
- update collateral and web pages to be more user-friendly
- continue to promote and enhance tools to support ownership of the process, making them easy for customers to use and implement

- support for the CSEM annual meeting with displays and handouts as needed
- establish resources and protocol for webinar trainings

Marketing Communications to Existing and Potential Customers

- provide marketing materials including brochures, web updates, and standard presentation materials to communicate about the CSEM program
- continue to update marketing materials to incorporate program changes required
- continue to develop case studies to demonstrate an array of CSEM success stories and feature these businesses in monthly newsletters
- implement webinars to add value to existing membership while appealing to potential customers

Internal PSE Communications

- communicate key messages about the CSEM program to audiences inside of PSE that serve as channels to customers and other interested parties
- provide a conduit for communicating critical updates or program information to the Energy Efficient Communities and Business Services groups

Publicity

- work with media and social media teams to publicize successful projects
- work with the media team to develop articles about Energy Champions and their accomplishments

Customer Outreach

- Energy Efficient Communities team will share information on this program with customers that may benefit from it through their existing customer engagement, as opportunities arise
- continue to leverage PSE account executives that are actively reaching out to customers to provide support to implement energy efficiency through PSE incentives

3. Pay for Performance Program

BEM's Pay for Performance (P4P) program targets existing buildings implementing multiple energy-efficiency measures estimated to produce a minimum of 15 percent overall facility savings from electric and/or natural gas within a single building. To align with the Clean Buildings Expansion Law (SB5722), the program's objective will be the selection of customers with buildings 20,000 sq. ft. or more.

P4P Incentives will be designed to be source-blind, and facility savings will be measured at the building's meter. While most savings are expected to come from the capital projects, O&M and

behavioral-based savings will also be captured and incentivized through this whole-building approach (IPMVP Option C). Incentives will be based on weather-normalized conservation savings realized and are paid out annually over the five-year grant term.

a. *Delivery Method*

The program is expected to be delivered via ESCOs or similar contractors, but it may be performed by the customer staff if the resources and expertise to do so are present. The customer will provide estimated savings from energy analysis of the proposed capital projects. PSE will evaluate the veracity of the savings claims to confirm if they are reasonable. PSE will also ensure the baseline energy consumption models to independent variables to enable proper M&V over the five-year term.

b. *Implementation Management*

The P4P program manages all program tasks via in-house, PSE program staff. The customer will provide quarterly reports providing background information on the energy efficiency activities. Various industry-accepted tools will be used to determine achieved savings.

c. *Customer Incentives*

Incentive amounts generally align with other PSE commercial incentives for Custom Grants and Performance base programs.

Category	Measure	Maximum Incentive Amount Each
Base Incentive	Years 1-5 of proposed savings from capital measures, as outlined in the grant agreement	$0.45/kWh or $8.00/therm
Performance Incentive	Years 2-4 of savings achieved beyond the proposed Base savings amount	$0.05/kWh or $0.50/therm for savings beyond the base incentive

d. *Target Market*

The target market for the P4P program is existing commercial buildings that are 20,000 sq. ft. or larger, or buildings with unusually high consumption per square foot. Generally, buildings with regular schedules, where consumption can be modeled to an independent variable such as heating degree day (HDD), cooling degree day (CDD), Occupancy, and Production Units. An example of a good candidate would be an office building or a school.

e. *Marketing and Outreach Plan*

In 2024-2025, program staff plans to enhance the awareness and participation in the program through working with ESCOs to familiarize them with the process, seeking out speaking engagements with industry groups, and increasing internal capacity to identify potential projects. Additionally, the P4P program is being marketed through in-house major account executives as well as the CBA program as an option for customers looking to comply with the Clean Buildings Law.

D. Large Power User/Self-Directed

Schedule E258

1. Purpose

The purpose of this program is to acquire cost-effective energy savings from large C/I customers by providing incentives that support self-directed energy efficiency projects that the customers themselves propose.

2. Description

This program solicits electric energy efficiency upgrades through a Request for Proposal (RFP) process. C/I customers receiving electric service under Schedules 46, 49, 448, 449, 458, or 459 receive a funding allocation based on their electric usage and are responsible for proposing cost-effective project(s) to utilize their allocation. This is classified as the non-competitive phase.

Proposals are evaluated by PSE engineering staff for technical soundness, cost-effectiveness and compliance with energy code, and tariff requirements. Customers sign a standard PSE Conservation Grant Agreement, defining project cost, PSE incentive amount, and verification requirements prior to the installation of project measures.

The Large Power User Self-Directed program is implemented in cycles, with the current program cycle spanning January 1, 2023, to December 31, 2026. Customers are given until April of the third year of the cycle to propose projects that utilize their incentive allocations under the non-competitive phase. Customers not designating projects that fully utilize their allocation forfeit their remaining balance to a competitive phase, in which remaining funds are available to all program participants via competitive bid.

In the competitive phase, eligible customers respond to an RFP in order to obtain remaining incentive funding that was not claimed during the non-competitive phase. In this phase, eligible customers may have access to funds beyond their original allocation. This RFP is typically released in May of the third year of the cycle.

Proposals received are ranked based on cost-effectiveness and other criteria specified in the RFP. Competitive funding is awarded, in order of project ranking, until all funds are allocated to projects.

3. Delivery Method

The Large Power User/Self-Directed program affects conservation measures through direct installation into customers' eligible structures by contractors engaged by customers.

4. Implementation Management

The Large Power User/Self-Directed program manages all program elements via in-house, PSE EMEs, with the exception of energy studies and SEM activities, which are handled by PSE-selected consultants.

5. Eligibility

Customers receiving electrical service from the Company under Schedules 46, 49, 448, 449, 458, or 459 (or their equivalent) of Electric Tariff G with cost-effective electric energy efficiency projects are eligible to respond to the Company's Requests for Proposals (RFPs). Schedule 258 and the RFPs outline all project funding criteria.

Incentives are calculated on an individual basis. They take the form of a grant, which is paid upon completion and verification of the project.

6. Customer Incentives Overview

The incentive budget for eligible customers will be the Electric Conservation Rider revenues less deductions made for the Company's administrative program costs (7.5 percent) and for the Northwest Energy Efficiency Alliance (NEEA) budget line item (10 percent).

The total Electric Conservation Rider revenue amount and customer allocation will be determined by the Company's State Regulatory and Cost of Service Department.

Energy efficiency measures are subject to the Company's TRC Test to determine the grant amount to be paid. The incentive amount is up to $0.75 per annual kWh savings, subject to PSE Cost Effectiveness Standards.

Customers receiving service under Schedules 448, 449, 458, or 459 only receive incentives through the Schedule 258 program and cannot receive funding from other programs.

The program is a custom incentive program. It is not limited to any measure type or markets. It is intended to provide the customer with flexibility in developing projects that will result in energy savings.

Large Power User/Self-Directed measure categories include, but are not limited to:

Category	Includes
HVAC and Refrigeration	HVAC – unitary
	HVAC – central
	Heat Recovery Systems
	Chillers
	Economizers
	VAV Boxes
Commissioning and Optimization	Commissioning/Optimization of energy systems
Process Efficiency Improvements	Refrigeration Systems
	Motor and Drive Systems
	Fan, Compressor, and Pump Systems or Stations
	High Efficiency Motors
	Other Process Modifications
Building Thermal Improvements	Roof and Ceiling Insulation
	Exterior Roof Insulation
	Wall Insulation
	Insulated Windows
	Duct Insulation
Existing Building Insulation Controls	Energy Management Systems
	Lighting Control Systems
	Process and Other Efficiency
	Control Systems
Lighting Improvements	Fluorescent Luminaires
Water Heating Improvements	Water Heaters
	Piping Insulation
	Low Flow Devices
Resource Conservation Management (RCM)	Participation in the Commercial Strategic Energy Management program

7. Target Market

C/I customers receiving electric service under Schedule 46, 49, 448, 449, 458 or 459, or equivalent special contract are eligible to participate in this program.

8. Marketing and Outreach Plan

Effort will be made to ensure that eligible customers have every opportunity to take advantage of the incentive allocation available to them. If it becomes evident early in the program duration that some customers are having difficulty initiating the program process, the Company will offer to provide extra assistance to identify projects and perform any required follow-through.

E. Energy Efficient Technology Evaluation

Schedules E/G 261

1. Technology Evaluation Overview

The purpose of Energy Efficiency Technology Evaluation is to identify new, energy-efficient technologies and products for PSE program offerings. Ideally, PSE would identify cost-effective technologies and measures with significant savings potential, which are commercially available. However, there are many emerging technologies that range from "commercially available, but not used in the Northwest," to "conceptual" or "prototypical" technologies still in the development phase.

It is relatively simple to determine whether new, commercially available technologies are suitable, as long as generally accepted engineering calculations can be used and manufacturers can provide reliable data. For example, vendors frequently approach PSE with new, improved products that they claim save more energy than their older models or their competition.

Some technologies are complicated to evaluate. Those that are truly new typically have little experiential history, or there is no generally accepted method to calculate the performance, require a higher level of burden to fully validate. It is risky to broadly offer incentives through PSE's programs for unproven technologies, so research must be performed if significant savings potential are possible. Sometimes, the most prudent approach is to monitor the progress of the technology, especially if the savings potential appears limited. PSE's effort is not intended for basic research or product development but to identify technologies that are available and suitable for its programs and for customers to deploy in their homes and/or businesses.

Because PSE emerging technology research focus has been limited over the past several biennia, the 2024-2025 cycle will likely require outside assistance in developing a road-mapping process to efficiently evaluate new opportunities by leveraging a consistent evaluation process.

F. Commercial Rebates

Schedules E/G 262

1. Purpose

PSE offers prescriptive incentives for select, commonly applied measures to C/I customers. These rebates have been developed for measures in which energy savings can be standardized over a wide variety of applications and where a competitive market pricing structure exists to ensure cost-effectiveness.

2. Description

PSE program staff develops program design, monitors program performance, results, and trends. Programs are coordinated closely with the electric and natural gas C/I Retrofit Program.

Program refinements and cost-effectiveness are reviewed with engineering staff, the Evaluation Team, and the Managers of Residential Energy Management (REM) and BEM as necessary on an ongoing and adaptive basis. Incentives, measures, marketing, and the fulfillment process may be modified, as needed, to respond to developments in technology, market conditions, customer acceptance, and/or changes in supplier/contractor delivery and pricing. These programs offer prescriptive rebates to qualifying distributors and commercial customers:

- Commercial Midstream Lighting – Lighting-To-Go
- Commercial Foodservice
- Lodging Rebates
- Commercial HVAC
    - Commercial Envelope
    - Commercial Water Heat
- Commercial Midstream HVAC and Water Heat
- Small Business Direct Install

3. Eligibility

All C/I customers receiving electricity or bundled natural gas service from PSE are eligible. Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for measures offered under this program. Multifamily-related businesses or those with dwelling units will be referred to the Multifamily Program.

In the rare instances that customers operate a business on residential rate schedules (for instance, out of the home or garage) PSE will offer the appropriate measures providing that the customer is able to show proof of a business license, pending individual approval by PSE staff.

4. Program Delivery Method and Implementation Management

PSE implements each of the Commercial Rebate programs slightly differently. The following table provides an overview of the delivery method (how the customer or distributor receives a rebate/remuneration/benefit) and implementation management (which entity manages the delivery of the program).

PSE may also, from time to time, implement LTOs and to stimulate market activity, special performance incentives for field forces (sometimes referred to as SPIFFs).

Exhibit 3: Business Energy Management

Program Name	Delivery Method	Implementation Management
Lighting To Go	Conservation measures delivered through instant rebates paid to customers that purchase qualifying equipment through a participating Point of Purchase (POP) distributor partner.	Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff. Distributor relations are managed by a third-party implementer.
Commercial Foodservice Midstream	Conservation measures delivered through instant rebates paid to customers that purchase qualifying equipment through a participating Point of Purchase (POP) distributor partner.	Program manages some measure rebates through a third-party implementer. Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff. Distributor relations are managed by a third-party implementer.
Commercial Foodservice Downstream	Conservation measures delivered through rebates paid to customers that purchase qualifying equipment and apply for a rebate after the purchase.	Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff.
Lodging Rebates	Conservation measures delivered through rebates paid to customers or contractors that purchase qualifying equipment and apply for a rebate after the purchase.	Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff.
Commercial HVAC, Envelope, and Water Heat	Conservation measures delivered through rebates paid to customers that purchase qualifying equipment and apply for a rebate after the purchase.	Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff.
Commercial Midstream HVAC and Water Heat	Conservation measures delivered through instant rebates paid to distributors or contractors that purchase qualifying equipment for installation within PSE's service territory.	Program manages all measure rebates through a third-party implementer. Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff. Distributor relations are managed by a third party implementer.

Commercial Rebates Overview Continued

Program Name	Delivery Method	Implementation Management
Small Business Direct Install	Conservation measures through the installation of low-or no-cost measures in customers' eligible structures via a third-party implementer.	Program manages all measure rebates through a third-party implementer. Program design, metric analysis, incentive-setting and program policies are managed via in-house, PSE program staff.

5. Customer Incentives

Most incentives are a fixed dollar amount for a qualifying product (for instance, ENERGY STAR-certified commercial deep vat fryers). Some incentives are a flat amount per "unit size," where unit size may be "per ton" or "per horsepower." A list of all requirements for eligibility and participation can be found on individual program application forms or participation agreements.

Commercial rebates are delivered to market in different ways and are typically defined per program. They can be best categorized in the following two categories:

- **Downstream Rebates:** a traditional mail-in rebate requires the customer or contractor (often on behalf of the customer) to submit applications after the installation of qualifying equipment; the customer or contractor receives the rebate in the mail.
- **Midstream or Instant Rebates:** a rebate is provided through market distribution or point-of-sale, which may require no paperwork from customers or contractors.

  This category is slightly nuanced depending on the retailer, dealer, distributor, or wholesale participant and their relationship or agreement with PSE's program(s). Depending on the measure, the rebate may be given directly to the customer by the dealer, distributor, or wholesale participant at the point of purchase, meaning the customer receives the rebate instantly and the seller is later reimbursed. For programs or measures that include contractors, the rebate may be paid to the contractor, who is then at liberty to pass their discount on to the end-use customer.

Measure incentive eligibility criteria are based on, but not limited to, established, industry-standard cost effectiveness tests, structure type and its location within PSE service territory, fuel type (natural gas or electric), product type, and product quantity. A detailed list of CEM service measures, incentives, and eligibility are included below.

a. *Commercial Midstream Lighting-To-Go*

Customers receive incentives for qualified energy-efficient lighting upgrades by purchasing efficient lighting products from approved distributors that provide incentives at the point of sale. Residential and New Construction are not eligible for this program. Specific eligibility requirements are listed in the table below.

The Business Lighting program is available for larger purchases of exterior fixtures and retrofit kits.

Measure		Maximum Incentive Amount	Eligibility	Maximum Incentive Amount with Integral Controls
LED Lamps	CFL- LED replacements: 4-pin	$2.00	All LED lamps or fixtures must be listed on Design Lights Consortium Qualified Products List.	
	HID Replacements – Mogul Base (E39/40) Types B and C Only	Up to $90		
Linear Lamps	T5 and T5HO 4 ft. only	$2.00 per lamp	Based on a lamp-for-lamp exchange Includes retrofits Project quantity limit 30	
	2, 3, or 4 ft. TLED	$2.00 per lamp		
	T8 8 ft. only	$4 per lamp		
Exterior Fixtures	LED Outdoor Pole/Arm & Wall Mount, Architectural Flood & Spot, and Fuel Pump Canopy	Up to $300		
Integral Controls	Parking Garage, Stairwell and Passageway	$0	Project quantity limit 30	Up to $75
Interior Fixtures	Troffer and Kits	Up to $30	Must be listed on Design Lights Consortium Qualified Products List. Project quantity limit 30	Up to $70
	Wrap and Strip Fixtures	Up to $30	Must be listed on Design Lights Consortium Qualified Products List. Project quantity limit 30	
	High Bay >125W	Up to $160	Must be listed on Design Lights Consortium Qualified Products List. Project quantity limit 30	Up to $270
	Downlight Retrofit Kit	Up to $20	Must be ENERGY STAR Project quantity limit 30	

Calculated Lighting Measures

Please note: Calculated lighting measures are processed as a part of custom lighting grants, discussed in the C/I Retrofit section of the BEM Sector chapter.

b. *Commercial Foodservice*

Commercial Foodservice treats customers within PSE's service territory who are high energy users due to the foundation of their business (additional customer segmentation detail can be found within the Targeted Market Outreach section). This program includes measures offered at both the Midstream/Instant and Downstream level. PSE's Midstream model was the first in the country for the commercial foodservice sector and it partners with local, regional, national, and online sales channels to broaden program reach. Employing a heavy suite of equipment categories, incentives are designed to achieve the greatest customer savings due to the financial vulnerability of the sector and general high cost of upgrades, and all rebate dollars are directly passed through to the end-use customer to maximize attribution and customer benefit.

The standard enumerated in Washington State 2019 House Bill 1444 impacts some commercial cooking equipment within the portfolio, and there continues to be some uncertainty in the market around awareness and adoption of the appliance efficiency standards. In response to this, and with CRAG approval, PSE will continue rebates on those impacted measures (fryers, steamers, and dishwashers) in 2024, and program staff will monitor the local market efficiency baselines and equipment availability.

PSE will continue exploring additional equipment rebates for 2024-2025.

Dishwasher Type	Temperature[2]	Water Heater Fuel Type[3x]	PSE Electric-only	PSE Natural Gas-only	PSE Combined Fuel
Under Counter	Low	Electric	$345	-	$345
	Low	Natural Gas	-	$345	$345
	High	Electric	$345	-	$345
	High	Natural Gas	$285	$60	$345
Stationary Single Tank Door Type	Low	Electric	$3,975	-	$3,975
	Low	Natural Gas	-	$3,975	$3,975
	High	Electric	$3,975	-	$3,975
	High	Natural Gas	$3,600	$375	$3,975

Commercial Foodservice Rebates Continued

Dishwasher Type	Temperature[2]	Water Heater Fuel Type[3x]	PSE Electric-only	PSE Natural Gas-only	PSE Combined Fuel
Single Tank Rack Conveyor	Low	Electric	$8,775	-	$8,775
	Low	Natural Gas	-	$3,780	$8,775
	High	Electric	$8,775	-	$8,775
	High	Natural Gas	$5,325	$3,450	$8,775
Multi Tank Rack Conveyor	Low	Electric	$5,025	-	$5,025
	Low	Natural Gas	-	$5,025	$5,025
	High	Electric	$5,025	-	$5,025
	High	Natural Gas	$2,400	$2,625	$5,025

Commercial Foodservice: Cooking Equipment Rebates

Measure	Maximum Incentive Amount			Eligibility
Deep Vat Fryers	Any Sized Vat – Electric		$1,500/ unit	ENERGY STAR V3.0 Qualified
	Any Sized Vat, Tier 1 – Natural Gas		$1,500/unit	
	Any Sized Vat, Tier 2 – Natural Gas		$1,500/unit within City of Seattle $4,000/unit outside City of Seattle	
Ovens	Convection	Electric Convection Oven	$1,200/Half-size unit $2,000/Full-size unit, per cavity	A list, based on the Food Service Technology Center (FSTC) and combined with ENERGY STAR v3.0 will be made available to equipment dealers and will be posted on PSE's website.
		Natural Gas Convection Oven	$2,000/Full-size Tier 1 unit, per cavity $3,000/Full-size Tier 2 unit, per cavity	

Commercial Foodservice: Cooking Equipment Rebates Continued

Measure	Maximum Incentive Amount			Eligibility
Ovens	Combination, Gas	Natural Gas Combination Oven <15 pans	$3,000/unit	A list, based on the Food Service Technology Center (FSTC) and combined with ENERGY STAR v3.0 will be made available to equipment dealers and will be posted on PSE's website.
		Natural Gas Combination Oven 15-28 pans	$4,000/unit	
		Natural Gas Combination Oven >28 pans	$5,000/unit	
	Combination, Electric	Electric Combination Oven <15 pans	$4,000.00/unit	
		Electric Combination Oven 15-28 pans	$5,000.00/unit	
		Electric Combination Oven >28 pans	$6,000.00/unit	
	Deck/Rack, Electric or Gas	Electric Deck Oven, any size	$4,800.00/deck	
		Natural Gas Single-Rack Oven Natural Gas Double-Rack Oven	$4,500/unit $6,000.00/unit	
	Conveyor, Gas	Natural Gas Conveyor Oven	$3,300/deck	
	Rotisserie, Gas	Natural Gas Rotisserie Oven	$1,500/less-than-30 bird unit $2,500/30-to-45 bird unit $3,500/greater-than-45 bird unit	

Commercial Foodservice: Cooking Equipment Rebates Continued

Measure	Maximum Incentive Amount		Eligibility
Griddles	Electric	$600.00/linear foot	ENERGY STARV1.2 Qualified
	Natural Gas	$600.00/linear foot	
Steam Cookers	Any Size – Electric or Natural Gas	$3,500/unit	ENERGY STAR V1.2 Qualified
Steamers	Any Size – Natural Gas	$3,500/unit	ENERGY STAR V1.2 Qualified
Cooktops & Ranges	Electric and Induction Cooktops Natural Gas Cooktops & Ranges	$250/burner $250/burner	>81% cooking efficiency (as certified by the Food Service Technology Center [FSTC]) >43% cooking efficiency (as certified by the Food Service Technology Center [FSTC])
Toasters	Electric Conveyor Toaster	$450/120v unit $250/208v unit	Radiant heat required (as certified by the Food Service Technology Center [FSTC])
Steam Tables	Electric Steam Table	$300/well	<160W holding energy rate (as certified by the Food Service Technology Center [FSTC])
Soup Wells	Electric Induction Soup Well	$150/well	Induction-heating required (as certified by the Food Service Technology Center [FSTC])
Holding Units	Electric Holding Bin	$150/bin	<40 Watts consumed energy per bin (as certified by the Food Service Technology Center [FSTC])
Processing Equipment	On-Demand Overwrapping Machine	$300/unit	As certified by the Food Service Technology Center (FSTC)

Commercial Foodservice: Ventilation Equipment Rebates

Measure	Maximum Incentive Amount	Eligibility
Demand Control Kitchen Ventilation – Electric	Up to $1,250 per total fan Horsepower (exhaust fan HP + supply fan HP) For units 2 HP or larger Dual fuel customers would receive both Electric and Gas incentive amounts based on the total HP.	A list, based on the CA State Utilities, will be made available to equipment dealers and will be posted on PSE's website. Eligibility is also dependent upon additional equipment settings and individual verification. Retrofit applications only - new construction is ineligible. Customers must use one of PSE's participating equipment dealers to receive the rebate.
Demand Control Kitchen Ventilation – Natural Gas	Up to $1,250 per total fan Horsepower (exhaust fan HP + supply fan HP) For units 2 HP or larger Dual fuel customers would receive both Electric and Gas incentive amounts combined based on the total HP.	A list, based on the CA State Utilities, will be made available to equipment dealers and will be posted on PSE's website. Eligibility is also dependent upon additional equipment settings and individual verification. Retrofit applications only - new construction is ineligible. Customers must use one of PSE's participating equipment dealers to receive the rebate.

Commercial Foodservice: Refrigeration Rebates

Refrigeration Category		Incentive Amount	Eligibility
Ice Making Head	Up to 299 lbs. ice/day	$265	ENERGY STAR V 3.0 qualified
	300 - 799 lbs. ice/day	$375	
	800 – 1,499 lbs. ice/day	$565	
	1,500+ lbs. ice/day	$675	
Remote Condensing	Up to 987 lbs. ice/day	$565	
	988+ lbs. ice/day	$750	

Commercial Foodservice: Refrigeration Rebates Continued

Refrigeration Category		Incentive Amount	Eligibility
Self-Contained	up to 109 lbs. ice/day	$225	ENERGY STAR V 3.0 qualified
	110 - 199 lbs. ice/day	$265	
	200+ lbs. ice/day	$300	
Commercial Solid-Door Refrigerator	Less than 15 cu. ft.	$500	ENERGY STAR V 45.0 qualified
	15 – 29.9 cu. ft.	$750	
	30 – 49.9 cu. ft.	$1,000	
	50 cu. ft. and over	$2,000	
Commercial Transparent-Door Refrigerator	Less than 15 cu. ft.	$500	
	15 – 29.9 cu. ft.	$1,000	
	30 – 49.9 cu. ft.	$1,500	
	50 cu. ft. and over	$2,000	
Commercial Solid-Door Freezer	Less than 15 cu. ft.	$750	
	15 – 29.9 cu. ft.	$1,500	
	30 – 49.9 cu. ft.	$3,000	
	50 cu. ft. and over	$4,000	
Commercial Transparent-Door Freezer	Less than 15 cu. ft.	$1,000	ENERGY STAR V 45.0 qualified
	15 – 29.9 cu. ft.	$2,000	
	30 – 49.9 cu. ft.	$3,000	
	Over 50 cu. ft.	$4,000	
Ultra-Low Temp Freezers	15 – <24 cu. ft. 24 – 29 cu. ft.	$1,200/unit $1,200/unit	ENERGY STAR V 1.1 qualified

i. Sales Performance Incentive Funds

A Sales Performance Incentive Fund (SPIFF) refers to paying a small and often immediate bonus to a sales rep for a specific sale or end result. Utilities often utilize SPIFF programs for the benefits they can provide to energy efficiency programs, as they can add long-term visibility and recognition to help a program or product stand out and SPIFFs are a way to encourage staff to push one product — in this case efficient products — over a non-SPIFF paid product. Providing the right sales incentive or SPIFF can mean the difference between a sales staff going through the motions of their day-to-day work and motivated sales staff who go above and beyond and push efficient equipment to their customer base on behalf of PSE. SPIFFS are tied to specific equipment sales and are tracked per unit/transaction. They are paid directly to sales staff, unless otherwise noted and justified.

While there are no direct energy savings associated with SPIFF measures, sales staff are engaging in activity that ultimately results in the customers' direct benefit of a CEM incentive or rebate, and then subsequent energy savings.

PSE staff have developed a purposeful strategy around SPIFF amounts in the Commercial Foodservice Midstream program in order to help increase the effectiveness of some of the more difficult-to-achieve equipment measures with participating dealers. Many of these SPIFFs are set at a base amount of $50.00, but a higher dollar amount is offered for measures that require significantly more effort to make high-efficiency sales and are often also special-ordered and not pre-stocked (e.g., steamers, combination ovens, and rack ovens). These measure also coincide with greater energy savings to the program. The program may also utilize LTO SPIFF increases in order to capitalize on market conditions, move specific categories, or for other staff-identified reasons.

c. *Lodging Rebates*

Lodging rebates are designed to assist hotel and motel customers in affording the significant cost associated with making changes to their greatest energy burden — heating and cooling. The program is available to all hotel and motel customers utilizing PSE fuel for heating and cooling and is not limited by size, though PSE's small- and medium-sized hotel and motel customers are the greatest focus. Rebates are offered through a downstream model and set at an "up to" amount based on the individual cost of the equipment. There are numerous required checks and balances through the rebate process, managed closely by PSE staff, to ensure qualifications are accurately met for these measures. This includes pre- and post-installation specifications. At times and only when specifically approved by PSE staff, contractors or other entities that are able to pass through the rebate to the end-use customer and fulfill all of the necessary requirements for the program may be paid the rebate.

The following incentives do not cover installation, labor, or taxes. PSE requires invoicing showing the line-itemed costs in order to determine this rebate amount.

<table>
<tr><th>Measure</th><th>Incentive Amount</th><th>Eligibility</th></tr>
<tr><td>In-Room Occupancy-Based Thermostat Controls</td><td>Up to $500 per guest room</td><td>• Stand-alone guest room HVAC occupancy controls with automatic, unoccupied setback capabilities.*
or
• A networked guestroom control with automatic, unoccupied setback capabilities.*
*Unoccupied temperature set points must be at least 5º higher in the cooling mode and at least 5º lower in the heating mode than the occupied set points.</td></tr>
<tr><td>Packaged Terminal Heat Pumps</td><td>Up to $2,000 per unit</td><td>Unit must exceed code by a minimum of 10 percent (see table below)
PTHP Efficiency Requirements
<table><tr><th>Capacity in BTU</th><th><8,000</th><th>8,000 – 10,999</th><th>11,000+</th></tr><tr><td>Cooling - Minimum EER</td><td>10.2</td><td>9.8</td><td>9.1</td></tr><tr><td>Heating - Minimum COP</td><td>3.0</td><td>2.9</td><td>2.8</td></tr></table></td></tr>
</table>

d. *Commercial HVAC*

Commercial HVAC retrofit rebates are designed to help PSE's commercial customers reduce their energy usage without having to upgrade costly rooftop equipment. Customers must have PSE electric service in order to be eligible for rebates, and each measure has specific pre- and post-install requirements for equipment retrofit eligibility.

Commercial Envelope

This program provides envelope rebates to commercial customers to help reduce their energy usage. It also targets buildings that have little-to-no wall or attic insulation and those with inefficient windows. This program is for commercial customers who use PSE electricity to heat their buildings or PSE dual fuel customers who use natural gas to heat.

PSE is exploring rebates for customer who receive only natural gas from PSE.

Commercial Water Heat

This program offers downstream rebates for ≤120 gallon HPWHs to commercial electric customers.

Category	Measure	Maximum Incentive Amount Electric	Eligibility
HVAC	Web Enabled Thermostats	$200 per Unit	New thermostat is on the BPA qualified product list and old thermostat is not web-enabled
	Electric Resistance to Heat Pump (HSPF 8.2; HSPF2 7.5)	$1,000 per Ton	Unit meets efficiency requirements and replaces electric resistance zonal heating
	Advanced Rooftop Controls — Single Phase	$500 per Unit	Installation of an ECM motor or VFD and controller for variable speed fan operation; RTU is < 5 tons
	Advanced Rooftop Controls — Lite	$2,000 per Unit	A VFD and controller for variable speed fan operation, or a multispeed motor and controller for multispeed fan operation; RTU is 5-20+ tons
	Advanced Rooftop Controls — Full	$4,500 per Unit	A VFD and controller for variable speed fan operation, or a multispeed motor and controller for multispeed fan operation A controller with digital, integrated economizer controls, and Demand Control Ventilation based on CO2 sensor readings RTU is 5-20+ tons
Envelope	Wall Insulation — R 14	$0.75 per sq. ft.	Pre-existing wall insulation must be > R5 and new insulation must be at least R14
	Wall Insulation — R 18	$1.00 per sq. ft.	Pre-existing wall insulation must be > R5 and new insulation must be at least R18
	Attic Insulation — R 26	$1.40 per sq. ft.	Pre-existing attic insulation must be > R5 and new insulation must be at least R26

Commercial Water Heat Rebates Continued

Category	Measure	Maximum Incentive Amount Electric	Eligibility
Envelope	Attic Insulation — R 48	$1.50 per sq. ft.	Pre-existing attic insulation must be ≥ R5 and new insulation must be at least R48
	Window — Single (Any Frame)	$20 per sq. ft.	New window must have a U-value of 0.26 or lower
	Window — Double (Metal Frame)	$9 per sq. ft.	New window must have a U-value of 0.26 or lower
Water Heat	50- to 80-Gallon Tank Heat Pump Water Heater 8- to Under 120-Gallon Tank Heat Pump Water Heater	$650	ENERGY STAR-certified per the Advanced Water Heating Specification Version 8.0

On January 1, 2023, the revised DOE's Federal Minimum Efficiency Standard (Federal Minimum Standard) for Small, Large, and Very Large Air-Cooled Commercial Package Air Conditioning and Heating Equipment and Commercial Warm Air Furnaces took effect. The revised standards required a new measure to be created for ductless heat pumps that requires a new minimum efficiency standard of 7.5 HSPF2 (heating season performance factor 2). PSE is evaluating the sell-through rate of the HSPF1-rated equipment before retiring that measure completely.

e. *Commercial Midstream HVAC & Water Heat*

The Commercial Midstream incentive program will work with HVAC and Water Heater Distributors to make high-efficiency HVAC equipment more readily available to PSE customers. This will benefit PSE customers who need an emergency replacement and install qualified products from locally stocked resources.

Category	Measure	Maximum Incentive Amount Each Electric	Maximum Incentive Amount Each Gas
HVAC	Air Conditioning and Large Heat Pumps	$40 - $160 per Ton	N/A
	High Efficiency Air Source Heat Pump ≤ 5.4 tons	Tiered up to $600.00/unit	N/A
Water Heating	Condensing Tankless and Storage Water Heaters and Boilers	N/A	$3.00-$5.00/Mbtuh

For large heat pumps and air conditioning equipment, distributors are allowed flexibility in how they use the rebate, meaning they are not required to pass any of the rebate through to the contractor. The volume of these projects is small and distributors are not motivated to participate if they must pass the rebate to the contractor. Conversely, small commercial-sized hybrid electric HPWHs and air source heat pumps (<5.4 tons) have much greater sales volumes, and distributors are required to pass the entire rebate through to the contractor. Contractors are encouraged to share all or a portion of the rebate with the end-use customer. For these smaller systems, whether installed in commercial or residential facilities, distributors are provided a sales incentive of $50 to alleviate the administrative burden of providing the installation address and equipment specifications to PSE.

The logic supporting the Midstream Rebates Program design recognizes that a small number of distributors and manufacturers are in a position to impact thousands of commercial customers and influence their choice of equipment by increasing the stocking and promotion of high-efficiency space and water heating equipment. Midstream rebates cost-effectively leverage this market structure and existing relationships.

Regardless of how the rebate is factored into the price of the HVAC equipment or water heater, the end-use customer benefits from the lifetime energy savings associated with installation of the high-efficiency equipment.

The DOE released a federal minimum efficiency and testing requirement change for air source heat pumps that went into effect on January 1, 2023, and it applies to all equipment manufactured on or after this date. The federal changes include measuring efficiency in HSPF2 and SEER2, as opposed to the prior HSPF and SEER measurements. PSE is evaluating the sell-through rate of the HSPF1-rated equipment before retiring that measure completely. The AHRI Directory will continue to be used to determine efficiency and capacity ratings of equipment. Qualifying HVAC products include air cooled heat pumps as rated under AHRI Test Procedures 210/240.

Regional alignment in program offerings is a key component to success by providing distributors a consistent platform to engage contractors. PSE, Seattle City Light, and SnoPUD will continue to collaborate during monthly regional planning meetings to identify new midstream opportunities and to expand participation in Named Communities.

f. *Small Business Direct-Install*

The Small Business Direct Install (SBDI) program is designed to encourage small business customers to complete energy efficiency upgrades to their facilities and buildings through lighting, refrigeration, and HVAC retrofits. The program will focus on providing no-cost energy assessments to identify basic retrofit opportunities and facilitate participation in PSE's rebate and custom programs, based on the businesses' needs.

Specific segments such as hospitality, grocery, and agriculture typically have product and service needs specific to their industries in addition to more standard measures that are incorporated into the available measures and marketing tactics.

a. **Eligibility**

Qualifying customers are small business owners, with appropriate building owner consent, of small- to mid-sized businesses receiving electricity through PSE commercial Rate Schedule 24, 25 (under 10,000 sq. ft.), and 31G. An exception to the square footage requirement exists in the lodging sector where the size limit of 150 rooms or fewer has been put in place in order to qualify for the program.

Common area facilities supported by commercial meters in multifamily buildings, as defined in electric and natural gas Schedules 217 and 218 of this Tariff; and structures under construction, as defined in electric and natural gas Schedules 250, are ineligible for this program.

Qualifying agriculture customers own or operate greenhouses, dairies, livestock production, nurseries, crop farms, food processors, and the like, billing with annual gross sales of $250,000 or less, or on gas rate schedule 31.

Measures are installed at the customer's site directly by the third-party implementer and/or a PSE-authorized contractor managed by the implementer.

b. **Incentives**

The lighting measures are provided at no cost to the customer. Complex measures may require a co-pay by the customer. Incentives payments for measures with a co-pay will be in alignment with the other rebate programs. Incentives are paid to the service provider and/or contractor, and they are not intended to be a direct-to-customer rebate. As of March 1, 2023, all lighting measures are of no cost to the customer.

c. Measures

Direct Install: Electric Measures

Measure	Eligibility
Aerators	Rated at 0.5 and 1.0 gpm to be installed in hot water applications only. For customers who use electricity or natural gas to heat water. 1.0 gpm aerators will only be installed in commercial kitchens or lodging guest rooms.
Anti-Sweat Heater Controls	Must install a device that reduces the energy consumption of the anti-sweat heaters by at least 50 percent for the glass door (if applicable) and door frame. Technologies that reduce energy consumption of anti-sweat heaters based on sensing humidity only. Does not apply to doors equipped with low/no anti-sweat heat.
Bi-Level Lighting	Occupancy controlled bi-level lighting in stairwells through direct install at no cost to the customer. This measure assumes an existing 2-lamp T-12 or T8 fixture. Bi-level stairwell fixtures with occupancy control are intended for use in areas where high levels of illumination are required to be on all the time to meet emergency egress code requirements in spite of the fact that these areas are often unoccupied.
HID Retrofits	LED fixtures installed under this rebate must be qualified by ENERGY STAR, or the DesignLights Consortium. Each exterior fixture installed will have a photocell.
In-Room Occupancy-based Thermostat Sensors (Lodging)	Lodging Customers shall install either stand-alone guest room HVAC occupancy controls with automatic, unoccupied setback capabilities or a networked guestroom control with similar capabilities. Unoccupied set points must be a minimum of 5 degrees F from the occupied set point.
LED Canopy Lighting	LED fixtures installed under this rebate must be qualified by ENERGY STAR or DesignLights Consortium. Each fixture installed will have a photocell. To align with PSE's other commercial lighting program, the following specifications also apply: Must replace existing 320w or 400w HID fixture with a LED fixture; the fixtures must be hardwired to prevent the future installation of less-efficient lamps; LED lights must have minimum CRI of 80 and provide a minimum of 70 percent of initial lumens at 50,000 hrs; Manufacturer's warranty must be a minimum of five years.
LED Exit Sign	LED Exit Signs must use 5 Watts or less and have a 5-year Manufacturer's Warranty.
LED Open Sign	Installed signs must have an efficiency (lumens/Watt) of 80 or greater, must be complete new LED fixtures, and LED Replacement signs will operate at a maximum of 11-watts when on, and draw zero measurable watts when off.

Direct Install: Electric Measures Continued

Measure	Eligibility
Occupancy Sensors	Must allow for both infrared (IR) and sonic detection
Packaged Terminal Heat Pump (Lodging)	New packaged Terminal Heat pumps must meet or exceed current WSEC by a minimum of 10 percent.
Pre Rinse Spray Valve	Rated at 0.65 gpm to be installed in hot water food service applications only.
Refrigerated Case Lighting	Must consume between 4.0 and 7.5 W of electricity per linear foot and listed on the Design Lights Consortium qualified lists for linear LED lamps. Fixtures must be hardwired.
Retrofit to TLED	Baseline savings will be based on the existing T12 or T8 lamp wattage and replacement using a 10W TLED lamp. Fluorescent lamp and ballast will be removed and replaced with a ballast by-pass TLED. Lamp must be ENERGY STAR or Design Lights Consortium Listed.
Recessed Can LED Fixture	Retrofit LED replacement for 4-6 inch and 8-inch recessed cans.
Heat Pump Water Heater	Electric resistance water heating to Heat Pump Water Heater
Strip Curtains	Strip curtains, made generally of clear PVC strips, must be nominally between 4' to 8' wide and between 0.060" to 0.080" thick and clear enough to allow for see-through visibility. This measure consists of new strip curtains installed on doorways of refrigerated freezer or cooler boxes. This measure is NOT eligible for display cases or for replacing existing strip curtains.

Direct Install: Natural Gas Measures

Measure	Eligibility
Pre-Rinse Sprayers - Gas Heated Hot Water	Rated at 0.65 gpm to be installed in hot water food service applications only.
Aerator - Gas Heated Hot Water	Rated at 0.5 and 1.0 gpm to be installed in hot water applications only. For customers who use electricity or natural gas to heat water. 1.0 gpm aerators will only be installed in commercial kitchens or lodging guest rooms.
Web Enabled Thermostats	1) Must be connected and able to be accessed remotely 2) Must be able to maintain settings during power failure. 3) Must allow seven-day programming, temporary manual override and manual selection for fan operation. 4) Must also be an electric customer, not a stand-alone gas measure

d. **Target Market**

Rebate Measures are targeted to appropriate commercial markets, including, but not limited to: Large Office, Small Office, Large Retail, Small and Specialty Retail, Restaurants, Commercial Laundries, Hotels/Lodging, Grocery, Convenience Stores, HealthCare/Assisted Living, Schools, Property Management, Farms and Agricultural businesses.

Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for Measures and incentive amounts offered under this program. Multifamily-related businesses or those with dwelling units are served under the Multifamily Retrofit programs, Schedules E217 and G217.

In the rare instance that customers operate a business on residential rate schedules (for instance, out of the home or garage) PSE will offer the appropriate measures to them specifically tied to their type of business providing that the customer is able to show proof of current business license.

e. **Marketing and Outreach Plan**

The goal for Commercial Rebates' 2024-2025 marketing and outreach plan is to reach small- and medium-sized business customers through targeted advertising, email, direct mail, social media, earned media, and customer outreach to build awareness of and drive participation in PSE's energy-efficiency programs and rebates with a priority on members of Named Communities

This will be achieved through the following more specific objectives:

- **Customer awareness:** continually and regularly notify and alert customers via multiple channels that PSE has energy efficiency programs and rebates for businesses of all sizes that save them money.
- **Market intelligence:** conduct research to create segmentation, heat mapping, and propensity models to develop a targeted strategy for delivering marketing messages and offers to the appropriate decision makers dependent on the different type and size of the business. Utilize data analytics to effectively deliver outreach campaigns in communities where they are needed most.
- **Strategic partnerships:** collaborate with cities, municipalities, communities, distributors and organizations to extend the reach of program offers, drive savings, build brand credibility and foster community involvement.
- **Self-service tools:** design campaigns and promotions utilizing online self-service tools that eliminate barriers to participation and streamline the rebates process.

- **Customer satisfaction:** improve relationships with distributors, contractors, and customers by offering first-rate products and offers, providing stellar service, and measuring satisfaction post-installation.
- **Education:** help partners and customers understand how PSE's energy efficiency options can save them money, both in the short-term and long-term, no matter how large or small the upgrade.

Additionally, commercial incentives offered through the Midstream program model will partner with distributors, showrooms, and manufacturing representatives to offer rebated product to customers. This point-of-sale approach provides discounts, which are often passed on to the customer, encouraging greater uptake of more efficient products.

To promote these products, marketing efforts will encourage participation by building program awareness across distributor, showroom, and related channels. Additional efforts include:

- PSE Staff and its Midstream implementation contractor work closely with distributors and manufacturers to create awareness to customers and contractors. Distributors are provided metrics and details about performance in the program, and are engaged on individual opportunities to support promotion of the program, including printed program materials, digital resources, web events, in person events, etc.
- PSE partners with a vendor for individual distributor and sales staff engagement and training. The engagement includes disbursement of point of purchase (POP) collateral and signage for participating equipment dealers in addition to support and coordination for events

The Commercial Rebates programs will accomplish their goal and objectives by focusing on the following specific strategies and tactics by program:

g. *Commercial Midstream Lighting-To-Go*

To promote efficient lighting incentives, marketing efforts will encourage participation by building program awareness across distributor, showroom, and contractor channels. Specific activities may include:

- disbursement of point-of-purchase signage for participating instant rebate distributors, supported by professional field service staff;
- development of marketing collateral that provides increased awareness of PSE Lighting-To-Go program rebates and distributor network, delivered to contractors through various interaction points; and
- promotion of contractor education on how to access discounted products.

h. *Commercial Foodservice and Lodging Rebates*

PSE employs similar marketing tactics for the programs and sectors that fall within this grouping of programs, focusing strategically on customer and market actors within the individual sectors affected. Customers and sectors include, but are not limited to:

- **Commercial Foodservice customers** include a wide variety of customers from independent coffee shops to institutional cafeterias to chain fast food restaurants. Restaurants make up the largest segment, followed by institutions (education, healthcare, and corrections) and recreation and retail (hotels, supermarkets, convenience stores).
- **Lodging customers** include the hospitality-lodging industry, mainly consisting of hotels and motels, but it may also include boarding/rooming houses, apartment hotels, dormitory, and shelter facilities. Also peripherally included are residential care building types that include nursing homes, retirement homes, and assisted living facilities.

To promote these products, marketing efforts will encourage participation by building program awareness across customer, retailer, distributor, contractor, and related association and partnership channels. There is some customer overlap in these sectors that helps maximize program reach.

Specific activities may include:

- targeted marketing and outreach strategy utilizing segmentation research with a specific emphasis on restaurant/lodging/hospitality industry
- cross-promotion of products to customers who have already participated in other commercial efficiency programs
- collaboration with equipment supply distributors to co-promote rebates and incentives
- collaboration with equipment manufacturers to develop LTOs to drive participation in rebate program
- enhanced partnership with local industry associations to offer sponsored and streamlined marketing reach across overlapping sectors
- identified opportunities and developed strategy for promoting equipment upgrades and rebates to multilingual customers
- promotion of rebates to business customers at relevant industry trade shows
- participation in small business outreach activities to cross-promote programs as part of a comprehensive small business energy assessment
- coordinated marketing and outreach efforts to promote participation in customer engagement events or direct install “blitzes”

- phone, email, or stop-in (when safe and appropriate) outreach to businesses to identify and discuss potential for energy savings
- enhanced city engagement to demonstrate community partnerships with city staff, elected officials, and chambers of commerce
- collaboration with local retailers in blitz communities to provide exclusive efficiency offers for commercial and residential customers
- cross-promotion of other relevant commercial rebate programs to encourage replacement of aging and inefficient equipment
- provided sponsorships with targeted trade associations, industry conferences, trade shows, and events where PSE can connect with customers, wholesalers, distributors, contractors, trade allies, and other trades to publicize program offerings
- developing a custom communications approach tailored to the customer segment
- using research and survey results to continue to improve customers' awareness, engagement, and education

i. *Commercial HVAC*

Commercial customers will learn about the program through awareness-building activities. Such activities include targeted messaging delivered directly to selected business through email and other digital efforts. Additionally, program awareness will be created on PSE's behalf from distributors, trade allies, and contractors when they interact with customer located in its service territory.

PSE will also build out its commercial business followers on various social media platforms so it can connect with them, share relevant information and white papers, and to position PSE as a trusted expert in the field of commercial HVAC and water heating.

Marketing, Energy Efficient Communities and Events personnel with partner with a commercial HVAC and water heating Subject Matter Expert on developing and implementing strategies designed to build program awareness and installation of commercial HVAC and water heating solutions.

Potential programs and tactics may include:

- presentations to chambers of commerce, visitors and convention bureaus, restaurant and hospitality associations, and other trade associations to publicize program offerings
- continually identifying, building, and leveraging partnerships to identify upcoming building projects and then connecting with distributors, trade allies, and contractors to make them aware of program offerings during the early stages of the project

- leveraging relationships with key wholesalers, distributors, contractors, and trade allies to gain awareness of new C/I developments, and considering offering them a nominal stipend for each referral that results in a completed project
- identifying business customers whose energy efficiency achievements illustrate results of PSE program participation and highlighting their successes at events, in case studies and through media engagement to increase awareness of program offerings
- providing and managing event kit displays for small-to-medium business-related programs
- developing digital and printed copies of program collateral focusing on benefits and advantages. These materials will be distributed widely during events, presentations, and meetings to wholesalers, distributors, contractors, trade allies, and to business customers
- tracking metrics around event participation and impressions and engagements to drive tactics and strategy in order to remain nimble and ready to serve this unique customer base, including the use of trackable URLs on collateral meant to be used at events

j. *Commercial Midstream HVAC and Water Heat*

PSE Staff and its implementation vendor work closely with distributors and manufacturers to bring awareness to customers and contractors. PSE provides distributors with metrics and details about performance in the program, and it works with each distributor and manufacturer on individual opportunities to support promotion of the program, including printed program materials, digital resources, web events, in-person events, etc.

PSE partners with a vendor for distributor and contractor engagement for the small commercial measures. The engagement includes POP collateral and events coordination as well as emails and phone calls.

Potential programs and tactics may include:

- presentations to wholesalers, distributors, contractors, trade allies, and other trades to publicize program offerings
- providing sponsorships with targeted trade associations, industry conferences, and events where PSE can connect with customers, wholesalers, distributors, contractors, trade allies, and other trades to publicize program offerings
- identifying cross-promotion opportunities with other appropriate PSE programs
- contractor 1:1 engagement meetings

k. *Small Business Direct Install*

The Puget Sound region is blossoming with diversity that indicates there are exciting opportunities to learn and serve new audience groups. According to the Puget Sound Regional Council, there are five cities in PSE's service territory with majority-minority populations including SeaTac, Renton, Kent, Federal Way, and Bellevue. PSE aims to address barriers and expand equity and inclusion into the SBDI program.

The source of trust for these groups come from within their communities, initiatives, and organizations that bring value to their lives and businesses. PSE will continue to identify and partner the sources of trust relevant to these small businesses to increase the awareness and adoption of efficiency in the community. By doing this, the brand will be able to transcend across the priority multicultural audiences. Building on the Pilot phases 1 and 2 in 2019, PSE will continue to develop a strategy that seamlessly integrates multicultural perspectives and outreach tactics.

To promote these programs, marketing efforts will encourage participation by targeting commercial business owners and operators, small business tenants, and contractor channels.

Marketing activities may include:

- coordinated marketing and outreach efforts to promote participation in community engagement events (in-person and virtual) or direct install blitzes
- identifying geographic clusters of businesses in need of interior and/or exterior efficiency upgrades
- enhanced city engagement to demonstrate community partnerships with city staff, elected officials, and chambers of commerce
- collaboration with local retailers in blitz communities to provide exclusive efficiency offers for commercial customers
- cross-promotion of other relevant commercial rebate programs to encourage replacement of aging and inefficient HVAC and kitchen equipment
- promotion of rebates to business customers at relevant industry trade shows
- development of a custom approach for more complex small business types such as hospitality, agriculture, and grocery
- social media campaigns to targeted demographics

G. Business Pilots

Schedule E/G 249

Pilot programs and demonstration projects may be undertaken to determine whether certain strategies and Measures are cost-effective in the long run. Pilots are employed to test cost-effective ways to demonstrate market opportunities for energy efficiency.

Pilots may include tests of measure cost and performance, customer acceptance, and delivery methods. In compliance with WAC 480-109-100(1)(c) and condition (7)(c), PSE will pursue pilots when there is a reasonable expectation of savings achievement in the current or subsequent biennium, and it will only claim energy savings that achieve energy savings sufficient to demonstrate cost-effectiveness by passing the TRC test.

At this time of this plan, PSE had not identified pilots with uncertain savings. Individual programs will continue adaptive management and "pilot-like" adjustments that try new ways of delivering products with known energy savings.

V. Regional Programs

A. Northwest Energy Efficiency Alliance

Schedule E/G 254

1. Description

NEEA is a nonprofit organization working to accelerate the innovation and adoption of energy-efficient products, services, and practices in the Northwest. As a partner with NEEA, PSE contributes funding for regional energy efficiency initiatives, actively participates on NEEA's board of directors and advisory committees, and supports various related initiatives in the PSE service area.

2. Regional Electric Market Transformation

The NEEA Board approved an operating budget of $159 million in funding for 2020-2024 market transformation initiatives from Northwest utilities including the Bonneville Power Administration (BPA) (on behalf of more than 130 utilities), PSE, Energy Trust of Oregon, Idaho Power, Avista Corporation, PacifiCorp, Seattle City Light, Tacoma Power, Snohomish County PUD, and others.

3. Regional Natural Gas Market Transformation

In 2024-2025, NEEA intends to continue market development of its Efficient Rooftop Units program and is surveying opportunities for savings in high-performance windows and efficient gas water heater programs.

PSE's share of the natural gas market transformation funding is 42.01 percent, with a 2024-2025 total of $3.18 million.

B. Production and Distribution Efficiency

Schedule E292

1. Purpose

The purpose of the Production and Distribution Efficiency program is to evaluate and implement energy conservation Measures within PSE's own power generation and distribution facilities.

2. Description

The Production and Distribution Efficiency program involves implementing energy conservation Measures within PSE's own production and distribution facilities that prove cost-effective, reliable, and feasible. Within production facilities (power generation), conservation measures reduce ancillary loads at the site and exclude efficiency improvements made to the generating equipment itself. These measures may include, but are not limited to, lighting upgrades, variable speed drives, and compressor upgrades. For transmission and distribution (T&D) efficiency,

improvements are implemented at PSE's electric substations. These improvements focus on measures like phase balancing and conservation voltage regulation (CVR) (also referred to as voltage optimization [VO]). The methodology used to determine CVR savings is the Simplified VO measurement and Verification Protocol provided by the RTF.

Analyses performed during 2024-2025 planning revealed that there are several cost-effective retrofit measures available for PSE generation facilities. The CVR program plans to conduct 24 projects over the 2024-2025 biennium.

PSE plans to implement CVR at substations most likely to provide cost-effective energy savings. CVR involves lowering the feeder voltage settings in order to receive energy savings when operating the distribution system more efficiently and within the ANSI Standard of 114–126 V. The plan for CVR implementation includes required system upgrades, implementation of RTF-prescribed M&V protocols, as well as the required phase-balancing work, which is a precursor to successful CVR implementation. Customer Energy Management (CEM) staff coordinate with PSE engineering staff, system planning teams, and major project teams to plan, track, report, and coordinate potential CVR projects. PSE's engineering, system planning, and third-party design teams engineer the projects, while PSE's major projects, program infrastructure, and third-party contractors build the projects.

These programs will operate under Schedule 292 and require coordination between various PSE departments.

The review, classification, project design, and implementation is a dynamic process. As the profile of customer demand on a particular circuit evolves, so too does the circuit's feasibility for CVR: only select distribution substations prove to be eligible for CVR. Circumstances that impact a circuit's CVR viability include, but are not limited to:

- the number of three-phase customers;
- the number of solar/net metered customers on the circuit;
- the potential for phase balancing;
- potential load growth;
- reliability issues with the suggested voltage settings;
- difficulty of implementing CVR on Distribution Automation (DA) enabled circuits due to lack of integration with Advanced Distribution Management System (ADMS);
- the ratio of residential and small commercial in the substation; and
- instances in which, after applying the CVR feasibility study on a circuit, a voltage *increase* is required, rather than a reduction.

The plan for CVR implementation includes required system upgrades, implementation of RTF prescribed M&V protocols, as well as the required phase-balancing work, which is a precursor to successful CVR implementation. There are 24 projects planned for 2024-2025.

PSE is still implementing the AMI project and ADMS projects. These two projects will enable Volt-Var Optimization, an improved CVR method that allows for deeper levels of savings over PSE's current CVR implementation method of line drop compensation (LDC). Planning for Volt-Var Optimization implementation has started, however, implementation of the two pilot projects is now anticipated for 2025. Additionally, PSE staff decided to internally develop an M&V process to quantify savings from Volt-Var implementation.

C. Targeted Demand-Side Management

Schedule E/G219

1. Purpose

The Targeted Demand-Side Management (Targeted DSM) program works to support the Delivery System Planning (DSP) efforts of the electric and natural gas infrastructure planning teams, specifically as related to Non-Wires Alternatives (NWA) and Non-Pipe Alternatives (NPA) analysis. The TDSM analysis coupled with the renewables (PV, CHP) analyses will determine the Distributed Energy Resources (DER) potential. Additionally, the Energy Storage System (ESS) analysis will round out the NWA potential (DER+ESS). If available, TDSM efforts may help in deferring traditional pipes and wires T&D projects (NWA Projects).

2. Description

TDSM is a CEM initiative to identify localized conservation and Demand Response (DR) potential, develop plans to achieve a defined percentage of that potential, and then implement those plans to deliver identified energy efficiency and capacity savings.

The Targeted DSM program uses avoided costs for a specific municipality to calculate the cost-effectiveness of conservation measures. This allows PSE to offer rebates and incentives to PSE customers in these locations that are higher than those in its broader service territory. These rebates and incentives are available only during the duration of the specific NWA Project, as determined by PSE.

3. Eligibility

Eligible customers will be served by a proposed NWA Project where a non-wired and/or non-pipe alternative analysis has determined TDSM to be cost effective in deferring said project. Qualifying customers are owners, customers, and tenants, with appropriate owner consent, of single-family, multifamily, or C/I structures. Measures are installed at the customer's site directly by the third-party implementer and/or a qualified TAN Network representative.

4. Delivery Method

The Targeted DSM program affects conservation measures through the installation of low- or no-cost measures in customers' eligible structures via a third-party implementer and/or a qualified TAN representative.

5. Implementation Management

The Targeted DSM measures are managed within the purview of the TDSM Program. Program staff manage all measure rebates through a third-party implementer. Program design, metric analysis, incentive-setting, and program policies are managed by PSE program staff.

6. Customer Incentives

Targeted DSM measures are offered in specific localized Non-Wires, or NWA T&D deferral project (NWA Project) areas and are subject to revisions: offer duration is limited to the length of the NWA project. Incentive amounts are calculated based on the localized avoided cost for the specific NWA project.

Targeted DSM Electric Measures – Bainbridge Island NWA Project area

Single Family Existing Electric Measures

Category	Measure Description	TDSM Incentive Maximum
Controls	Smart Thermostat	$350.00/unit
	Electronic Line Voltage Thermostat	$140.00/unit
HVAC	Zonal Heating to Ductless Heat Pump Conversion 9.0 HSPF or Greater (Single Family, Multi-Family, Manufactured Homes)	$3,900.00/unit
	Electric Forced-Air Furnace to Ductless Heat Pump Conversion (Single Family)	$4,750.00/unit
	Electric Forced Air Furnace to Heat Pump Conversion (Single Family)	$8,400.00/unit
	Electric Forced Air Furnace to Heat Pump Conversion (Manufactured Home)	$7,750.00/unit
	Electric Forced-Air Furnace to Ductless Heat Pump Conversion (Manufactured Home)	$5,700.00/unit
	Electric Forced Air Furnace to Heat Pump Conversion: with Air Conditioning (Single Family or Duplex)	$6,850/unit

Single Family Existing Electric Measures Continued

Category	Measure Description	TDSM Incentive Maximum
HVAC	Electric Forced Air Furnace to Heat Pump Conversion: with Air Conditioning (Manufactured Home)	$6,350/unit
Water Heat	Tier 3 & 4 NEEA Northern Climate Specs Heat Pump Water Heater (Single Family & Manufactured Home)	$1,650.00/unit
Weatherization	Attic Insulation: R0 to R30 (HUD Manufactured Home)	$2.54/sq. ft.
	Attic Insulation: R0 to R49	$3.00/sq. ft.
	Attic Insulation: R11 to R49	$2.75/sq. ft.
	Floor Insulation: R0 to R30	$3.50/sq. ft.
	R0 to R22 Floor Insulation: Manufactured Home with Zonal Heating	$2.20/sq. Ft.
	Wall Insulation: R0 to R13	$3.50/sq. ft.
	Attic Insulation: R0 to R22 (Pre-HUD Manufactured Home)	$1.40/sq. ft.
	Attic Air Sealing	$.69/sq. ft.
	Floor Air Sealing	$.69/sq. ft.

Single Family Existing Electric Measures Continued

Category	Measure Description	TDSM Incentive Maximum
Weatherization	Duct Sealing: Home Heated with Forced-Air Furnace	$2,850.00/dwelling
	Duct Sealing: Home Heated with Heat Pump	$1,850.00/dwelling
	ENERGY STAR Whole House Ventilation	$125.00/unit
Windows	Upgrade Single-Pane Wood or Metal Frame Windows to a 0.30 U-Factor or Better	$200.00 per window, up to $2,000.00 per structure
	Upgrade Double-Pane with Metal Frame Windows to a 0.22 U-Factor or Better	$200.00 per window, up to $2,000.00 per structure

Multifamily Retrofit Electric Measures

Category	Measure Description	TDSM Incentive Maximum
HVAC	Zonal Heating to Ductless Heat Pump Conversion: 9.0 HSPF or Greater	$2,900.00/unit
Weatherization	Attic Insulation: R0 to R49	$3.00/sq. ft.
	Attic Insulation: R11 to R49	$2.00/sq. ft.
	Attic Insulation: R19 to R49	$1.19/sq. ft.
Windows	Double Pane - U-factor from 0.60 to 0.30	$8.00/sq. ft.
	Double Pane - U-factor 0.30: from 1.20 Single Pane	$20.00/sq. ft.
	Triple Pane - U-factor 0.22: from 0.30 Double Pane	$25.00/sq. ft.
	Triple Pane - U-factor 0.22: from 0.60 Double Pane	$30.00/sq. ft.

Multifamily Retrofit Electric Measures Continued

Category	Measure Description	TDSM Incentive Maximum
Windows	Triple Pane - U-factor 0.22: from 1.20 Single Pane	$40.00/sq. ft.
Controls	Smart Electronic Line Voltage Thermostat	$140.00/unit

Targeted DSM Natural Gas Measures – City of Duvall NWA Project Area

Single Family Existing Natural Gas Measures

Category	Measure Description	TDSM Incentive Maximum
Controls	Smart Thermostat	$350.00/unit
Heating	ENERGY STAR Qualified Gas Furnace, 95 percent (In-Unit)	$1,150.00/unit
Water Heating	ENERGY STAR Storage Water Heater	$160.00/unit
Weatherization	Attic Insulation: R0 to R49	$3.00/sq. ft.
	Attic Insulation: R11 to R49	$2.75/sq. ft.
	Floor Insulation: R0 to R30	$3.50/sq. ft.
	Wall Insulation: R0 to R13	$3.50/sq. ft.
	Prescriptive Air Sealing - Attic and Crawl Space	$0.29/sq. ft.
	Prescriptive Duct Sealing	$850.00/dwelling
Windows	Upgrade Double-Pane with Wood or Metal Frame Windows to a 0.22 U-Factor or Better	$200.00 per window, up to $2,000.00 per structure
	Upgrade Single-Pane with Wood or Metal Frame Windows to a 0.30 U-Factor or Better – Manufactured Home	$200.00 per window, up to $2,000.00 per structure

Multifamily Retrofit Natural Gas Measures

Category	Measure Description	TDSM Incentive Maximum
Water Heating	0.67 Energy Factor ENERGY STAR Storage Water Heater Using Natural Gas	$160.00/unit
Weatherization	Attic Insulation: R11 to R38	$0.89/sq. ft.
	Floor Insulation: R0 to R30	$1.75/sq. ft.
	Wall Insulation: R0 to R11	$2.89/sq. ft.
Windows	Upgrade Double Pane Vinyl Frame Windows to: triple pane, U-factor .22	$8.00/sq. ft.
	Upgrade Double Pane Metal Frame Windows to: Double Pane Vinyl, U-Factor .30	$20.00/sq. ft.
	Upgrade Double Pane Metal Frame Windows to: Triple Pane, U-Factor .22	$25.00/sq. ft.
	Upgrade Single Pane Windows to: Double Pane Vinyl, U-Factor .30	$30.00/sq. ft.
	Upgrade Single Pane Windows to: Triple Pane, U-Factor .22	$40.00/sq. ft.

Targeted DSM Electric Measures – Bainbridge Island NWA Project area

Small Medium Business Electric Measures

Category	Measure Description	TDSM Incentive Maximum	Non-TDSM Incentive Maximum
Controls	Commercial Use Web-Enabled Thermostat (any type	$400.00	$250.00

7. Target Market

PSE customers living in identified NWA Project areas, including single-family, multifamily, and small commercial customers.

8. Marketing and Outreach Plan

Communications for the Targeted DSM program will be customized for each targeted locality. Only direct marketing to eligible customers will be utilized. Due to the nature of selected municipalities and limited large multifamily dwellings, the bulk of marketing efforts are directed toward single-family customers who are either owners or renters of single-family homes. Commercial customers will be served by working with the Business Energy Management (BEM) group and account executives to identify good fit partnerships with the goal of creating energy efficiency solutions based on usage and needs of the business.

The Energy Efficient Communities team will conduct canvassing of selected TDSM municipalities to gauge potential opportunities for events to attend and provide the community with information about how they can participate in the program.

VI. Other Customer Programs

A. Net Metering

Schedule E150

1. Purpose

PSE's Net Metering program provides interconnection, metering, and billing to qualifying customer-generators in accordance with State legislation enacted into law in February 11, 1999, and most recently amended July 28, 2019 (see RCW 80.60).

2. Description

PSE provides interconnection and net metered billing services to qualifying customer-generators who operate fuel cells, hydroelectric, solar, wind, or biogas generators of no more than 100 kW AC. Under Net Metering, customer generation can be used to offset part or all of the customer-generators' electricity use under Schedules 7 through 49 of Electric Tariff G.

PSE was required to offer service under this schedule on a first-come, first-served basis until the total of cumulative nameplate generating capacity reaches 179.2 MW, which is 4 percent of PSE's peak 1996 load. As of December 31, 2023, PSE had a total of 175.97 MW of net-metered generation operating in its service territory. On February 29, 2024, PSE's administrative changes, under Docket UE-231031, amended Schedule 150 Net Metering Services, allowing PSE to continue Net Metering's availability for new qualified customer-generators. The terms of net metering compensation, as described in RCW 80.60.030, will continue until December 31, 2025, or until PSE has a new and approved Net Metering tariff, whichever comes later.

3. Eligibility

Customer-generators who operate fuel cells or produce electricity and used and useful thermal energy from a common fuel source or who generate electricity using hydroelectric, solar, wind energy, or biogas from animal waste as fuel, with a total capacity of no more than 100 kilowatts (kW) AC and the generation is located on their own premises. Such a generator must operate in parallel with PSE's transmission and distribution facilities. Detailed availability is outlined in PSE's Schedule 150.

4. Target Market

All customers who are within the Company's service territory and receive electric service under terms of the Company's electric Tariff G.

5. Customer Incentives

No direct customer incentives are provided under the Net Metering tariff. Energy produced by customer-generator systems directly reduces energy used in the home or business from the grid. When energy generated exceeds home or business electrical loads, the excess energy flowing to PSE is metered and credited to the customer at the retail rate for future use. Any

excess credit each month is rolled forward to the following month until March 31 annually, when "banked" net metering credit is reset to zero.

Per RCW 80.60.020, PSE may submit a filing with the Commission to develop a standard tariff schedule that deviates from the terms of Schedule 150 to be available to customers once the cumulative capacity of net metering systems equals 179 MW or after June 30, whichever comes first. As noted above, PSE made an administrative filing under UE-231031 to amend Schedule 150 to extend Schedule 150 Net Metering Service offerings to customers as a stopgap measure until a new net metering tariff schedule is approved by the Commission and can be deployed, no earlier than December 31, 2025. Regardless, customer-generators with schedule 150 agreements in place prior to a successor tariff will continue to receive service under the rules of the current Electric Schedule 150 Net Metering Tariff.

6. Marketing and Outreach Plan

Marketing of Net Metering is primarily done by the local solar industry and advocates. PSE focuses on education of prospective and existing solar customers, making information about the process available as well as providing referrals for local, qualified solar installers. PSE does this through:

- www.pse.com/savingsandenergycenter/customer-connected-solar
- Energy Advisors (EAs)
- Trade Ally trainings and communications
- speaking engagements such as Solar Washington forums
- Customer Renewables brochure used at various events.
- social media

B. Production Metering

Schedule 151

1. Purpose

The Washington State Renewable Energy Production Incentive Program is a production-based financial incentive for customers with solar, wind, and bio-digester generating systems. PSE voluntarily administers this state incentive to qualified customers, as determined by Washington State University Energy Extension, the Washington State Program Administrator.

2. Description

In order for a customer-generator to participate in Schedule 151 they must:

- be a PSE customer with a valid interconnection agreement with PSE for the operation of their grid-connected renewable energy system;

- have a system that includes production metering capable of measuring the energy output of the renewable energy system; and
- be certified (as named on the PSE account) by the Washington State Program Administrator as eligible for annual incentive payments.

Participants in Schedule 151 included customers certified in two different Washington State Production Incentive Programs:

- Renewable Energy Cost Recovery Incentive Program (Legacy Program) — State certification in this program was available from 2006-October 2017. Certified participants were eligible for annual incentive payments for energy produced through June 30, 2020.
- Renewable Energy System Incentive Program (RESIP) — State certification in this program was available October 2017-June 2019. Certified participants were eligible for annual incentive payments on a rolling eight-year term or when 50 percent of the system cost has been recouped, as determined by the State Program Administrator.

Since 2019, the state budget for this program has been fully obligated, and in 2021 the program officially closed statewide as described in RCW 82.16. As such, this program is no longer a driver of new PSE customer solar adoption.

3. Annual Incentive Payments

Production payments administered by PSE are recovered through Washington State taxes.

Final annual payments were issued to approximately 5,000 Legacy program participants in 2020.

Participants with state certification on or after October 1, 2017, who maintain ongoing eligibility requirements are eligible for up to eight years of annual incentive payments on kWh generated July 1, 2017, through no later than June 30, 2029.

Individual participant eligibility for a given rate, term, payment limit, and annual incentive payment amounts are determined by the Washington State Program Administrator, based on RCW 82.16.

Annually, PSE measures and reports the kWh generated by participants' renewable energy systems from July 1 through June 30 and makes incentive payments to eligible customers as determined by the Washington State Program Administrator.

4. Target Market

Schedule 151 is no longer available to new customers. As such, PSE has revised its customer generation standards to emphasize that production metering is optional. Production metering helps customer generators understand their energy production and consumption on their PSE

electric bills, but for new solar customers does not impact ongoing charges or incentives.

C. Targeted Demand Response Pilots

Schedule E/G 249A

1. Purpose

The purpose of the Localized Demand Response (DR) Pilot is to evaluate DR options applicable to identified Non-Wire Alternatives (NWA) projects. Pilot attributes to evaluate include technology requirements and performance; customer behavior and preferences; impacts; and integration of DR to Company operations, program costs, demand reductions achieved, energy savings achieved, and localized distribution system benefits. The Company seeks experience with DR technologies; greater understanding of customer acceptance and tolerance of demand control; the need for customer incentives (financial or other); demand reduction effectiveness and reliability; energy savings impacts; and acquisition and management of resulting data. This experience will help determine cost-effectiveness of further efforts in DR.

2. Description

The DR Pilot provides reduced energy consumption by cycling space and water heat measures during periods of peak usage demand within both electric and natural gas NWA projects during periods of peak demand.

3. Eligibility

Eligible customers will be served by a proposed NWA or NPA project where a non-wired and/or non-pipe alternative analysis has determined DR to be cost effective in deferring or delaying said project.

4. Delivery Method

The DR Pilot program shifts demand by cycling space and water heat measures during periods of peak usage demand within both electric and natural gas NWA Projects.

5. Implementation Management

The DR Pilot is managed within the purview of the Targeted Demand Side Management (TDSM) program. Program staff manage all measure rebates and participation incentives through a third-party implementer. Program design, metric analysis, incentive-setting, and program policies are managed via in-house, PSE program staff.

6. Measures

DR measures are offered in specific municipalities and are subject to revisions: offering duration and incentive amounts.

Measure	Maximum Incentive Amount	Eligibility
Space Heat Demand Response	$300 per year	Customers in NWA Project areas, electric and/or natural gas, for the duration of the project.
Water Heat Demand Response	$200 per year	Customers in NWA Project areas, electric and/or natural gas, for the duration of the project.
Demand Response Activation	$100 one-time payment	Customers in NWA Project areas, electric and/or natural gas, for the duration of the project.

7. Target Market

PSE customers living in specifically identified NWA or NPA Project areas that are affected by planned infrastructure projects.

8. Marketing and Outreach Plan

Communications for the DR Pilot program will be customized for each targeted locality. Only direct marketing to eligible customers will be utilized.

D. Demand Response

Schedule E271, E272

1. Purpose

Demand response (DR) exists to manage system peak demand and mitigate the risks associated with system constraints. PSE has defined Mega Watt (MW) capacity targets associated with this activity, demonstrated below.

The DR portfolio consists of Automated Demand Response (ADR), Behavioral Demand Response (BDR), and Business Demand Response (BDRP) programs.

2. Description

The DR portfolio consists of a combination of ADR, BDR and BDRP. These three DR types combine to account for the following MW capacity targets:

Demand Response Capacity Targets (MW)	
2023	5
2024	40
2025	86

PSE's goal is to continue to develop a holistic portfolio that allows all customer segments to participate. The MW capacity available across those customer segments will fluctuate over time, vary between individual events, and become more reliable as the portfolio develops. PSE's capacity targets are met at the portfolio level, and PSE will be able to report on how each segment performs in events. DR program performance will inform further iterations of program design and development.

3. Eligibility

Flex Smart (Thermostats): PSE's opt-in ADR program requires a qualifying device to enroll. Customers may enroll in the program year-round through their thermostat's Original Equipment Manufacturer (OEM) enrollment portal, typically in the form of a website or in-app. Events take place during summer and winter seasons, defined as Nov 1 – March 31 for the winter season, and May 1 – Sept 30 for the summer season. Full program details can be found on the PSE Flex Smart website.

Eligible Thermostat Manufacturers:

- Google Nest
- ecobee
- Mysa
- Sinope
- Honeywell TCC & Home
- Amazon
- Sensi

Flex EV: PSE's opt-in ADR program requires enrollment of a compatible EV, or enrollment of a compatible Level 2 EV Charger to participate in Demand Response events. PSE will send a remote signal to either a customer's vehicle or charger that will pause charging for a short time on days when there is high demand for electricity, known as "Flex Events." Vehicles will only be dispatched if they are charging at the home address registered with PSE. Full program details can be found on the PSE Flex EV Website.

Eligible Vehicle Brands:

- BMW
- Ford
- Hyundai
- Jaguar
- Kia
- Land Rover

- Lexus
- Nissan
- Tesla
- Toyota
- Volkswagen

Eligible Level 2 Chargers:

- JuiceBox
- Chargepoint
- Wallbox
- EvoCharge

In 2024, the Flex Smart team, in conjunction with implementers supporting this program, will investigate the feasibility of adding connected Mini-Split controls, Water Heaters, and Water Heater Controls. These measures may be implemented as determined by market feasibility. The following manufacturers may partner with PSE to offer DR programs:

Mini-Split Controls

- Flair
- Mysa

Water Heater and Water Heater Control Manufacturers

- Rheem
- SkyCentrics
- AO Smith

Flex Rewards: PSE's opt-in, incentivized BDR program requires the customer to have an email to sign up with and the ability to log into their MyPSE account. Events take place during summer and winter seasons, defined as November 1 – March 31 for the winter season, and May 1 – September 30 for the summer season. Full program details can be found on the PSE Flex Rewards Website.

Flex Events: PSE's opt-out, non-incentivized BDR program requires no action by the customer to enroll. Once prior to each summer (May 1 – September 30) and winter (November 1 – March 31) DR season, PSE automatically enrolls PSE customers who are not participating in other ADR, BDR, or pilot programs and delivers a physical letter to enrolled participants explaining the program parameters, what to expect in-season, the customers' enrollment status of the program, tips on saving energy during DR events, and benefits associated with participation. No action is required from the customer, and they may opt out of the program at any point in time with no penalty. Full program details can be found on the PSE Flex Events Website.

Business Demand Response: Commercial and Industrial customers who are on an eligible rate schedule (7A, 8, 10, 11, 12, 24, 25, 26, 31, 35, 49, 448, 458, 459) may enroll in PSE's

Business DR programs for Peak or Emergency. Full program details can be found on the PSE Business Demand Response Website.

4. Delivery Method

PSE's Flex Smart (ADR), Flex EV (ADR), and Flex Rewards (BDR) programs are executed by a single aggregation vendor who works with various Distributed Energy Resource (DER) OEMs to recruit and enroll customers into PSE's DR platform, the Virtual Power Plant (VPP). Once enrolled, customers may expect to receive DR signals during DR seasons during the summer (May 1 – September 30) and winter (November 1 – March 31).

The following table depicts the maximum threshold of events, including duration, weekly dispatch numbers, and dispatch constraints. Baseboard heating controls will not be dispatched during summer DR months due to their ability to only control heating elements. Additionally, PSE will not dispatch on NERC holidays (New Years, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas).

DR Event Details	
Season	Winter and Summer
Months	November 1 – March 31, May 1 – September 30
Maximum Number of Events	15
Event Duration	1-4 hours
Event Days and Times	Monday through Friday, 7 a.m. to 10 p.m.
Notification Time Prior to Event	Day ahead to 15 minutes — varies by device OEM.

Business DR

PSE's Business DR Program is supported by two vendors. Customers are supported by PSE's vendors to develop a custom curtailment plan by looking at historical usage data and assessing where and how customers can effectively shed load during events. This plan helps customers understand the actions they should take during a DR event and gives them an idea of what they can earn as a participant in the programs. The programs run year-round, but PSE will be breaking the year up into a winter and summer season. At the end of each season, customers will receive their payment for efforts made during that season.

BDRP Event Details		
Season	Winter	Summer
Months	November – March	May – September
Maximum Number of Events	8	8
Event Duration	1-4 hours	1-4 hours
Event Days and Times	Monday through Friday, 6 a.m. to 10 p.m.	Monday through Friday, 6 a.m. to 10 p.m.
Notification Time Prior to Event	Minimum 4 hours	Minimum 4 Hours

Commercial customers may also opt in to participate in Emergency DR events. PSE has decided to use Energy Emergency Alert (EEA) Level 2 as the threshold for calling an emergency event to acquire immediate capacity. Should an emergency event be called, customers will be given at least 60 minutes of notification beforehand. These types of events can be called at any time throughout the year, and they do not have a maximum number of events. PSE expects these events to be infrequent and unlikely in 2024. Customers will receive an incentive payment for participation in the program, which is the set $/kW rate as incentive for payment. The value of that rate is dependent on factors such as nominated load curtailment and performance during events. Customers only receive payment after an event is called, PSE will call at minimum one test event per season. Customers will receive payment for the test event as if it were a live event.

BDRP Emergency DR Events	
Season	All
Months	Year Round
Maximum Number of Events	None
Event Duration	1-4 hours
Notification Time Prior to Event	10-60 minutes

5. Implementation Management

Flex Smart, Flex EV, Flex Rewards, Flex Events, and Business DR are managed by the Customer Energy Management Demand Response (CEM-DR) team and implemented by third-party vendors to support the program. The CEM-DR team is responsible for program design, program policies, reward-setting, management of third-party vendor activity, and M&V reporting.

Third-party vendors are responsible for the implementation of these programs including the aggregation of customers into DR programs, management of DER OEM relationships, issuance of incentives, event notifications to customers, and ongoing customer support. Event notifications are sent in the form of emails, SMS, and Interactive Voice Response, and are issued as transactional communications with opt-out options strictly used to inform customers of upcoming events or post-event information.

In 2023, PSE's DR program team worked to expand access for all PSE customers, embracing principles of diversity, equity, and inclusion (DEI). PSE staff will engage with customer groups such as the Equity Advisory Group (EAG) and leverage energy burden data analysis performed by the PSE Customer Insights team and the results of the Macquarie Transfer Needs Assessment and subsequent PSE Low Income Needs Assessment (LINA) studies.

As Highly Impacted Communities (HICs) and Vulnerable Populations (VPs) (as defined by CETA and collectively known as Named Communities) are identified and updated, these communities will continue to be folded into DR program customer engagement strategies. This will inform program strategies to reduce or remove systematic participation barriers and to target future outreach and marketing campaigns in communities with high energy burden to ensure a minimum of 30 percent of DR portfolio's energy benefits are distributed to Named Communities.

6. Measures

Residential customers may qualify for incentive rewards based on the type of program they enroll in. Flex Smart, Flex EV and Flex Rewards customers are rewarded through an online redemption process utilizing Tango, a gift card imbursement company that provides customers a choice of how they receive their incentive payments. Once enrolled in the program, the third-party vendor responsible for implementation issues a reward to the customer that may be claimed online in the form of retail gift cards, or Visa gift cards. Below is an overview of incentives available to residential customers who enroll in these programs:

FlexSmart		
Device Type	**Enrollment Reward**	**Anniversary Reward**
Smart Thermostat	$50/thermostat	$20/season
Baseboard Thermostat	$20/unit	$10/season (winter only)
New in 2024-2025		
Mini-Split Controls	$45/house	$25/season
EVs and EV Chargers	$50/house	$0.50/kW
Water Heaters & Controls	$50/unit	$25/year

FlexRewards		
Enrollment Reward	**Seasonal Reward**	**Limited-Time Offer Enrollment Bonus**
$25	$1.00/kWh saved during events	$10
Additional Rewards		
Type of Reward	**Reward Amount**	**Planned Launch Date**
Customer Enrollment Referrals	$10/customer enrolled (no limit)	November 2023

Business DR customers' earnings will be based on their agreed-upon committed load reduction capacity multiplied by the average of their participation across all events within a given season. For example, if a customer commits to 500 kW of load shed during events and throughout the four events of the season they average 95 percent participation, they would be paid 95 percent times 500kW times a set incentive rate ($/kW). A customer's incentive rate for the program will vary depending on their average participation rate for the season. PSE has established a minimum average performance threshold of 25 percent that must be met to receive payment. The maximum incentive rate a customer can achieve is $35/kW-per season. PSE will also call at minimum one test event each season. Customers will be compensated for test events as they would for actual load events. Customers will receive payment in a check at the end of the season.

7. Target Market

The Flex Smart, Flex Rewards, and Flex Events programs are available to single-family and multifamily residential customers who heat or cool their home, heat their water, and/or charge their electric vehicle with PSE electricity and have an AMI meter.

The Business DR program is available to eligible PSE electric customers on the following rate schedules: 7A, 8, 10, 11, 12, 24, 25, 26, 31, 35, 49, 448, 458, 459.

8. Marketing and Outreach Plan

PSE is working closely with third-party vendors responsible for implementation to ensure that their industry experience is combined with PSE's deep knowledge of its customer base to maximize recruitment results. This is being accomplished by leveraging historical energy efficiency participation program data for targeted messaging and implementing best practices established by evaluators and industry leaders.

PSE is leveraging many marketing channels, including traditional mailers, email, pse.com program web pages, social media, direct marketing, and community event outreach. The program team is also working closely with PSE's Marketing and Customer Insights teams to ensure priority audiences for Named Communities outreach to achieve the minimum 30 percent Named Communities benefit target.

VII. Portfolio Support

A. Data and Systems Services

The Data and Systems Services organization performs the critical role of planning, development, support, and enhancement of Customer Energy Management (CEM) systems and tools. The team manages the ongoing support of the department's DSMc system that:

- compiles and tracks energy efficiency programs, projects, and measures; and
- serves as an online rebate-submission platform for both customers and contractors.

The Data and Systems Services organization also provides program reporting, portfolio forecasting, and data-driven dashboards to provide management and staff ongoing business performance metrics. The team is also responsible for reviewing and ensuring data integrity from a wide variety of sources, including vendors, program staff, and contractors.

B. Rebates Processing

Rebates processing functions include intake, qualification, payment, and customer service, as well as process improvement in the customer experience.

Improvements include, but are not limited to, redesigning rebate forms for clear instructions and qualifying criteria, analyzing rejection reasons for the root cause of non-qualified rebates, and simplifying the application process for customers.

1. Description

The Rebates Processing budget is predominantly labor and includes training, planning, and development costs projected by Rebate Processing staff.

Rebates processing roles include:

- intake, qualifying, data entry, and incentive payment processing;
- communicating with customers regarding the rebate submission, including status and payment;
- collaborating with the EAs to provide a seamless and efficient customer experience;
- demonstrating best practices and continuous improvement; and
- coordinating timely customer payment with PSE Accounts Payable.

2. Target Markets

Rebates processing staff are integral to PSE's Residential and Business Energy Management (REM and BEM) groups' energy savings and target needs.

C. Verification Team

As one of the key "V" components in EM&V, PSE's Verification Team performs on-site inspections and confirmations of randomly selected participating homes and businesses to assure energy efficiency measures are properly installed. Combined with other evaluation and measurement functions, the Verification team seeks to secure both confidence in claimed energy savings and improvements in program quality.

Exhibit 6: Evaluation, Measurement & Verification, introduces M&V protocols to be used across the CEM functions.

1. Verification Team Guidelines

PSE created the "Measurement & Verification: Policies, Guidelines, Protocols & Processes" document in response to Condition (6)(f)(ii): [5]

"Measurement & Verification – PSE shall provide detailed descriptions of its measurement & verification (M&V) policies, protocols, guidelines, and processes to the CRAG [Conservation Resource Advisory Group] for review and advice. Additionally, PSE shall provide to the CRAG an estimate of the costs associated with the detailed M&V plan and PSE will maintain activities at levels that are at least commensurate with regional peers. "

The document provides detailed descriptions of PSE M&V policies, protocols, guidelines, and processes.

Verification of Energy Efficiency Installations: This is conducted in multiple venues through review of documentation, surveys and on-site inspections. The team has increased capacity for more virtual verification options for customers. In 2024-2025, virtual verifications will continue to expand, except where on-site inspections are required to retain the integrity of the verification. To ensure the accuracy of program and measure savings claims, verification activities encompass many different steps, including invoice and calculation reviews, on-site inspections, and phone verifications, among others.

Verification of Energy Savings: CEM programs have documented procedures in place to fully verify measure savings. Verification procedures described in the Verification Manual vary depending on measure, participant, or program type. Practices documented in the Verification Manual detail expectations for all interested parties including Program Implementation Staff, program participants, and installation contractors. The processes most reflective of day-to-day functions of the Verification team are the pre- and post-installation inspections described in the Manual.

[5] Agreed Conditions for Approval of Puget Sound Energy, Inc.'s 2010-2011 Biennial Electric Conservation Targets under RCW 19.285, Docket UE-100177.

D. Programs Support

The Programs Support organization, as its name implies, provides critical services to CEM program staff. These services allow program staff to focus on achieving cost-effective conservation savings while prudently using ratepayer funds. The Programs Support team's role is particularly critical during CEM planning periods, as it facilitates several planning initiatives for program staff, manages the RFP/RFI process, and produces and maintains many CEM process manuals. Its role also includes support of other groups within CEM, including the Data and Systems Services team, Verification, and Rebates Processing. Program Support roles include:

- biennial and strategic program planning support;
- customer experience — CEM program participation surveys;
- management and facilitation of BCP planning including interested party integration and RFP/RFI bidding activities;
- writing, creating, and maintaining CEM manuals and procedures;
- providing tools for employee engagement;
- planning CEM communications, scheduling activities, and implementing organizational change management (OCM) activities;
- producing literary compositions, articles, reports presentations, or other texts;
- managing business cases, contracts, applications, and invoices related to CEM;
- Trade Ally support;
- product positioning and Integrated Go-To-Market strategic planning;
- integrated analysis and IT support; and
- best practices and continuous improvement.

E. Trade Ally Support

Trade Ally Support manages PSE membership costs in energy efficiency trade associations. These organizations stand apart from other trade memberships managed in individual energy efficiency programs in that they provide comparatively broad-based energy efficiency research, training, and/or implementation support services.

Trade Ally Support organizations provide education, information, and related services for:

- the adoption or expansion of energy-efficiency products, services, and practices; and
- conducting research toward the development of new, or improved validation or delivery of existing conservation measures, programs, and services.

1. Description

The Trade Ally Support line item budgets and tracks only annual membership dues or energy efficiency services subscriptions that PSE pays to broad-based industry trade and research organizations who perform and support ongoing development and implementation of REM and BEM programs. PSE participates in and utilizes the services of many such organizations to support delivery, management, and promotion of energy efficiency services. Utility, customer, and service provider benefits primarily include education and information exchange on end-use technologies, energy legislation, efficiency services, and related industry trends.

Other Trade Ally expenses not related to dues, for example conference attendance by PSE CEM staff, are budgeted and tracked with the pertinent efficiency program(s) receiving the benefit.

2. Target Market

Organization memberships budgeted in Trade Ally Support for the 2024-2025 biennium include, but may not be limited to:

- Association of Energy Service Professionals (AESP),
- Building Owners & Managers Association (BOMA) of Seattle & King County,
- Consortium for Energy Efficiency (CEE),
- E Source
- Electric League of the Pacific Northwest,
- Energy Solutions Center (ESC), and
- Northwest Energy Efficiency Council (NEEC).

The table below provides summaries of CEM's Trade Ally organizations. The table attributes include a description of the organization (What is it?), the nature of the expense (Why?), the need for PSE participation (What for?), and if there are associated sponsorships or events (Event/Sponsorship).

Descriptions of Energy Efficiency Trade Ally Organizations

AESP (Association of Energy Services Professionals)	
What is it?	AESP (Association of Energy Service Professionals) is a trade association promoting the common business interests of CEM products and services vendors, contractors, utilities, and related industry interested parties both nationally and throughout the Puget Sound Region.
Why?	Annual membership dues payment. Membership dues support the day-to-day operations and business activities of the organization.
What for?	This expense is for annual membership dues only; there are no associated sponsorship expenses. AESP membership gives PSE access to valuable services and relationships vital to the implementation of energy efficiency programs and services throughout the Puget Sound region.
Event/Sponsorship?	Group Membership
ASE (Alliance to Save Energy)	
What is it?	ASE's mission (from www.ase.org) is to promote energy efficiency worldwide to achieve a healthier economy, a cleaner environment and energy security. The Alliance is the sum of more than 140 Associates and a diverse and bipartisan Board of Directors.
Why?	ASE's event objectives align with PSE interests in supporting local and regional energy efficiency initiatives. They further support customer awareness of PSE CEM programs and achievement of the 2024-2025 CEM program targets. ASE has assured PSE in separate correspondence that none of PSE's contribution will be used for lobbying purposes.
What for?	PSE is participating as a supporter and co-sponsor of the ASE Event "Accelerate Energy Productivity 2030."
Event/Sponsorship?	Sponsorship
CEE (Consortium for Energy Efficiency)	
What is it?	The Consortium of CEE is the U.S. and Canadian consortium of natural gas and electric efficiency program administrators. They work together to accelerate the development and availability of energy efficient products and services for lasting public benefit. CEE organizes its day-to-day work into committees focused on defining a market approach aimed at more efficient use of regulated energy sources — electricity and natural gas. Committees address specific opportunities for end uses, systems, or structures independent of fuel. CEE members share their diverse perspectives and develop a collective wisdom that leads to strategic national initiatives.
Why?	CEE continues to be a reliable resource for informing PSE CEM planning decisions. PSE has a history of success in participating on CEE subcommittees to identify and promote effective energy efficiency measures and activities, and in CEE online and onsite events to learn about innovative approaches as well as create national visibility for PSE's own successful innovations.

Descriptions of Energy Efficiency Trade Ally Organizations Continued

CEE (Consortium for Energy Efficiency)	
What for?	Gaining useful information on energy efficient technologies of promise, and on practical program innovations. Participating in CEE-hosted subcommittees, webinars, and conferences to exchange information with program administrators with a breadth of experience in the field to discover ways to improve existing programs and develop new ones.
Event/Sponsorship?	Membership dues

Energy Solutions Center (ESC)	
What is it?	ESC (Energy Solutions Center) is a trade association promoting the common business interests of Energy Efficiency products and services manufacturers, vendors, contractors, utilities, and related industry interested parties both nationally and throughout the Puget Sound Region.
Why?	ESC membership gives PSE access to valuable services and relationships vital to the implementation of energy efficiency programs and services throughout the Puget Sound region.
What for?	This expense is for annual membership dues only; there are no associated sponsorship expenses.
Event/Sponsorship?	Membership dues

Electric League	
What is it?	The Electric League is a trade association serving the common business interests of utilities and electrical industry trades throughout the Puget Sound Region, particularly in supporting CEM interests. For example, the Electric League hosts the biannual Powerful Business Conference, annual CEM Utility Programs Presentation, and various other CEM end-use training workshops for both service providers and consumers.
Why?	Annual membership dues payment. Membership dues support the day-to-day operations and business activities of the Electric League.
What for?	This expense is for annual membership dues only; there are no associated sponsorship expenses. Electric League membership gives PSE access to valuable services and relationships vital to the implementation of energy efficiency programs and services throughout the Puget Sound region.
Event/Sponsorship?	Membership dues

NW Energy Efficiency Council (NEEC)	
What is it?	NEEC (NW Energy Efficiency Council) is a trade association promoting the common business interests CEM products and services vendors, contractors, utilities, and related industry interested parties throughout the Puget Sound Region.
Why?	Annual membership dues payment. Membership dues support the day-to-day operations and business activities of the organization.

Descriptions of Energy Efficiency Trade Ally Organizations, continued

NW Energy Efficiency Council (NEEC)	
What for?	This expense is for annual membership dues only; there are no associated sponsorship expenses. NEEC membership gives PSE access to valuable services and relationships vital to the implementation of energy efficiency programs and services throughout the Puget Sound region.
Event/Sponsorship?	Membership dues

F. Trade Ally Network

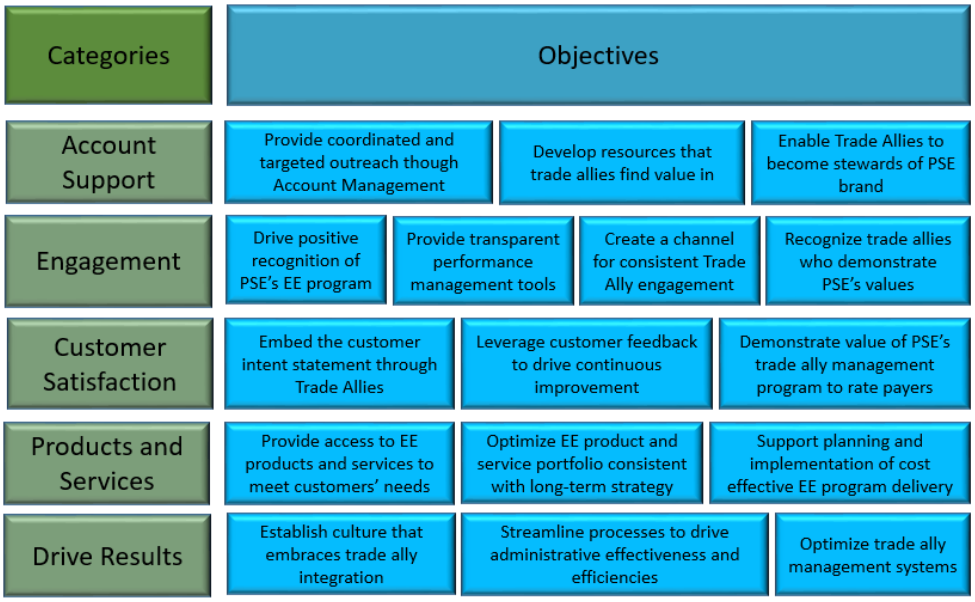
The Trade Ally Network (TAN) is administered by the Trade Ally Support (TAS) team and informed by the Trade Ally Guiding Principles. Trade Allies are identified as playing a critical role in achieving cost-effective energy savings and considered CEM's "boots on the street" as they are often the first to learn of marketplace trends. Insights may include customer preferences, innovations, process improvements, and market readiness of technologies. The TAS team engages and interacts with trade allies to learn and refine program delivery strategies.

Trade Ally Guiding Principles:

- **Extension of Trust** — PSE is the clean energy partner of choice, and the Trade Ally carries that trust.
- **Steward of Strategy** — PSE proactively engages Trade Allies to be a steward of PSE's CEM brand and strategic objectives.
- **Mutual Beneficiaries** — PSE's CEM department and its Trade Allies mutually benefit through the exchange of information and ideas.
- **Culturally Embedded** — The PSE Trade Ally team collaborates with its internal interested parties to ensure that Trade Ally resources are understood and internally and externally promoted.

The primary functions of the TAS team are to provide Account Management of PSE's Trade Allies and to formerly manage the TAN program. Account Management encompasses the overarching processes and guidance for effective Trade Ally engagement, which fosters a culturally accepted (internally) and inclusive (externally) TAN.

PSE's Account Management activities, informed by the Trade Ally Guiding Principles, are designed to achieve the Objectives outlined in the Strategic Framework outlined below.



Trade Ally Network: PSE's formal conduit for Trade Ally engagement with and participation in PSE's Energy Efficiency Programs, the TAN currently consists of approximately 200 independent contractors who deliver energy efficiency (and ancillary) products and services to PSE's customer base. The TAN is organized into multiple trades across both residential and commercial programs. Members of the TAN are licensed, insured, and trained and must meet PSE's continuing performance requirements in order to remain in good standing. Trade Allies who exceed the performance requirements may be eligible for co-branding, customer referrals, or other marketing and promotional opportunities through PSE's TAN program.

Trade Ally Portal: The Trade Ally portal and partner database maximizes Trade Ally integration within the CEM conservation programs. The portal helps facilitate the TAS team strategies by enabling broader communications across all Trade Allies, TAN members, and non-members. Furthermore, the portal serves a pivotal role in refining account management strategies to help the CEM team:

- achieve cost-effective energy savings;
- adaptively manage targeted marketing and outreach activities; and
- explore the possibility of non-incentive value-add services for customers receiving conservation measures.

G. EnergyCAP

In 2022, PSE migrated from *MyData* (launched in 2013 by PSE) to EnergyCAP®, to maintain PSE's compliance requirements with the City of Seattle benchmarking mandate. All Commercial, Industrial, and Multifamily PSE customers are eligible to use EnergyCAP to obtain up to 24 months of monthly usage and cost data, with the option to upload to and synchronize with their ENERGY STAR Portfolio Manager account if desired and applicable.

1. Description

EnergyCAP is a free web-based tool to PSE customers that allows building owners, managers, and operators to track and assess energy consumption of their buildings. When customers register their property, they will participate in what is becoming an industry standard and will receive quick and accurate data on a monthly basis for their entire building.

This tool enables customers to track energy usage for a portfolio of buildings, track the results of energy efficiency projects, develop ENERGY STAR ratings, and comply with state regulations — including required reporting in the City of Seattle via ENERGY STAR Portfolio Manager, and to the Department of Commerce per the Clean Buildings Law.

2. Target Market

Approximately 75 percent of the whole-building energy usage requests PSE receives come from building owners (or their contractors) that are tracking their energy usage or tracking the results of energy efficiency projects.

MyData was nearing end-of-life, so a replacement resource, EnergyCAP, was readied for a 2022 implementation, in part to prepare for the increased customer usage expected in the coming years. The City of Seattle benchmarking mandate model will be implemented statewide as a provision of the 2019 Washington State Clean Buildings Law (House Bill 1257). PSE anticipates that there will be 7,000 commercial buildings subject to the law across the PSE service territory, of which the current users in the City of Seattle is only a fraction. The early adopter period began July 1, 2021, and the first mandatory compliance date begins in June, 2026. Further, a Clean Buildings Expansion (SB5722) was passed in 2022, which takes benchmarking requirements down to buildings 20,000 sq. ft. and above. This may add as many as 80,000 more buildings and, therefore, users to EnergyCAP.

H. Energy Advisors

The Energy Advisor (EA) Department is a unique, customer solution operation. This expert group brings efficiency into PSE customers' homes by guiding customers in changing behaviors, understanding their energy use, and assisting them in using PSE's programs, products, and services that are best for their individual circumstances. EA also promotes and explains PSE's renewable energy programs, new products, available promotions, and tax incentives. The EAs assist customers with these services over the phone, via email, and in person at community outreach events.

1. Description

Unlike transaction-based customer care departments, the EAs provide expertise and deliver solutions tailor-made for customers' homes and lifestyles. The EAs perform research, conduct analyses, provide resolutions, and respond to customer inquiries. They follow up on requests related to CEM, conservation, and carbon reduction that inform customers, and they make suggestions on how customers can reduce their energy use and carbon footprint. They represent PSE in an effort to promote and cross-market CEM products and services by presenting and providing educational materials to employees, organizations, and community groups.

EAs receive training and instruction in departmental procedures, current programs, building science, carbon reduction goals, and customer service. They are expected to use good judgment in independently responding to recurring customer issues and/or complaints.

Unique, difficult, or unusual customer service issues are referred to a Senior EA. Individual EAs are also located in several PSE Offices throughout PSE's service territory.

Customers have access to speak directly to an EA through a toll-free number, 1-800-562-1482, Monday through Friday, 8 a.m. to 5 p.m., or email the team any time at Energy.Advisor@pse.com.

I. Equity Support

In the 2024-2025 biennium, a new budget category has been added to capture the costs associated with implementing some of CEM's equity-related objectives. These projected costs are by no means exhaustive of PSE's equity investment and efforts that are reflected throughout the BCP, such as in the Equity Focus section in the Executive Summary and each program's "equity focus" in the BCP document. This budget area specifically includes expenses related to commissioning segments of the department's Public Participation (P2) Plan for 2024-2025, such as anticipated vendor costs and customer stipends for participation.

J. Energy Efficient Communities

Energy Efficient Communities (EEC) is a program-support channel to deliver CEM program information directly to residential and small-to-medium business customers and through partnerships with community organizations and municipalities. The program works to leverage community resources to connect with, educate, and move customers to CEM program participation. The team's active engagement with customers and community partners also provides valuable insights and feedback that PSE uses to improve CEM program delivery and designs.

1. Description

PSE's Energy Efficient Communities channel works to generate participation in PSE's Energy Efficiency programs through direct-to-customer outreach and through community partnerships.

The team works to discover locally relevant ways of engaging with customers by leveraging PSE's resources, community knowledge, and partner support.

The EEC team works closely with the CEM programs to determine whether a broader partnership with a community organization or a more targeted, direct-to-customer approach is needed, such as a door-to-door initiative or small workshop experience. As an outreach team for both residential and small-to-medium business programs, the EEC team also works on cross-program promotion, where appropriate.

2. Target Markets

PSE's EEC team members are based throughout the PSE service area. This makes for an improved connection to the multiple community interested parties and provides a deepened understanding of local opportunities as well as customer needs and goals.

Both of these tacks enable PSE to position CEM as a solution and trusted partner.

These partnerships provide opportunities to connect directly and indirectly with the residential and small business markets. This model also helps the staff members learn about the customers in the communities in order to design locally appropriate outreach strategies to encourage program participation. The team centrally plans their general outreach initiatives as a group, but each team member customizes that outreach for their community.

EEC works closely with the CEM program teams to reach out to Named Communities and small-to-medium businesses to deliver consistent programs throughout the service area. Staff provide leads for the small and medium business programs through proactive outreach to customers with high potential for energy savings; partnerships with local nonprofits; local business associations and community groups; and presentations (in-person and virtual) to the business community to open doors to build awareness and understanding of customer options. In addition, the team connects with English as a second language customers in language (when feasible) to ensure these customers are aware of the programs available to them.

EEC staff also assist in the design of residential customer outreach initiatives to ensure programs are brought to a variety of customer segments. Presentations to homeowner and tenant groups as well as partnering with community entities provide the opportunity to engage with more customers about the benefits of the CEM programs.

EEC tactics include but are not limited to:

- CEM and program/product awareness for small and medium businesses and Named Communities
- Named Communities research and relationship building with trusted community leaders to increase awareness and participation
- bundled program education workshops including: train the trainer presentations, application/rebate walkthroughs, and program awareness

- in-language support for program awareness workshops and tablings when available
- partnerships with local community based organizations to provide in language collateral and workshops in Named Communities
- work with Marketing and Events to support campaigns and LTOs
- third-party contract management for localized outreach activities, as appropriate

K. Customer Digital Experience

PSE's customers expect to receive information and interact with PSE online in the same sophisticated ways they do with other companies. Customer Digital Experience is designed to support the development and maintenance of tools that simplify the energy efficiency educational process, providing interactive, engaging experiences that drive PSE's customers to manage and lower their energy usage. In 2021, Advanced Metering Infrastructure (AMI) data was added to residential customer's usage information, which gives them more granular and personalized feedback to help manage their energy usage.

1. Description

Customer Digital Experience is designed to significantly improve CEM's ability to communicate the "how and why" of energy efficiency, using new technologies and engaging interactive methods.

Customer Digital Experience consists of the initiative to make PSE's energy efficiency web tools effective in delivering electric and natural gas savings. The team also supports interactive content development, and other miscellaneous software applications, including online form, database, and web hosting services.

These tools help customers understand the specifics behind their energy usage, show neighbor comparisons (residential customers),[6] and provide new ways to encourage efficient behaviors by suggesting personalized tips, tools, ideas, and checklists based on a customer's automated energy usage profile and self-assessment information.

Customer Digital Experience also supports interactive content development, e-newsletters, and the fees for other miscellaneous software applications, such as online form, database, and web hosting services.

[6] Specific customer details; addresses, names, account information, etc. are rigorously protected. Instead, only general, non-specific comparisons will be provided.

2. My Energy Usage

- When PSE residential customers log onto their myPSE account, they can access their individual meter energy data in the energy center, which is moderated by PSE's contractor.
- The energy usage center also allows customers to select ways to be more energy efficient, complete a home energy survey to learn about their usage, and helps them save energy through relevant savings tips informed by how they answer the home energy survey.

L. Customer Awareness Tools

Customer Awareness Tools are tools to aid in CEM's ability to communicate the "how and why" of energy efficiency using engaging interactive methods.

The Customer Awareness Tools category is comprised of electronic services provided to PSE residential customers via a variety of media designed to fit customers' communication expectations. The services include:

1. Unusual Usage Alerts (UUA)

- Unusual Usage Alerts (UUA) are sent to customers when their energy usage is abnormally high (+30 percent) compared to the previous year.
- In 2021-2022, an average of 250,000 alerts were dispatched per year. In 2022-2023, PSE estimates it will end up sending about 200,000 alerts per year.

2. Seasonal Readiness Emails (SRE)

- PSE's contractor sends over 400,000 reports to customers twice a year during the changing seasons, once in the summer and once in the winter.

3. Customer Engagement Tracking (CET)

The Customer Engagement Tracker (CET) survey is an instrument designed to explore utility customer reactions to the Home Energy Reports (HER) program and other related outreaches. At PSE, the instrument aims to accomplish the following key objectives:

- explore customer interaction with and reception of the HER;
- gauge overall impact of the program on the PSE customer relationship, both via self-reported influence and by measuring differences in engagement between program participants and non-participants (controls); and
- compare results between PSE deployments and to those of other contractor utility partners, with an eye toward potential program improvements.

4. Delivery method

PSE's customer awareness tools are managed by its third-party vendor and housed on pse.com.

5. Implementation Management

The online web tools were first implemented in 2014 and have been regularly improved and updated since then through a combination of in-house and vendor staff, with feedback and recommendations from customers.

M. PSE Marketplace

The PSE Marketplace is an online shopping platform managed by a third-party contractor. It features a selection of energy-saving products for natural gas and/or electric customers. Shoppers are validated as PSE customers and then awarded their eligible PSE rebates instantly. The products and rebates offered on the PSE Marketplace are aligned with PSE's brick and mortar retail rebate programs. The rebate costs and energy savings are recorded under the relevant measures program. PSE has developed a robust marketing strategy for the online shopping platform and closely monitors customer adoption and use of the site. These tactics include, but are not limited to: LTOs, seasonal promotions, targeted emails, and social media advertising.

For the 2024-2025 biennium, the PSE Marketplace will be designed and built to meet the changing needs of PSE customers. While the site will continue to offer instant rebates on smart thermostats, it will also make it easy for customers to locate installers to help them install their new thermostat(s). PSE is also meeting the growing need for more efficient EV charging stations and will offer these with instant rebates; installer referrals for these devices will also be available. As PSE rolls out its DR program, the offering will be benefit from the capabilities of the Marketplace. Customers who purchase eligible EV chargers can enroll in the DR program with the option to opt out later on, while customers who purchase eligible smart thermostats will have an opt-in option when they add their product to their "cart" and once again at checkout. The PSE Marketplace will also provide a more seamless experience for moderate-income customers by providing a single website for these and all other PSE customers to learn about and shop for energy-efficient products. One other offering on the site intended for qualified moderate-income customers may be free weatherization kits that will allow these customers to inexpensively increase the comfort of their homes. Another enhancement for the 2024-2025 biennium is offering the PSE Marketplace in Spanish with plans to include other language translations in the future.

In support of PSE's future DR efforts, the site will also offer the communication hardware necessary for PSE's Virtual Power Plant to communicate with newer, electric water heating devices such as heat pump water heaters. This will allow customers with these devices to enroll them in PSE's DR program. The devices are CTA-2045 units that plug into the water heaters. PSE will rebate these items at 100 percent so they will be free to eligible PSE customers.

PSE maintains focus on the customer journey to streamline participation and maximize value. PSE will explore adding more products to the marketplace in 2024 and 2025.

N. Market Integration

Market Integration consists of salary costs of employees working on energy efficiency marketing strategy and execution as well as general energy efficiency awareness marketing campaign costs. This budget category is designed to increase the transparency of the work done on broad energy efficiency marketing-related items.

This includes the enhancement of online energy-efficiency tools and features, as well as traditional marketing executions that center on promotional channels used across all programs (i.e., social media, email, digital content, graphic design, video and photography, collateral, and websites), and broad, general advertising and customer engagement campaigns to increase customer awareness of PSE's energy efficiency rebates, incentives, tools and services. Market integration complements PSE's program-specific marketing efforts, while improving attribution to PSE for energy efficiency offerings.

O. Events

The CEM department participates in local community and regional events throughout the year, including trade shows, seminars, virtual webinars, and community events. The event audience consists of residential, commercial and small-to-medium businesses. These targeted events are intended to engage PSE's customers to increase awareness and participation of CEM program offerings. CEM looks for opportunities to be inclusive and reduce barriers, adding translation and in-language materials when appropriate. Participation in events provides unique opportunities for CEM staff to interact directly with customers and discuss a variety of products, programs, and services the department offers. CEM staff will also match customer interests and needs with CEM programs and bring back customer feedback.

The Events team provides specific criteria for event participation that matches the overall business and strategy of the programs supporting CEM programs with an emphasis on presence, affiliation, and relevance. Each event holds a particular value to interested parties and relates to objectives of PSE CEM programs.

The Events team organizes activities using an event management data system to improve communication and customer experience. The team assesses event requests and reviews opportunities in advance with a focus on tactical planning for and vetting of events. PSE proactively seeks new audiences to deliver energy efficiency services, using available demographic data to identify those considered to be highly impacted communities (HICs) and Vulnerable Populations (VPs), as well as communities with high energy burden.

PSE often employs a third-party vendor to augment its dedicated events staffing to ensure the maximum energy-efficiency exposure. The goal of this is to increase awareness and uptake of

PSE CEM programs, drive energy savings and reach a broad and diverse audience base through virtual and in-person events.

VIII. Research and Compliance

A. Conservation Supply Curves and Strategic Planning

Conservation Supply Curve and Strategic Planning efforts include, but are not limited to:

- internal and external research, planning, and development;
- biennial and strategic program planning support;
- coordination with regional organizations including the Northwest Energy Efficiency Alliance's (NEEA) various workgroups and the Regional Technical Forum (RTF);
- holistic assessment of Measurement and Verification (M&V) protocols;
- developing and managing Integrated Resource Plan (IRP); and
- programs' cost-effectiveness.

1. Conservation Supply Curves

The purpose of the Conservation Supply Curve function is to complete a Conservation Potential Assessment (CPA) for the company's IRP. The CPA identifies the amount of energy savings potential that is technically and economically achievable over the 20-year-plus planning horizon of PSE's IRP. The CPA, which is performed every two years, is a resource input to PSE's electric and natural gas energy resource acquisition strategy. The analysis also determines the basis for the conservation targets, as required by WAC 480-109-100(2), to comply with the Washington Energy Independence Act (RCW 19.285).

a. *Description*

PSE's 2025 Electric and Natural Gas CPA process began in 2023. The biennial budget includes costs to complete the CPA, which includes input analysis for the modeling, the modeling analysis itself, interested party engagement, reporting, and development of inputs for biennial program planning.

The 2025 CPA process includes a cross-price elasticity study, the gap analysis, and IRA-based research. This gap analysis is focused on specific energy savings categories, such as weatherization, space heating, water heating, and Home Energy Reports (HERs) for residential customers. The conservation potential will also be accounting for the impact that new Demand Response (DR) and Electric Vehicle (EV) programs — as well as a time-of-use rate pilot program, which PSE will start in 2024 or sooner — will have. The CPA analysis will also consider potential conservation ramp rate adjustments.

2. Strategic Planning

The Strategic Planning function conducts a variety of research studies and analyses to support regulatory compliance proceedings and other strategic initiatives.

a. *Description*

The Strategic Planning function is responsible for providing support and guidance to a variety of regulatory, programmatic, and other strategic initiatives. Responsibilities include regulatory compliance filings, federal and state legislative policy review, policy impact analysis, or other strategic efforts related to energy efficiency and decarbonization.

The primary Strategic Planning activities for this biennium include support for the implementation of the regional Building Stock Assessments and the use of their datasets; research focused on how upgrades such as heat pumps impact energy and peak loads; and continued support for the Northwest End-Use Load Research project. PSE will also invest in research in other emerging technologies and continue support in regional efficiency collaboration through various workgroups with NEEA and the RTF. Finally, ongoing efforts are required to establish how to integrate decarbonization strategies into customer programs.

B. Market Research

Market Research conducts a variety of research studies and analyses to support program design, marketing strategies, and the development of effective program promotion and customer communications for CEM.

1. Description

The focus of the Market Research function is on acquiring information about customers that is relevant for the development of Customer Energy Management (CEM) programs, educational materials, and promotional campaigns that will be effective in encouraging program participation.

Through various techniques such as surveys, focus groups, and the analysis of existing databases, Market Research provides understanding of customer perceptions, motivations and barriers to adoption of energy-efficient applications and behavior, as well as tracking customer awareness of program offerings and satisfaction with non-program-specific education and information services. Market Research is also called upon for analysis of localized characteristics, attitudes, behavior, and energy usage trends, necessitating more geographically targeted research.

Over the past biennium, a company-wide focus for Market Research has focused on equity and how to ensure that its programs and resources are offered and distributed to all of PSE's customers equitably. This effort includes and benefits CEM at PSE. Market Research expenses are driven by the customized nature of the work and the large sample sizes required in quantitative studies for results to be valid for multiple market segments and geographic areas.

The Market Research staff works closely with Program Implementation, Marketing, Outreach, and Program Evaluation Staff to identify research needs that support the effective development, delivery, and evaluation of energy efficiency programs. These research needs are then

coordinated and leveraged to result in a slate of research projects that are responsive to internal client needs, eliminate duplication of effort, and are cost-efficient.

PSE's conservation market research activities are divided into two basic components:

Baseline Research with Broad Applications: This type of research provides foundational information about PSE customers that will be a common source of knowledge for the general planning and design of all energy efficiency programs and promotional campaigns.

Examples include research into customers' attitudes, beliefs, and behaviors that suggest customer segments for effectively marketing CEM programs and customers' propensity to participate in CEM offerings.

Application-Specific Research: This research is focused on specific programs or promotional initiatives. It includes research that supports specific energy efficiency program promotion and communications campaigns, such as message testing, target markets, and campaign effectiveness studies. Other research efforts will be focused on tracking customer satisfaction with information services, such as the Energy Advisors (EAs). Finally, research may be conducted to provide customer input on the design and implementation of specific programs, primarily using qualitative methods such as focus groups.

Market Research has made greater use of data science research tools and secondary data sources, which helps to control costs. PSE has improved its internal research capability minimizing the need for external resources, but it does purchasing existing demographic- and premise-related data from third-party providers rather than conducting original research to collect this information.

C. Program Evaluation

PSE is committed to the evaluation of energy savings and the continual improvement of energy-efficiency service delivery to customers. PSE program implementation staff work together with program evaluation staff to inform the development of evaluation scopes of work. Program evaluation staff then develops and maintains a strategic Evaluation Plan (Exhibit 6 of the Biennial Conservation Plan [BCP]), in accordance with the guiding Evaluation Framework (Exhibit 6, Supplement 1 of the BCP), ensuring that all programs receive review on a maximum four-year cyclic basis.

Evaluations are conducted by third-party evaluation consultants that are selected by a competitive Request for Proposals (RFP) process. PSE will contract with one or more third-party evaluators.

PSE evaluates all of its tariffed programs at least once every four years. The level of detail at which each program is evaluated will be determined by prioritizing each program into evaluation tiers. All levels of rigor will be consistent with the principles, objectives, and metrics prescribed in the guiding Evaluation Framework. In prioritizing programs for evaluation, PSE considers the

level of energy savings, significant program changes, results of prior evaluations, and whether a program is new or has never been evaluated before.

Adjustments to the evaluation plan may be made during the biennium, with Conservation Resource Advisory Group (CRAG) review and advice. Adjustments can be made mid-program cycle to dive deeper into areas that show signs of deviation from expected behavior, either from the program implementation perspective or from gained insights during evaluation efforts.

Compliance impact and process evaluations can leverage remote data collection and virtual site visits to complement in-person/on-site data collection. Evaluation staff continuously look to improve program evaluations, including integration of advanced data analytics, which combines the principles from the Evaluation Framework, with specialized software and technology applications to provide more timely feedback and granular results to program implementation teams.

After a program evaluation deliverable is completed, members of the program implementation staff complete an Evaluation Report Response (ERR) with assistance from program evaluation staff to ensure that evaluation recommendations are addressed. Staff then indicate what actions will be taken in response to the findings and recommendations. Evaluation findings, implementation responses, and adjustments are documented in the evaluation and biennial conservation achievement review reports.

PSE frequently shares the results of its evaluations with the RTF to support continuous improvement of measure energy savings values widely used in the region.

In addition, PSE monitors the RTF, NEEA, and the Northwest Research Group (NWRG), as well as directly reaching out to neighboring utilities, for opportunities to collaborate on common evaluation needs.

For additional information on planned evaluation activity, including initial prioritization of programs for evaluation, please refer to Exhibit 6: 2024-2025 Evaluation Plan.

D. Biennial Conservation Achievement Review (BCAR)

The Evaluation organization is also responsible for managing PSE's 2024-2025 Biennial Conservation Achievement Review (BCAR) required by WAC 480-109-120(4)(b)(v).

In partnership with Commission Staff, PSE implements an independent review of its biennial electric and natural gas savings. Prior to 2022-2023, every two years, PSE and Commission Staff, with review by PSE's CRAG, selects a consultant to conduct the independent electric savings review for the biennium. In 2022-2023, per UTC Order 01 in Docket UG-210823 as a condition of approval of PSE's 2022-2023 biennial natural gas conservation target, PSE also conducted an independent third-party evaluation of portfolio level biennial natural gas conservation savings achievement.

The BCAR review examines electric savings baselines, measure savings calculation methodology, tracking and reporting accuracy, validates reported electric and natural gas savings, reviews Company actions taken in response to the recommendations from the previous BCAR, and assesses whether the company has undertaken follow-up actions on program evaluation studies completed after the previous BCAR.

The independent consultant that conducts the BCAR also makes recommendations for PSE operations, measure savings calculation methodology, and data collection. The independent consultant may also make recommendations for electric and natural gas savings adjustments, which PSE considers and reviews with the CRAG prior to implementing any revisions.

PSE provides CRAG members with interim BCAR status and reports throughout the biennium and includes the BCAR final report as an appendix to its Biennial Achievement Report to the Commission, in accordance with WAC 480-109-120(4).

IX. Glossary

Unless otherwise noted in a specific Conservation Schedule, the following commonly used terms, used throughout this document, have the below noted meanings:

Commonly Used Terms and Acronyms	
ACEEE	American Council for an Energy-Efficient Economy
ACP	Annual Conservation Plan
ADR	Automated Demand Response
AIA	American Institute of Architects
AMI	Advanced Metering Infrastructure/Area Median Income
aMW	Average Megawatt. An expression of energy (versus "power"). It is used to express very large amounts of energy. The term represents an average of power (Megawatts [MW]) used over time (the standard term being one year or 8,760 hours). Thus, 1 aMW = 8,760 MWh.
ANSI	American National Standards Institute
ASHRAE	The American Society of Heating, Refrigeration and Air-Conditioning Engineers
BCP	Biennial Conservation Plan
BDR	Behavioral Demand Response
BEM	Business Energy Management
BESS	Battery Energy Storage Systems
BIPOC	Black, Indigenous, and People of Color
BLi	Business Lighting Incentive
BLnc	Business Lighting New Construction
BLsli	Business Lighting Street Lighting
BLti	Business Lighting Tenant Improvement
BLx	Business Lighting Express
BOMA	Building Owner and Managers Association
BPA	Bonneville Power Administration
CFL	Compact Fluorescent Lamp
CBA	Clean Buildings Accelerator
CBO	Community-Based Organization
CCA	Climate Commitment Act

CEIP	Clean Energy Implementation Plan
CEM	Customer Energy Management
CETA	Clean Energy Transformation Act
CHP	Combined Heat & Power
C/I	Commercial/Industrial. References programs in the Business Energy Management sector.
C/I DR	Commercial/Industrial Demand Response
Cost Element	Also referred to as account numbers. Cost element groups typically include labor, overhead, employee expenses, miscellaneous expenses, materials, etc.
CPA	Conservation Potential Assessment
CRAG	Conservation Resource Advisory Group
CSEM	Commercial Strategic Energy Management
CSI	Comprehensive Small Industrial
DDC	Design Development and Construction
DER	Distributed Energy Resource
DHW	Domestic Hot Water
Direct Install Measure	A conservation measure that is installed by a PSE representative — rather than a PSE customer — into a qualifying structure.
DOE	Department of Energy
DR	Demand Response
DSMc	Demand Side Management central. A comprehensive project management system, developed and maintained by Nexant.
EA	Energy Advisor
EAG	Equity Advisory Group
ECM	Electronically Commutated Motor
EEC	Energy Efficiency Communities Team
EES	Energy Efficiency Services; a PSE legacy acronym that is still associated with some tracking and reporting systems and databases, referencing CEM's former name. (Eliminating this reference would cause severe disruption of queries and reports in some systems and filing structures.)
EE	Energy Efficiency
EIR	Energy Impact Review
EME	Energy Management Engineer
EM&V	Evaluation, Measurement and Verification
EPS	Energy Performance Score

ESCO	Energy Service Companies
ESPM	ENERGY STAR® Portfolio Manager®
EUI	Energy Use Intensity
EV	Electric Vehicle
EVSE	Electric Vehicle Supply Equipment
HER	Home Energy Report
HIC	A community designated by the Department of Health based on the cumulative analysis required by RCW 19.405.140 or a community located in Census tracts that fully or partially on "Indian country" as defined in 18 USC Sec,1151. Highly Impacted Communities (HICs) measure: 1. pollution burden and environmental effects 2. impacts to the human body and communities of people
HID	High Intensity Discharge (related to lighting)
HPWH	Heat Pump Water Heater
HVAC	Heating, Ventilation and Air Conditioning
FPL	Federal Poverty Level
GRC	General Rate Case
IEM	Industrial Energy Management
IRA	Inflation Reduction Act
IRP	Integrated Resource Plan
IRPAG	Integrated Resource Planning Advisory Group
ISEM	Industrial Strategic Energy Management
ISO	Industrial Systems Optimization
kWh	Kilowatt Hour. 1,000 watt-hours = 1 kWh, which is equivalent to 10 100-watt incandescent lamps being turned on for one hour.
LED	Light Emitting Diode (typically, a lamp type)
LIAC	Low Income Advisory Committee
LIHTC	Low-Income Housing Tax Credit
LTO	Limited-Time Offer
MBA	Master Builders' Association
MBE	Minority Business Enterprise
MHNC	Manufactured Homes New Construction
MWh	Megawatt-hour. 1,000 kWh = 1 MWh

Named Communities	Deriving its definitions from the CETA statute and subsequent rule making, Named Communities are the overlaying combination of Highly Impacted Communities (HICs) and Vulnerable Populations (VPs).
NEIs	Non-Energy Impact, Quantifiable. Formerly known as Non-Energy Benefit, or NEB. Attributes having a direct cost-effectiveness correlation applicable to the Total Resource Cost test. It is important to note that any reference to NEIs in any PSE document refers to those that are quantifiable. Any non-quantifiable benefits will be specifically noted.
NEEA	Northwest Energy Efficiency Alliance
NEMA	National Electrical Manufacturers Association
NGAC	Natural Gas Advisory Committee
NPA	Non-Pipe Alternative
NWA	Non-Wire Alternative
NWPCC	Northwest Power and Conservation Council
O&M	Operations and Maintenance
Order Number	An eight-digit accounting number, used to track expenditures. FERC rules require that expenditures associated with energy conservation begin with an 1823nnnn (where “n” is another number). This is the most detailed view of accounting for a program’s expenditures. Within an order number, cost elements account for the specifics of those expenditures, as explained above.
P2	Public Participation Plan
P4P	Pay for Performance
PIM	Performance Incentive Mechanism
PPA	Power Purchase Agreement
RCW	Revised Code of Washington.
REM	Residential Energy Management
RFI	Request for Information
RFP	Request for Proposal
RTF	Regional Technical Forum, an advisory committee and a part of the Northwest Power and Conservation Council. The RTF develops standardized protocols for verifying and evaluating conservation.
SBDI	Small Business Direct Install (program within the BEM sector, Commercial Rebates).
SEM	Strategic Energy Management
SES	State Energy Strategy

SFE	Single Family Existing
SMB	Small- and Medium-sized Businesses
T&D	Transmission and Distribution
TAN	Trade Ally Network
TDSM	Targeted Demand Side Management
TEP	Telecommunications Efficiency Program
TRC	Total Resource Cost. The cost to the customer and/or other party costs to install or have installed approved Measures plus Utility Costs and minus Quantifiable Benefits (or Costs).
TVP	Time Varying Rates
UC	Utility Cost: The Company's costs of administering programs included, but not limited to, costs associated with incentives, audits, analysis, technical review and funding specific to the Measure or program and evaluation.
UES	Unit Energy Savings. Formerly "Deemed," the RTF updated the term in 2011.
ULI	Urban Land Institute
USGBC	U.S. Green Building Council
VP	Vulnerable Populations (VPs) are Defined by CETA as communities that experience a disproportionate cumulative risk from environmental burdens due to adverse socioeconomic and sensitivity factors. PSE co-created its definition of VPs with its Equity Advisory Group (EAG) and uses a Census block group scale to classify them.
VPP	Virtual Power Plant
WAC	Washington Administrative Code
WAP	Weatherization Assistance Program
WAMOA	Washington Association of Maintenance and Operations Administrators
WBE	Women Business Enterprise
WUTC, or UTC	Washington Utilities and Transportation Commission