

# Customer Solutions

## Exhibit 4 Measures, Incentives & Eligibility

July 16, 2012



*PUGET SOUND ENERGY*

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## 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 measure/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, distributors, owners of structures, 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, special performance incentives for field forces (sometimes referred to as SPIFFs), temporary promotions, or other adjustments to incentives. These adjustments will continue to be based on regionally accepted energy savings estimates and incremental 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 at 1 800 562-1482 if you have questions.
6. The Company's energy advisors are available to answer specific questions, Monday through Friday, 8am to 5pm. Many rebate forms and additional program information are also available via the Company's website: <http://pse.com/solutions/energyAdvisors.aspx>.

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

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

- Licensed, bonded and insured in the State of Washington.
  - 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 (insulation, windows, etc.), HVAC applications (heat pumps, air handlers, etc.), plumbing fixtures (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 are indented to provide an overview for the customer. Additional information is available on PSE.com, via an energy advisor (1-800-562-1482) and is provided in the incentive application form.

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

8. 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 applicable measures.
9. General terms and requirements for incentive qualification include, but are not limited to:
  - Purchase receipt or invoice, indicating the date of purchase,
  - Address (the physical location) of where the measure is being installed,
  - Name of person(s) claiming the incentive,
  - The structure must be receiving (or will be receiving in the case of new construction) electric service or bundled natural gas service from the Company.

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## Information-Oriented Services

No associated Schedule number

The following services apply in most cases to both Residential and Business customers. Although specific rebates or financial incentives aren't elements of the following services, these services provide energy management tools and access to programs outlined in this CS List of Measures, Incentives and Eligibility. This brief description provides an overview of the information-oriented resources available to customers.

Customer Solutions (CS) offers several different communications avenues that complement each other to provide information about customer programs and efficiency improvements tailored to customers' interests and energy-use concerns.

### Energy Advisors

Energy Advisors research, analyze, resolve and respond to customer inquiries, issues and requests related to energy efficiency and conservation; and promote and explain energy efficiency and renewable programs and their advantages. They represent the Company in an effort to promote and cross market products and services by presenting and providing educational materials to employees, organizations and community groups. Employees work in a team environment and must be able to rapidly adapt to changes in services and programs. Employees receive training and instruction in departmental procedures and 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 the Senior Energy Advisor. Through a toll-free number, 1-800-562-1482, Monday through Friday, 8am to 5pm, customers have access to speak directly to an Energy Advisor.

### Events

PSE participates in trade shows, community events and homeowner/trade ally associations' venues that provide avenues, such as seminars and workshops, to attract PSE residential and business customers to the features/benefits of energy efficiency programs.

### Energy Efficiency Brochures/Collateral

PSE provides brochures and how-to guides on various energy efficiency opportunities, including behavioral measures, low-cost equipment, weatherization measures and improvements and equipment upgrades. This information includes guidelines and savings estimates where appropriate. PSE brochures are available to customers in paper form and online at the PSE Web site. Brochures are also distributed at numerous customer events, Home shows and trade shows throughout the year.

**Energy Education**

Education is a key component in furthering consumer energy efficiency and renewable energy awareness so customers are adequately informed to make wise energy decisions. Education programs broaden customer knowledge of conservation and renewable energy, and increases participation in efficiency programs. PSE's energy education programs inform, inspire and empower with the understanding that individual choices do make a difference.

The programs create a forum to provide information to leaders and educators who can leverage the knowledge to a greater audience. The programs also tie directly to the company's existing energy efficiency opportunities, active resource conservation efforts and commitment to the community channel. A variety of curricula are available for downloading from the PSE.com website:

<http://pse.com/savingsandenergycenter/ForSchools/Pages/Energy-Education.aspx>

Additional information about how to participate in Education Programs is available through the Company's toll-free number — 1 800 562-1482.

**On-Line Tools & Customer Management System**

PSE's web site, PSE.com is available with information about energy efficiency and provides energy management tools to residential and business customers.

PSE's Customer Management System (CMS) is a database management system used to support delivery and results tracking of energy efficiency programs and services. Tracking customer program participation as well as tracking and evaluating the efficiency and effectiveness of promotions and implementation are key components of CMS.

**Electronic Newsletters**

"Energy at Home" is a quarterly e-newsletter promoting Customer Solutions to customers who elect to subscribe using an e-mail address. This free service contains articles about energy efficiency, timely seasonal tips, and links to PSE program information and rebates for energy efficient products. A similar quarterly "Energy in Business" e-newsletter features case studies of energy efficiency projects at PSE customer sites, as well as announcements of upcoming training opportunities. Energy Education Newsletter is a quarterly e-newsletter offering student, teachers and sponsors on expanded ways to learn and take action on energy conservation tips, environmental events, student activities and upcoming energy efficiency projects.



# **RESIDENTIAL MEASURES, INCENTIVES AND ELIGIBILITY**

## Residential Low Income Weatherization

Schedule 201 (Electric) and 203 (Gas)

### Eligibility

#### Customers

Low-income customers; including owners and tenants of single family, multifamily, manufactured or mobile homes that meet federal poverty guidelines issued by The Washington State Department of Commerce and natural gas and/or electricity from PSE. Low Income agencies are contracted with PSE to perform customer income eligibility, manage the installation and track and report projects to PSE.

#### Structures

Measures apply to existing single-family, multifamily and mobile home structures.

### Funding Categories

Single Family, Multifamily and Mobile Home Structure improvements, as detailed below, include the following improvement categories:

- Building envelope Improvements
- Heating system upgrades
- Water heating upgrades
- Lighting upgrades
- Appliance replacement
- Common are upgrades

The majority of measure funding falls into three categories; paid per *square or linear foot*, per *measure* (for example, a CFL bulb), per *structure* (for example, one furnace or water heater per home).

## Incentives

Low Income Weatherization incentives are classified in three types; payments made to agencies on a square-foot basis, payments made per measure and payments per structure. Any limitations and qualifications are noted in the following tables.

### Electric Funding

#### Per Square-Foot Basis

| Measures           | R-Exist     | R-New        | Single Family | Multifamily | Mobile Home |
|--------------------|-------------|--------------|---------------|-------------|-------------|
|                    |             |              | Payment       |             |             |
| Ceiling Insulation | 0           | 19           | \$1.01        | \$1.01      | \$1.01      |
|                    | 0           | 30           | -             | -           | \$1.79      |
|                    | 0           | 38           | \$1.82        | \$1.82      | -           |
|                    | 11          | 33           | -             | -           | \$1.57      |
|                    | 11          | 38           | \$1.57        | \$1.57      | -           |
|                    | 19          | 38           | \$0.95        | \$0.95      | -           |
| Duct Insulation    | 0           | 11           | \$5.75        | \$5.75      | -           |
| Floor Insulation   | 0           | 19           | \$1.87        | \$1.87      | -           |
|                    | 0           | 22           | -             | -           | \$2.00      |
|                    | 0           | 30           | \$2.20        | \$2.20      | \$2.20      |
|                    | 11          | 22           | -             | -           | \$1.00      |
|                    | 11          | 30           | \$1.38        | \$1.13      | -           |
| Wall Insulation    | 0           | 11           | \$1.91        | \$1.91      | \$1.59      |
| Windows            | Single pane | U-value 0.30 | \$13.00       | \$16.20     | \$12.00     |
|                    | Double pane | U-value 0.30 | \$10.00       | \$6.00      | \$10.00     |
|                    | Single pane | U-value 0.25 | \$18.00       | \$18.00     | -           |
|                    | Double pane | U-value 0.25 | \$8.00        | \$8.00      | -           |

#### Per-Measure Basis

| Measures   | Single Family | Multifamily | Mobile Home |
|--|---------------|-------------|-------------|
|  | Payment       |             |             |
| Energy Star® CFL Light Fixtures or equivalent                      | \$50.00       | \$50.00     | \$50.00     |
| Energy Star® CFL Screw-in Lamps or equivalent                      | \$10.80       | \$10.80     | \$10.80     |
| Light Socket Conversion Assembly<br>(Compact fluorescent included) | \$12.80       | \$12.80     | \$12.80     |
| Energy Star® LED Fixtures or equivalent                            | \$60.00       | \$60.00     | \$60.00     |
| Energy Star® LED Lamps or equivalent                               | \$40.00       | \$40.00     | \$40.00     |
| Smartstrips  | \$21.00       | \$21.00     | \$21.00     |
| Energy-efficient Shower Head                                       | \$40.50       | \$40.50     | \$40.50     |

**Per Structure Basis Measures**

| Measures   | Single Family | Multifamily | Mobile Home |
|--|---------------|-------------|-------------|
|  | Payment       |             |             |
| Electronic Thermostats (Replacement of bi-metal thermostats with electronic thermostats. Line voltage thermostats only.) | \$202.50      |             |             |
| Duct Sealing with other measures (unconditioned spaces)  | \$472.50      |             | \$472.50    |
| Water Heater Pipe Insulation (3 feet, or more, with minimum thermal value of R-3)  | \$13.50       | \$13.50     | \$13.50     |
| Refrigerator Replacement<br><i>(In accordance with US DOE protocol and Commerce requirements)</i>                        | \$565.00      | \$565.00    | \$565.00    |
| Water Heater Replacement (.95 EF or greater, 45-55 gallons)  | \$67.00       | \$67.00     | \$67.00     |
| Ductless Heat Pump<br>(AHRI certified, inverter technology, minimum 1.0 ton)   | \$3,407.00    |             |             |
| Energy Star Whole House Fan  | \$50.00       | \$50.00     | \$50.00     |
| Structure Sealing (Per CFM <sub>50</sub> Reduction)  | \$0.81        |             | \$0.81      |

**Offerings Unique to Structure Type****Multi Family, Existing**

- Common Area Upgrades, calculated incentive<sup>1</sup>
  - Lighting
  - Heating Upgrade
  - Solar Pool Heater
  - Solar Water Heater
  - Solar Space Heat

<sup>1</sup> Please reference the Small Business Lighting tables, located in the Commercial/ Industrial section of this document. Incentives will be evaluated using currently accepted PSE commercial engineering calculations. Based on cost and savings analysis, project payment is based on PSE Cost Effective Standards.

## Natural Gas Funding

### Per Square-Foot Basis

| Measures           |             |              | Single Family | Multifamily | Mobile Home |
|--------------------|-------------|--------------|---------------|-------------|-------------|
|                    | R-Exist     | R-New        | Payment       |             |             |
| Ceiling Insulation | 0           | 30           | -             | -           | \$0.70      |
|                    | 0           | 38           | \$0.95        | \$0.95      | -           |
|                    | 11          | 38           | \$0.95        | \$0.95      | -           |
| Duct Insulation    | 0           | 11           | \$2.50        | \$2.50      | -           |
| Floor Insulation   | 0           | 22           | -             | -           | \$0.70      |
|                    | 0           | 30           | \$0.95        | \$0.95      | \$0.95      |
| Wall Insulation    | 0           | 11           | \$0.95        | \$0.95      | \$0.95      |
| Windows            | Single pane | U value 0.30 | \$10.00       | \$9.00      | -           |

### Per-Measure Basis

| Measures                     | Single Family | Multifamily | Mobile Home |
|------------------------------|---------------|-------------|-------------|
|                              | Payment       |             |             |
| Energy-efficient Shower Head | \$29.70       | \$29.70     | \$29.70     |

### Per Structure Basis Measures

| Measures  | Single Family | Multifamily | Mobile Home |
|---|---------------|-------------|-------------|
|   | Payment       |             |             |
| Duct Sealing (unconditioned spaces)                                     | \$472.50      |             | \$200.00    |
| Water Heater Pipe Insulation (3 feet with minimum thermal value of R-3) | \$5.50        | \$5.50      | \$5.50      |
| Energy Star® qualified Gas Furnace or equivalent                        | \$692.00      | \$692.00    | \$692.00    |
| Energy Star® qualified Gas Water Heater (.67 EF or greater)             | \$158.00      | \$158.00    | \$158.00    |
| Energy Star® qualified Tankless Water Heater (.90 EF or greater)        | \$923.00      | \$923.00    | \$923.00    |
| Structure Sealing (Per CFM <sub>50</sub> Reduction)                     | \$0.81        |             | \$0.81      |

## Offerings Unique to Structure Type

### Multi Family, Existing

- Common Area Upgrades, calculated incentive<sup>2</sup>
  - Lighting
  - Heating Upgrade
  - Solar Pool Heater
  - Solar Water Heater
  - Solar Space Heat

<sup>2</sup> Incentives will be evaluated using currently accepted PSE commercial engineering calculations. Please reference the Small Business Lighting tables, located in the Commercial/ Industrial section of this document. Based on cost and savings analysis, project payment based on PSE Cost Effective Standards.

## Energy-Related Repairs Funding

### All Structures & Fuel Types

#### Measures

##### **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
- Mobile home skirt repair
- Ground Cover

##### **Ventilation**

- Installation of proper bath and kitchen ventilation
- Crawlspace and attic ventilation

##### **Furnace/Water Heater Repair, Maintenance, or Replacement**

##### **Energy Education**

- In-unit and group consultations

## Single Family Existing

Schedule 214 (Electric and Gas)

### Eligibility

A manufacturer, distributor, equipment supplier, contractor or agent acting on behalf of responsible party of service, the 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 less 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 gas Schedules 217 and 218 of this Tariff, and structures under construction are ineligible for this program.

Selected PSE-approved contractors, vendors or partners may be eligible for compensation to provide direct installation of specified measures—as a part of installation of a related measure. (For example, installing one or more Energy Star® CFL bulbs during an HVAC installation), as a part of a pilot program, a limited-time offering, or other circumstances determined by PSE.

One way that PSE advances the educational value of conservation and energy efficient program participation is to provide complimentary engagement CFL bulbs as a part of home shows, community events, retail promotions or other conservation-focused events.

### Incentives

#### Natural Gas Service

| <u>Category</u> | <u>Measure</u>   | <u>Maximum Incentive Amount/each</u> |
|-----------------|--|--------------------------------------|
| Heating         | Energy Star® qualified Gas Furnace, 95% AFUE   | \$250.00                             |
|                 | Energy Star® qualified Boilers (greater than or equal to 95% AFUE)                       | \$350.00                             |
|                 | Integrated Space/Water Heating Systems with Energy Star® Tankless or Energy Star® Boiler | \$800.00                             |
|                 | High Efficiency Natural Gas Fireplace  | \$200.00                             |

**Natural Gas service, Continued**

| <b><u>Category</u></b> | <b><u>Measure</u></b>  | <b><u>Maximum Incentive Amount/each</u></b>                           |
|------------------------|--|---|
| Reporting              | Home Energy Reports  | Direct mail to opt-out program participants.<br>No cost to customers. |
| Water Heating          | 2.0 gallon per minute or less bathroom showerhead (EPA WaterSense Labeled) | \$10.00   |
|                        | 1.5 gallon per minute or less showerhead (EPA WaterSense Labeled)          | Leave behind/Direct install – No cost to eligible customers.          |
| Weatherization         | Attic Insulation (R-0 to R-49)   | Up to \$400.00/dwelling unit  |
|                        | Attic Insulation (R-19 or less to R-49)                                    | Up to \$200.00/dwelling unit  |
|                        | Floor Insulation (R-0 to R-30)   | Up to \$400.00/dwelling unit  |
|                        | Wall Insulation (R-0 to R-11)  | Up to \$400.00/dwelling unit  |
|                        | Air Sealing  | Up to \$200.00/dwelling unit  |
|                        | Manufactured homes duct sealing  | Direct Install - No cost to eligible customers                        |
|                        | Prescriptive Duct Sealing and Insulation                                   | Up to \$500.00/dwelling unit  |
|                        | Home Performance with Energy Star Rebate                                   | \$400.00  |

**Specific requirements for above incentives**

- Some structural, HVAC and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.



**Electric Service**

| <b>Category</b>   | <b>Measure</b>  | <b>Maximum Incentive Amount/ each</b>          |
|---|---|--|
| Appliances  | Energy Star® Clothes Washer (Energy Star® qualified Washing machine greater than 2.2 and less than 2.46, MEF and less than or equal to 4.5 WF). | \$50.00  |
|   | Energy Star® Clothes Washer (Energy Star® qualified Washing machine greater than or equal to 2.46 MEF and less than or equal to 4.0 WF).        | \$100.00                                       |
|   | Refrigerator or freezer Decommissioning (working condition, greater than or equal to 10 cubic feet.)  | \$30.00  |
|   | Energy Star® Refrigerator (20% more energy efficient than minimum federal government standard, greater than or equal to 7.75 cubic feet)        | \$35.00  |
|   | Energy Star® Freezer (10% more energy efficient than minimum federal government standard, greater than or equal to 7.75 cubic feet)             | \$20.00  |
|   | Refrigerator Replacement (Energy Star® qualified model delivered and installed; old refrigerator hauled away and decommissioned)                | \$600.00                                       |
| Assessment  | HomePrint Assessment  | Direct Install – No cost to eligible customers |
| Consumer Electronics  | TV Decommission (working condition, old TV decommissioned)  | \$20   |
|   | TV Decommission and Replacement (working condition, old TV decommissioned and qualified new model is Energy Star®)                              | \$35   |
| Heating   | Heat Pumps  |  |
|   | Tier 1 = 8.5 HSPF, 14 SEER  | \$200.00                                       |
|   | Tier 2 = 9.0 HSPF, 14 SEER  | \$350.00                                       |
|   | Tier 3 = 10.0 HSPF, 16 SEER   | \$800.00                                       |
|   | Ductless Heat Pumps using inverter technology   | \$1,200.00                                     |
|   | Energy Star® Geothermal Heat Pump   | \$1,500.00                                     |
| Forced-air-furnace to Heat Pump Conversion (greater than or equal to 8.5 HSPF, 14 SEER) | \$1,500.00  |  |
|   | Heat Pump Sizing & Lock out Controls  | \$300.00                                       |

**Electric Service, continued**

| <b>Category</b> | <b>Measure</b>  | <b>Maximum Incentive each</b>                                      | <b>Amount/</b> |
|-----------------|---|--|----------------|
| Lighting        | Energy Star® CFL Bulbs & recycling  | \$4.50   |                |
|                 | Energy Star® indoor decorative CFL Fixtures & recycling                           | \$12.00  |                |
|                 | Energy Star® Outdoor CFL Fixtures & Recycling                                     | \$12.00  |                |
|                 | Energy Star® Engagement CFL Bulbs & recycling                                     | \$2.00   |                |
|                 | Energy Star® criteria LED Bulbs   | \$10.00  |                |
|                 | Energy Star® criteria LED Indoor Fixture  | \$20.00  |                |
|                 | Energy Star® criteria LED Outdoor Fixture   | \$20.00  |                |
|                 | Energy Star® CFL Ceiling Fan Fixtures   | \$12.50  |                |
|                 | Energy Star® CFL Bulbs & recycling  | Direct Install - No cost to eligible customers                     |                |
| Reporting       | Home Energy Reports   | Direct mail to opt-out program participants. No cost to customers. |                |
| Water Heating   | 2.0 gallon per minute or less bathroom showerhead (EPA WaterSense Labeled)        | \$10.00  |                |
|                 | 1.5 gallon per minute or less showerhead (EPA WaterSense Labeled)                 | Leave behind/Direct install – No cost to eligible customers.       |                |
|                 | Energy Star® Heat Pump Water Heater (greater than or equal to 2.0 EF)             | \$500.00   |                |
|                 | High Efficiency Electric Water Heater (greater than or equal to .94 EF)           | \$50.00  |                |
|                 | Waste Water Heat Recovery ( <i>Models with an efficiency of 42% or greater.</i> ) | \$250.00   |                |

| Category       | Measure  | Maximum Incentive Amount/<br>each              |
|----------------|--|--|
| Weatherization | Attic Insulation (R-0 to R-49)   | Up to \$400.00/dwelling unit                   |
|                | Attic Insulation (R-19 or less to R-49)  | Up to \$200.00/dwelling unit                   |
|                | Floor Insulation (R-0 to R-30)   | Up to \$400.00/dwelling unit                   |
|                | Wall Insulation (R-0 to R-11)  | Up to \$400.00/dwelling unit                   |
|                | Air Sealing  | Up to \$200.00/dwelling unit                   |
|                | Manufactured Homes Duct Sealing  | Direct Install - No cost to eligible customers |
|                | Prescriptive Duct Sealing and Insulation   | Up to \$500.00/dwelling unit                   |
|                | Home Performance with Energy Star Rebate   | \$400.00                                       |
| Windows        | Upgrade single-pane or double-pane with metal frame windows to a 0.30 U-factor or better. Specific insulation and sealing levels are required. | \$5.00/sq ft, up to \$750.00 per structure.    |

**Specific requirements for above incentives**

- Some structural, HVAC and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.

## Single Family New Construction

Schedule 215 (Electric and Gas)

### Eligibility

Measure eligibility includes, but is not limited to manufacturers, distributors, retailers, equipment suppliers, verifiers, Building Performance Specialists, Performance Testers, builder/owners or agents acting on behalf of responsible party of service, or the customer at the time the single-family residential structure is being constructed, receiving electricity or natural gas through a PSE residential Schedule; Rates 7 (including 17, 27, 37 and 47), 8, 11 and 12.

Measures and incentives noted below for new construction apply for a free standing residential structure, or Energy Star® manufactured homes equal to or less than four dwelling units, that is newly constructed or is in a stage of construction which is not yet completed or ready for occupancy.

For measures and incentives that apply to existing structures, please refer to the Single Family, Existing Program measures. 2009 Washington State Energy Code (WSEC) will take effect January 1, 2011. The Company will continue to provide incentives below for measures installed within structures permitted under the 2006 WSEC. The Company is evaluating current measures to determine impacts to savings relative to the new codes. Updates and revisions to Appendices, Exhibits and tariffs may occur when evaluation is complete.

### Incentives

#### Natural Gas Service

| <u>Category</u> | <u>Measure</u>   | <u>Maximum Incentive Amount / each</u> |
|-----------------|--|--|
| Heating         | Energy Star® Natural Gas Furnace (greater than or equal to 90% and less than 95% AFUE) | \$350.00                               |
|                 | Energy Star® Natural Gas Furnace (greater than or equal to 95% AFUE)                   | \$250.00                               |

**Natural Gas Service, continued**

| <b><u>Category</u></b> | <b><u>Measure</u></b>   | <b><u>Maximum Incentive Amount / each</u></b> |
|------------------------|---|---|
| Home Bonus             | Energy Star® Homes (Homes must be Certified Energy Star® Homes) | \$350.00                                      |
| Manufactured Homes     | Energy Star® or Eco-rated Manufactured Home                     | \$150.00                                      |

New Energy Star® or Eco-rated Manufactured Homes are only eligible for the Manufactured Homes incentive. They are not eligible to receive both the Manufactured Homes incentive in addition to another incentive listed above.

Heating duct incentive eligibility is limited to one per installation address. Aligns with Energy Star® homes Builder Option Package One (BOP 1) specification.

**Electric Service**

| <b><u>Category</u></b> | <b><u>Measure</u></b>  | <b><u>Maximum Incentive Amount / each</u></b> |
|------------------------|--|---|
| Appliances             | Energy Star® Clothes Washer (Energy Star® qualified Washing machine with a MEF of 2.2 to 2.45)         | \$50.00                                       |
|                        | Energy Star® Clothes Washer (Energy Star® qualified Washing machine greater than or equal to 2.46 MEF) | \$100.00                                      |
|                        | Energy Star® Refrigerator  | \$35.00                                       |
| Home Bonus             | Energy Star® Homes (Homes must be Certified Energy Star® Homes NW or equivalent)                       | \$50.00                                       |

**Electric Service, Continued**

| <b><u>Category</u></b> | <b><u>Measure</u></b>  | <b><u>Maximum Incentive Amount / each</u></b> |
|------------------------|--|---|
| Lighting               | Energy Star® Advanced Lighting Package   | \$300.00                                      |
| Manufactured Homes     | Energy Star® Manufactured Home   | \$300.00                                      |
| Space Conditioning     | Heat Pump (Tiered incentive)<br>8.5 HSPF, 14 SEER -or-<br>9.0 HSPF, 14 SEER<br>Ductless Heat Pumps using Inverter Technology | \$200.00<br>\$350.00<br>\$800.00              |
| Ventilation            | Whole house ventilation  | \$40.00                                       |
| Water Heat             | Energy Star® heat Pump Water Heater with a 2.0 or better Efficiency Factor – with 50 gallon rated capacity.                  | \$250.000                                     |

New Energy Star® or Eco-rated Manufactured Homes are only eligible for the Manufactured Homes incentive. They are not eligible to receive both the Manufactured Homes incentive in addition to another incentive listed above.

## Residential Fuel Conversion

Schedule 216 (Electric only)

### Eligibility

A customer or tenant with applicable owner authorization, of an existing single-family structure receiving electricity 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 less single-family units that are attached by a contiguous roofline and manufactured or factory built homes (mobile and permanently sited). Single Family Residences that are within a multi-family campus as defined in Schedules 217 and 218 of this Tariff and structures under construction, are ineligible for this program. Residential units must be using electricity (provided under terms of an above mentioned PSE Schedule) as its current primary source of space heating and/or water heating.

Incentives will be provided for the conversion to natural gas of the following eligible electric space heating and water heating systems:

- Central forced-air heating systems
- Baseboard heating systems
- Tank-style water heaters

Minimum amounts of prior electric energy usage may be required to qualify for the rebate incentive. Minimum requirements can be found in the individual rebate or program application form.

Eligible electric equipment must be converted to eligible highly efficient natural gas equipment listed below to qualify for incentives.

### Incentives

#### Conversion from Electric Service to Natural Gas Service

| <b>Category</b> | <b>Measure</b>   | <b>Maximum Incentive Amount / each</b> |
|-----------------|--|--|
| Space Heating   | ENERGY STAR® qualified High Efficiency Gas equipment             | \$500.00 to \$2,500.00 <sup>3</sup>    |
| Water Heating   | ENERGY STAR® qualified High Efficiency Gas Water Heater          | \$950.00 to \$1,450.00 <sup>4</sup>    |
| Water Heating   | ENERGY STAR® qualified High Efficiency Tankless Gas Water Heater | \$950.00 to \$1,450.00 <sup>4</sup>    |

<sup>3</sup> Space Heat Incentive based on prior electric usage and existing electric system.

<sup>4</sup> Water Heat rebate is \$1,450.00 when installed in combination with Eligible Space Heat Equipment and \$950.00 when separately installed.

### Specific requirements for Fuel Conversion incentives

- For Space Heating, must be a PSE electric customer who currently uses electric heating as primary source of space heat.
- For Water Heating, must be a PSE electric customer who has an electric storage water heater and uses electricity as primary source for water heating.
- Rebate is subject to minimum kilowatt-hour amounts used by customer as determined by PSE.
- The rebate applicant installs gas-only heating equipment to meet the entire space heating requirements of the dwelling.
- Rebate applicants are ineligible if a heat pump is installed in conjunction with natural gas equipment.
- Customer is responsible for complying with all applicable codes and regulations.
- Rebates are paid directly to the customer.
- Rebate form must be submitted within 30 days of completion of energy efficiency measure(s) installation.
- PSE reserves the right to inspect fuel conversion measures and will coordinate inspection as applicable.
- Rebate is limited to 75 percent of Total Measure Cost.

Other requirements may apply.



## Multifamily Existing

Schedule 217 (Electric and Gas)

### Eligibility

An owner, developer, contractor, equipment supplier or agent acting on behalf of responsible party of service, or the customer of service of an existing multiple-family 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.

Existing multifamily structures exclude those which were recently constructed or are in the construction process.

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 which have a mixture of building types including buildings with less than five units.

The Multifamily Retrofit program also provides custom measures affecting commercial Schedules, where savings and incentives are calculated by a PSE Energy Management Engineer on a per-structure or per-project basis. Further details of incentive calculation methodology can be found in this publication on page 30.

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

Selected PSE-approved contractors or vendors may be eligible for compensation to provide installation of specified measures—as a part of installation of a related measure. (For example, installing one or more Energy Star® CFL bulbs during an HVAC installation), as a part of a pilot program, a limited-time offering, or other circumstances determined by PSE.

## Incentives

### Natural Gas Service

| <b>Category</b>   | <b>Measure</b>  | <b>Maximum Incentive Amount / Each</b> |
|-------------------|---|--|
| Building Envelope | Attic Insulation R-0 to 38                                | \$0.75/sq. foot                        |
| HVAC              | Energy Star® qualified Gas Furnace                        | \$250.00 each                          |
|                   | Replace Existing Space Heat Boiler                        | Calculated incentive                   |
|                   | Replace existing space heat boiler                        | Calculated Incentive                   |
|                   | Replace Existing Domestic Water Boiler                    | Calculated incentive                   |
| Pool Heaters      | Solar Pool Heater upgrade                                 | Calculated incentive                   |
| Water Heating     | Direct install 1.5 Gallon Per Minute or less shower heads | Direct Install: no charge to customer  |

#### Specific requirements for above incentives

- A signed Multifamily Incentive Application must be authorized by PSE prior to installation of upgrades
- Customer must meet all requirements outlined in the most current PSE Multi-family 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.

**Electric Service**

| <u>Category</u>                              | <u>Measure</u>   | <u>Maximum Incentive Amount / Each</u> |
|--|--|--|
| Appliances                                   | Energy Star® Clothes Washer (Energy Star® qualified Washing machine (2.2 to 2.45 MEF and WF equal to or below 4.5)         | \$50.00                                |
|  | Energy Star® Clothes Washer (Energy Star® qualified Washing machine (greater than or equal to 2.46 MEF and WF 4.0 or less) | \$100.00                               |
|  | Energy Star® or High Efficient Refrigerator  | \$20.00                                |
|  | Directly Installed Refrigerator Replacement (pre-existing model must be pre-1993)  | No charge to customer                  |
|  | Directly Installed Smart Strips  | No charge to customer                  |
|  | Building Envelope  | Attic Insulation R-0 to R-38           |
| Attic Insulation R-11 to R-38                |  | \$0.75/sq. foot                        |
| Attic Insulation R-19 to R-38                |  | \$0.75/sq. foot                        |
| Floor insulation R-0 to R-30                 |  | \$0.75/sq. foot                        |
| Floor Insulation R-11 to R-30                |  | \$0.75/sq. foot                        |
| Wall insulation R-0 to R-11                  |  | \$0.75/sq foot                         |
| Single-Pane Windows to U value 0.30 or less  |  | \$6.00/sq. foot                        |
| Single-Pane Windows to U value 0.25 or less  |  | \$8.00/sq foot                         |
| Double -Pane Windows to U value 0.30 or less |  | \$6.00/sq. foot                        |
| Double-Pane Windows to U value 0.25 or less  |  | \$8.00/sq foot                         |
| Structure Sealing                            |  | No charge to customer                  |
| HVAC   |  | Energy Star® Whole House Ventilation   |
| Lighting                                     | Tenant Controlled Energy Star® CFL Fixtures & recycling  | \$25.00 per fixture                    |
|  | Tenant Controlled Energy Star® CFL Bulbs (installed) & recycling   | No charge to customer                  |
|  | Energy Star® or equivalent LED Fixtures  | \$30.00 per fixture                    |
|  | Energy Star® or equivalent LED Bulbs   | \$25.00 per bulb                       |
|  | Common Area Lighting   | Calculated incentives                  |
| Pool Heaters                                 | Solar Pool Heater upgrade  | Calculated incentive                   |

**Electric Service, Continued**

| <b>Category</b> | <b>Measure</b>  | <b>Maximum Incentive Amount / Each</b> |
|-----------------|---|--|
| Water Heating   | Directly installed 1.5 Gallon Per Minute (GPM) or less shower heads     | No charge to customer                  |
|                 | Direct Install Hot Water Pipe Wrap; R3 value minimum 3 feet.            | No charge to customer                  |
|                 | High Efficiency Electric Water Heater (greater than or equal to .95 EF) | \$50.00 Each                           |

**Specific requirements for above incentives**

- A signed Multifamily Incentive Application must be authorized by PSE prior to installation of upgrades.
- Customer must meet all requirements outlined in the most current 2012-13 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

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## Multifamily New Construction

Schedule 218 (Electric and Gas)

### Eligibility

Eligible customers include the owner, developer, or agent acting on behalf of responsible party of service receiving electricity through PSE's residential schedules 7 (including 17, 27, 37 and 47) and 7A, or commercial Schedules 8, 11, 12, 24, and 25; and/or natural gas service through PSE's residential Schedule 23 or commercial Schedule 31.

Incentives for new construction apply for a multifamily residential structure that is in a stage of construction which is not yet completed or ready for occupancy. They also apply for additions to structures and complexes. The relevant measure will apply to that newly constructed portion of the structure.

Energy efficient upgrades for some in unit and common area loads may be served under PSE Commercial/Industrial programs as custom measures. Please see measures listed in the Commercial/Industrial headings of this document or call PSE at 1 800 562-1482 for details.

Structures include all *Group R Occupancy* not falling under the scope of Section 101.2 of the International Residential Code, as outlined in the Washington State Energy Code (WSEC) 2009 Edition (effective January 1, 2011). These include, but are not limited to: apartments, town homes, condominiums, senior living residences, dormitories and similar structures with three<sup>5</sup> or more attached dwelling units. The program also serves multifamily campuses which have a mixture of building types including buildings with less than three units.

Selected PSE-approved contractors, vendors or developers may be eligible for compensation to provide direct installation of specified measures—as a part of installation of a related measure. (for example, installing one or more Energy Star® light fixtures, showerheads, aerators, etc.), as a part of a pilot program, a limited-time offering, or other circumstances determined by PSE.

For measures that apply to existing structures, please refer to the Multifamily, Existing program measures.

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<sup>5</sup> This value is different than Multifamily Existing notations, which indicate five or more attached dwelling units.

## Measures and Incentives – Based on 2009 WSEC

### Natural Gas Service

| <b>Category</b>           | <b>Measure</b>   | <b>Maximum Incentive Amount / Each</b>            |
|---------------------------|--|---|
| Common Area Space Heating | Heat Recovery in common spaces with hydronic heat and NO mechanical cooling.   | \$0.18 - \$0.32/ total served common area sq foot |
| Residential Space Heating | Hydronic Heat in buildings with five or fewer stories, using fully condensing boiler with external storage tank (efficiency greater than or equal to 0.93) | \$0.05/total served conditioned sq. foot          |
|                           | Hydronic Heat in buildings with five or fewer stories, using fully condensing water heater (efficiency greater than or equal to 0.93)                      | \$0.04/total served conditioned sq. foot          |
| Water Heating             | 2.0 GPM or less shower heads with gas water heat   | \$5.00  |

- Many structural, HVAC and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.

**Electric Service**

| <b><u>Category</u></b>    | <b><u>Measure</u></b>   | <b><u>Maximum Incentive Amount / Each</u></b>                |
|---------------------------|---|--|
| Appliances                | Energy Star® Clothes Washer MEF 2.2 and above, and a WF of 4.5 and below (Electric water heat, electric dryer)  | \$50.00  |
|                           | Energy Star® Clothes Washer MEF 2.46 and above, WF of 4.0 and below (Electric water heat and electric dryer)  | \$100.00   |
|                           | Energy Star® qualified Refrigerators  | \$50.00  |
| Common Area Lighting      | Corridor Lighting Reduction (Minimum reduction of at least 10 percent below WSEC)   | \$0.015/sq ft per % improvement (Min. 10% better than code)  |
|                           | Bi-Level Stairwell Lighting (Buildings with three or more floors)   | \$70 per fixture per landing                                 |
|                           | Garage Lighting Reduction (Minimum reduction of at least 10 percent below WSEC)   | \$0.003/sq ft per % improvement (Min. 10% better than code.) |
| Residential Lighting      | Energy Star® qualified Hardwired CFL Fixtures – Tenant controlled   | \$20.00  |
| Common Area Space Heating | Air-to-Air Heat Pump - Convert from electric resistance heat in common area of buildings with five or fewer stories to an air-to-air heat pump with WSEC efficiency | \$0.42/ total served common area sq. foot                    |
|                           | Heat Recovery in common spaces with electric resistance heating and NO mechanical cooling (Minimum efficiency of 50%)   | \$0.10 - \$0.33/ total served common area sq. foot           |

**Electric Service, continued**

| <b>Category</b>           | <b>Measure</b>   | <b>Maximum Incentive Amount / Each</b>      |
|---------------------------|--|---|
| Envelope                  | Windows - Upgrade weighted U-Value of glazed areas in Hi-Rise buildings to U-0.30 or better. Applies to metal frame windows only.                        | \$1.00/sq. foot of glazed area              |
| Residential Space Heating | Package Terminal Heat Pump - Convert from electric resistance heat in buildings with five or fewer stories to WSEC efficiency thru-wall heat pump (PTHP) | \$300.00-400.00 / residential dwelling unit |
| Ventilation               | Garage CO Demand Control Ventilation with VFD fan control  | \$320.00 per HP                             |
| Water Heating             | Drain Water Heat Recovery – preheat electric resistance hot water tank with gravity film heat recovery device with at least 42% efficiency or greater.   | \$183.00 / residential dwelling unit        |
|                           | 2.0 GPM or less shower heads – Electric water heat   | \$5.00                                      |

- Many structural, HVAC and water heat measures require qualified contractor installation in order to be eligible for the indicated incentive.



## BUSINESS MEASURES, INCENTIVES AND ELIGIBILITY

### Commercial and Industrial Retrofit

Schedule 250 (Electric) and 205 (Gas)

#### Eligibility

All Commercial and/or Industrial customers receiving electricity or bundled natural gas service from PSE are eligible. Schedule 40, 46 and 49 customers who are eligible to participate in the Schedule 258 Program may receive incentives for the Existing Building Commissioning program, but must first utilize their Schedule 258 allocation before they are eligible to receive additional incentives under this Retrofit program and its related contracted programs. Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for measures offered under the Existing Building Commissioning program. Projects must be approved for funding prior to installation/implementation.

Commercial and Industrial Retrofit incentives are calculated on an individual basis. They take the form of a grant, which is provided upon completion and verification of the project.

#### Measures and Incentives

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

Available Grants include, but are not limited to:

| <b>Measures</b>              | <b>Incentive</b>  | <b>Eligibility</b>   |
|------------------------------|---|--|
| Grants for Lighting          | Based on cost and savings analysis, pay the lesser of 50% of the project cost or \$0.20 per annual kWh savings, subject to PSE Cost-Effective Standards.  | Lighting measures  |
| Grants for Enhanced Lighting | Based on cost and savings analysis, pay the lesser of 70% of the project cost or \$0.30 per annual kWh savings, subject to PSE Cost-Effective Standards.<br><br>\$250 per project contractor incentive for first 100 projects completed under this program. | Lighting measures when all inefficient lighting at the facility is addressed (including controls)<br><br>When contractor successfully completes a comprehensive project and submits all required completion paperwork. |

## Available Grants, continued

| <b><u>Measures</u></b>           | <b><u>Incentive</u></b>  | <b><u>Eligibility</u></b>   |
|----------------------------------|--|---|
| Grants for non-lighting measures | Based on cost and savings analysis, pay the lesser of 70% of the project cost or \$0.30 per annual kWh savings (\$5.00 per annual therm savings), subject to PSE Cost-Effective Standards. | Non-Lighting measures   |
| Commissioning Incentive          | See table and information that follows   | Depends on services provided by PSE. See table and information that follows |

**Measure: Existing Building Commissioning**

For existing building commissioning, incentives are designed to cover up to 100 percent of the Commissioning Agent's costs. The owner is required to commit up to a pre-set dollar amount to implement recommendations with a less than or equal to two year payback as well as provide up to 50 hours of Operations and Maintenance (O&M) staff time for participation in the process, including training.

Incentives are paid in three phases. Half of the incentive, for all phases except the performance bonus, is paid after the investigation phase is complete. The second half of the incentive is paid after the training/systems manual phase. The performance bonus incentive is paid after verification that the actual first year savings meet the minimum percent savings requirements and the savings recommendations are still in place. If, after the Scoping/Plan phase, it is determined that the building is an inappropriate candidate for savings through the program, only the scoping & plan incentive will be paid.

**EXISTING BUILDING COMMISSIONING  
INCENTIVE/CUSTOMER COST SUMMARY**

| Description   | Building's Utility Services |                                     |                                     |
|---|-----------------------------|-------------------------------------|-------------------------------------|
|   | PSE<br>All Services         | PSE<br>Electric Only<br>(Other Gas) | PSE<br>Gas Only<br>(Other Electric) |
| <b>Scoping &amp; Plan Incentive</b>                     |                             |                                     |                                     |
| 100% of Cost, up to:                                    | \$3,000                     | \$2,000                             | \$2,000                             |
| <b>Investigation &amp; Verification Incentive</b>       |                             |                                     |                                     |
| Maximum Percent of<br>Investigation & Verification Cost | 70%                         | 40%                                 | 30%                                 |
| Incentive up to:  | \$0.25/sq.ft.               | \$0.20/sq.ft.                       | \$0.10/sq.ft.                       |
| <b>Implementation of Recommendations Customer Cost</b>  |                             |                                     |                                     |
| Customer pays for items with at least 2 year payback    |                             |                                     |                                     |
| Maximum Required<br>Customer Cost                       | \$0.15/sq.ft.               | \$0.10/sq.ft.                       | \$0.10/sq.ft.                       |
| <b>Training &amp; Systems Manual Incentive</b>          |                             |                                     |                                     |
| 100% of Cost, up to:                                    | \$5,000                     | \$3,000                             | \$3,000                             |
| <b>1 Year Performance Bonus Incentive</b>               |                             |                                     |                                     |
| Minimum Annual Savings Required                         | 10%                         | 10%                                 | 15%                                 |
| Maximum Percent of<br>Investigation & Verification Cost | 30%                         | 20%                                 | 15%                                 |
| Incentive up to:  | \$0.10/sq.ft.               | \$0.08/sq.ft.                       | \$0.05/sq.ft.                       |

## Energy Smart Grocer (ESG)

### Eligibility

Grocery stores and convenience stores with commercial refrigeration equipment are eligible for this program.

### Measures

Typical measures eligible under this program include refrigeration controls, case lighting retrofits, strip curtains, gaskets, auto-closers, and electronically commutated motors. For a complete list of eligible measures, see the Energy Smart Grocer program website for PSE at: [http://energysmartonline.org/utilities/pse\\_index.html](http://energysmartonline.org/utilities/pse_index.html).

## Incentives

Incentives for this program may be based on refrigeration system tonnage, nominal compressor horsepower, lineal feet of refrigerated cases, square footage of walk-in door openings, or quantities of equipment installed. Incentives are subject to PSE Cost-Effective Standards. For a complete list of incentives offered to customers under this program, see the Energy Smart Grocer program website for PSE at [http://energysmartonline.org/utilities/pse\\_index.html](http://energysmartonline.org/utilities/pse_index.html).

## Building Tune-up and Tracking Program

### Eligibility

Commercial customers receiving electric service from PSE are eligible. Each facility's eligibility will be determined by PSE through a qualification process using monthly billing, daily use, gas and electric interval data to determine the baseline and potential project savings.

### Measures

The Building Tune-up and Tracking Program is a Performance Basis program that will determine savings based on actual measured and verified electric saving from system optimization. Examples of optimization tasks include economizer operation, scheduling, heating and cooling setpoints.

### Incentives

An incentive of \$0.04 per annual kWh savings will be provided to the customer for optimizing existing systems within the target facility. Adjustments will be made for major capital improvements, changes in building use or occupancy, weather and other factors that may have had a significant impact on facility energy use. Incentives are subject to PSE Cost-Effective Standards.

## Data Center Energy Efficiency Program

### Eligibility

Business customers receiving electricity from PSE are eligible for this program.

### Measures

The objective of the Data Center Energy Efficiency Program (DCEEP) is to identify, evaluate, and implement projects in customer data center facilities to improve energy efficiency. The program takes a comprehensive approach to address both capital investment opportunities and operational inefficiencies.

Common measures in data center projects include operational efficiency improvement, lighting retrofit and controls, server virtualization, hot/cold air separation, equipment retrofits, and cooling efficiency improvement.

Examples of operational efficiency improvement include temperature set point changes, air flow management, decommission or disconnect unused equipment, and optimize cooling control sequences.

### Incentives

| <b>Measures</b>                                  | <b>Incentive</b>   | <b>Eligibility</b>                  |
|--|--|-------------------------------------|
| Incentive for operational efficiency improvement | Based on cost and savings analysis, the customer incentive is the lesser of 70% of the project cost or \$0.05 per annual kWh savings, subject to PSE Cost-Effective Standards. | Based on verified cost and savings. |
| Incentive for lighting measure                   | Based on cost and savings analysis, the customer incentive is the lesser of 50% of the project cost or \$0.20 per annual kWh savings, subject to PSE Cost-Effective Standards. | Based on verified cost and savings. |
| Incentive for other non-lighting measures        | Based on cost and savings analysis, the customer incentive is the lesser of 70% of the project cost or \$0.30 per annual kWh savings, subject to PSE Cost-Effective Standards. | Based on verified cost and savings. |

## Industrial System Optimization

### Eligibility

Industrial customers receiving electric service from PSE are eligible for this program.

### Measures

The objective of the Industrial System Optimization Program (ISOP) is to identify, evaluate, and implement projects in industrial customer facilities to improve operational energy efficiency. The focus is on energy intensive systems such as refrigeration, compressed air, pumping, fans and blowers. This is a Performance Basis program that determines savings based on actual verified electric savings from implemented measures.

Operational efficiency improvement measures reduce the energy consumption of a system, process, and entire plant without significant capital investment. The measure focuses on the operation changes instead of equipment or system retrofit.

Examples of the operational efficiency improvement measure include control sequence modification and set-point adjustment for refrigeration systems, compressed air leak detection and repair, compressed air shut-off valves at workstations, modulate fan or blower speeds based on demand, and modify controls or install timers to shut off pumps when not required for the operation.

### Incentives

| <b>Measures</b>                    | <b>Incentive</b>   | <b>Eligibility</b>         |
|------------------------------------|--|----------------------------|
| Operational efficiency improvement | Based on cost and savings analysis, the customer incentive is the lesser of 70% of the project cost or \$0.05 per annual kWh savings, subject to PSE Cost-Effective Standards. | Based on verified savings. |

## Commercial and Industrial New Construction

Schedule 251 (Electric and Gas)

### Eligibility

Owners, customers, tenants with appropriate owner consent and developers of facilities to be served by PSE with electricity or bundled natural gas are eligible for new construction incentives. When a new facility will receive power through an existing meter on Schedule 40, 46, 49, 448, 449, 458, or 459 the customer's Schedule 258 allocation must be used for the measures. If the existing meter is a Schedule 40, 46, or 49 and the customer's Schedule 258 allocation is depleted, then funding can be provided under this program and schedule. Schedule 448, 449, 458 and 459 customers may use their Schedule 258 allocation for Commercial and Industrial New Construction incentives. Projects must be approved for funding prior to installation and/or implementation.

### Incentives

There are three incentive paths for New Construction projects. The paths are intended to provide customers flexibility in meeting their project needs. There is also a commissioning incentive which can be used in combination with any of these paths:

| <b>Path</b>                     | <b>Incentive</b>   | <b>Eligibility</b>   |
|---------------------------------|--|--|
| (A) Energy Model Whole Building | <p>\$0.60 per sq.ft. for projects 10% better than code and ramp up to \$1.80 per sq.ft. for projects 30% better than code</p> <p>Hospitals with Baseline EUI more than 150,000 Btu/sq.ft.:</p> <p>\$1.40 per sq.ft. for projects 10% better than code and ramp up to \$4.20 per sq.ft. for projects 30% better than code.</p>  | Facilities, except Hospitals, must be more than 100,000 sq.ft. PSE electric with other gas supplier incentives are \$0.30-\$0.90 per square foot; \$0.70-\$2.10 per square foot for Hospitals. PSE gas only service not eligible |
| (B) Component Approach          | <p><u>Lighting</u>: lesser of 100% of the incremental cost or \$0.20 per annual kWh savings, subject to PSE Cost-Effective Standards.</p> <p><u>Non-lighting</u>: lesser of 100% of the incremental cost or \$0.30 per annual kWh savings, subject to PSE Cost-Effective Standards.</p> <p><u>Natural gas</u>: lesser of 100% of the incremental cost or \$5.00 per annual therm savings, subject to PSE Cost-Effective Standards.</p> | When doing in lieu of whole building approaches.   |

## Commercial/Industrial New Construction Incentives, Continued

|                     |  |   |
|---------------------|--|---|
| (C) Rebates Measure | See eligible measures list under Commercial & Industrial Incentives section. | See eligible measures list under Commercial and Industrial Incentive section. |
|---------------------|--|---|

**New Construction Commissioning (CX) Incentives** (\$/Ft<sup>2</sup> conditioned space):

| <u>Phase</u>         | <u>Incentive</u><br><u>(\$/Ft<sup>2</sup>)</u> | <u>Eligibility</u>  |
|----------------------|--|---|
| Design Phase         | \$0.10   | All PSE service: Gas &/or Electric Service;<br>Independent CX Provider    |
| Construction Phase   | \$0.15   |   |
| Post-Occupancy Phase | \$0.25   |   |
| Design Phase         | \$0.08   | PSE Electric Only Service, Other Gas Provider;<br>Independent CX Provider |
| Construction Phase   | \$0.12   |   |
| Post-Occupancy Phase | \$0.20   |   |
| Design Phase         | \$0.02   | PSE Gas Only Service, Other Electric Provider;<br>Independent CX Provider |
| Construction Phase   | \$0.03   |   |
| Post-Occupancy Phase | \$0.04   |   |



## RCM Incentives

Schedule 253 (Electric) and 208 (Gas)

### Eligibility

Any school district, public-sector government agency and commercial or industrial (C/I) customer with facilities receiving electric service under Electric Tariff G from PSE is eligible. Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for Resource Conservation Management (RCM) Incentives.

Customer eligibility is determined by PSE energy base load and potential savings. Cash incentives are allocated in relationship to FTE of staffing and can be prorated to accommodate part time staffing to implement program activities.

### General Description of Program Offerings

The table below summarizes the Grant and Services package for the RCM program. A description of each menu item follows providing details of the service and required deliverables. The grant measures are allocated to the year in which we expect them to be paid; the actual timing will vary based on the customer's completion of deliverables.

***DIRECT CUSTOMER INCENTIVES - figures based on 1 full-time equivalent (FTE)***

| Program Element  |                                | Formula / Notes  | Measure Cost     | Incentive        |
|--|--------------------------------|--|------------------|------------------|
| Year 1   | RCM Training Allowance         | Training stipend for participation in BOC Level 1 & 2 training or other accredited training if desired. Measure cost is PSE discounted tuition.  | \$2,000          | \$2,000          |
|  | RCM Program Start-Up Incentive | Measure Cost is 50% of deemed customer annual RCM program costs. Incentive is 35% of deemed annual RCM program costs. Minimum eligibility is defined by Auto Fund parameters.                                  | \$50,000         | \$35,000         |
|  | RCM Salary Guarantee           | Measure Cost is 50% of deemed customer annual RCM program costs. Measure is place-holder to allow the program to claim savings for the annual analysis, also for reimbursement claims on the salary guarantee. | \$50,000         | \$0              |
| Year 2   | Site-Based Incentives          | Paid to specific buildings at end of project with documented plan, methods and verified results.   | \$1,250          | \$1,250          |
|  | Performance Grant              | Measure Cost is 100% of deemed customer annual RCM program cost. Incentive is 35%. Measure paid if savings target achieved.  | \$100,000        | \$35,000         |
| Year 3   | Site-Based Incentives          | Paid to specific buildings at end of project with documented plan, methods and verified results.   | \$1,250          | \$1,250          |
|  | Performance Grant              | Measure Cost is 100% of deemed customer annual RCM program cost. Incentive is 35%. Measure paid if savings target achieved.  | \$100,000        | \$35,000         |
| <b>Total Incentives for Initial Three-Year Agreement</b> |                                |  | <b>\$304,500</b> | <b>\$109,500</b> |

**INDIRECT INCENTIVES - Value-added services**

| <b>Value-added Services</b>                                     | <b>Formula / Notes</b>  | <b>Measure Cost</b> | <b>Value of Service</b> |
|---|---|---------------------|-------------------------|
| 1. Resource Accounting Software                                 | PSE has contract with vendor to distribute UM Pro. Retail value for software is \$10,000.                     | \$10,000            | \$10,000                |
| 2. Software Maintenance and Technical Support for Years 2 & 3   | PSE has contract with vendor to provide Technical Support. Retail value is \$1,500 per year for 2 years.      | \$3,000             | \$3,000                 |
| 3. Utility Manager Database Set Up                              | Assume 40 facilities with 0.5 hrs per facility @ \$30/hr.   | \$600               | \$600                   |
| 4. Historical PSE Billing Data                                  | Assume 40 facilities with 0.25 hrs per facility @ \$30/hr.  | \$300               | \$300                   |
| 5. Monthly Data Downloads                                       | Assume 1.5 hours per customer per month @ \$30/hr. for 3 years.   | \$1,620             | \$1,620                 |
| 6. Annual Savings Analysis                                      | Assume 1 hour per facility per year for 40 facilities for 3 years.  | \$3,600             | \$3,600                 |
| 7. Energy Interval Services                                     | Assume 40 facilities with 2 accounts each: 50% on cellnet with available data @ \$20/meter/month for 3 years. | \$28,800            | \$28,800                |
| 8. Energy Center - Online Materials                             | Assume 2 hrs per customer plus 25 hours base-support for program development per year @ \$40/hr for 3 years   | \$3,240             | \$3,240                 |
| 9. Three for Free - Technical Audits                            | Three training audits plus assistance with Facility Action Plan at 1 day per event @ \$40/hr.                 | \$960               | \$960                   |
| 10. RCM Training Series   | 8 seminars per year @ \$250/class for 1.5 years (assume will take some classes twice)                         | \$3,000             | \$3,000                 |
| <b>Total Value of Services for Initial Three-Year Agreement</b> |   | <b>\$55,120</b>     | <b>\$55,120</b>         |

|   |                  |                  |
|---|------------------|------------------|
| <b>Total of Cash plus Support Value</b> | <b>\$359,620</b> | <b>\$164,620</b> |
|---|------------------|------------------|

**Direct Customer Incentives****1. RCM Program Start-Up Incentive**

This is a one-time incentive that pays for 35 percent of the time spent on establishing an RCM program during the first year. The actual grant amount will be determined by the customer's organizational profile including total utilities budget and facility square footage. Start-up incentives can be prorated for smaller or larger organizations down to a minimum of 0.25 FTE.

The start-up incentive will be paid provided the customer completes the following deliverables:

1. Populate and maintain a Utility Manager Resource Accounting Database
2. Hire an RCM or dedicate staff time to RCM activities
3. Complete a Resource Management Plan
4. Complete Facility Action Plans for all buildings

These deliverables are outlined in the scope of work and are estimated to be completed in the first six to nine months of the agreement. The incentive can be paid at the end of the first six months provided the scope of work has been completed.

## 2. Performance Grant 1

Once the customer has completed the start-up deliverables outlined in item 1, and has achieved their year-one targeted PSE energy savings as outlined in their scope of work, they will be eligible to receive additional cash incentives for achieving further energy savings. The energy-savings target for the first performance grant is typically a 5 percent reduction over the customer's first year. Puget Sound Energy will provide a cash incentive equal to the Start-up Incentive once the customer achieves this pre-established PSE gas and electric target. Only savings achieved relative to occupant and behavioral practices and improvements in operation and maintenance (O&M) practices will be considered for the performance grant. To determine performance grant savings, energy usage will be adjusted for facility upgrades (ECMs), weather, and other major facility changes. The performance incentive will not be prorated for achieving lower or higher energy savings targets.

## 3. Performance Grant 2

The second performance incentive will operate under the same conditions as the first except that the target will be the projected savings for year three, which is typically an additional 5% reduction.

## 4. RCM Salary Guarantee

For customers with a minimum of (1) FTE, Puget Sound Energy will provide a guarantee that the total resource bill savings achieved by RCM activities will exceed the RCM salary costs over the three-year term of this Agreement. If not, the difference will be paid to the customer up to the value of the PSE electricity and natural gas savings achieved during that period (as specified in PSE Resource Conservation Manager Tariffs). Savings will be determined by PSE based on annual usage and savings data submitted by the customer.

## 5. RCM Training Stipend

For each RCM FTE employed under a Puget Sound Energy RCM agreement, PSE will provide a grant of \$2,000 for training. The training budget is based on a negotiated PSE-RCM discounted tuition for the Building Operator Certification (BOC) program. The stipend can be applied to any other equivalent, credentialed RCM-related training course with prior PSE approval only. Tuition allotment will be prorated based on customer FTE allocation.

The RCM will be responsible for initial payment and registration and any course-related materials and/or supplies. Travel or other ancillary costs will not be reimbursed. Upon completion of the training course, the RCM shall submit to PSE their final coursework and certificate of completion along with an invoice requesting reimbursement. PSE will review the submittal for successful completion of the training program, and upon approval, will make payment to the customer up to the amount of the training cost or stipend outlined in this grant.

## 6. Site-Base Incentives

These are small cash incentives that are awarded directly to a facility for implementation of verifiable behavioral changes by building occupants and/or maintenance and custodial staff. Awards of up to \$500 per facility and up to \$2,500 per customer will be granted for implementation of RCM recommended activities. The customer must submit a proposal to PSE which outlines specific action items to be taken at specific facilities that will result in measurable savings. The activities should be carried out as per the plan, and a final report which details the effectiveness of these measures should be submitted to PSE for final payment.

## 7. Renewal Grants

For customers who have reached the end of their initial 3-year RCM agreement, PSE will offer a Renewal contract for an additional three (3) year term. The Renewal contract will include a performance grant, continued Utility Manager technical support and access to the RCM program's value-added services such as monthly data downloads. The performance grant will follow the same guidelines as defined for years two and three of the initial contract, but the baseline will reflect the most appropriate 12-month period, typically the previous 12 months but could also be an earlier period if the customer's program has been stalled or non-existent for a period of time. The customer will have the full three-year period to achieve the performance outlined in the Renewal grant.

## Value Added Services

There are a number of support activities that PSE provides to each RCM customer as a part of their RCM agreement. While these program elements do not relate to a cash incentive, they are specific project-oriented tasks that relate to a value of service that can be quantified for each customer based on their organization profile. A description of each major service is provided below.

### 1. Resource Accounting Software

PSE will provide the customer with the Utility Manager Resource Accounting software. The software will be delivered to the customer with a basic set up including facility information and PSE accounts, and will be populated with historical PSE billing data. Once the software is delivered to the customer, the customer is expected to complete the setup with organization structure, building information, utility companies, and account numbers for all electricity, gas, water, wastewater, and solid waste accounts. This set up is a required deliverable for the start-up grant. The customer agrees to submit a copy of their database to PSE on an annual basis.

### 2. Utility Manager Database Set Up

PSE staff will work with the customer to develop a comprehensive list of the customer's PSE gas and electric accounts and to marry these up to the correct facility. Once this list is developed; PSE will complete the initial setup of Utility Manager with the customer's facilities and PSE accounts and meters.

### 3. Historical PSE Billing Data

PSE staff will pull historical billing histories for the customer's PSE accounts and will populate the initial UM database with this information. Once the database has been populated with PSE data, the file will be transferred to the customer for their completion and ongoing maintenance.

### 4. Monthly PSE Data Downloads

Once the customer has possession of their UM database, PSE will begin the process of sending monthly updates on PSE billing data. These files are transferred to the customer via email in a format that is ready to import into their Utility Manager database. The files are meant for energy management purposes and are not intended to facilitate payment of any PSE invoice.

### 5. Software Maintenance and Technical Support

PSE will provide annual Technical Support for the customer's Utility Manager Software. This service is valued at \$2,400 for years 2 and 3 of the RCM contract. The customer agrees to maintain their database by updating utility data on a monthly basis and agrees to submit a copy of their database to PSE on an annual basis.

### 6. Energy Interval Data

PSE's Energy Interval Service is an internet-based energy information and management tool that helps customers see and interpret utility-use patterns using interval data from gas and electric revenue meters. The system provides timely access to meter and cost data any time of day, seven days a week over a secured website. The value of this service is that customer can identify how much, how often, and when power or gas is used at given intervals of time. Data is typically available for viewing the following day. PSE will provide the customer with access to the interval data system for all qualifying meters.

### 7. Annual Savings Analysis

PSE will work with the customer to calculate O&M savings after each 12-month period of their RCM 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.

### 8. On-line Tool Box

An on-line technical support and materials center has been developed to help RCMs with their program implementation. Each customer with an active RCM agreement will be provided with a username and password for access to this secure website. The site hosts all PSE program materials that have been developed for implementation and reference and allows for RCMs to communicate with each other in a chat room like setting.

### 9. Three-for-Free Training Audits

For each RCM FTE, PSE will provide an initial three (3) facility audits to jump-start you on the process of completing your Facility Action Plans. The site visits will act as both training and technical assistance such that through this process, and along with the RCM training series, each RCM will gain the knowledge necessary to perform their own detailed facility audits. During these first walkthroughs, the RCM will learn how to gather the information necessary to complete the second deliverable of the Start-up Grant, their Facility Action Plans. The number of site visits will be prorated based on FTE.

### 10. RCM Training Series

To support your organization's resource conservation efforts, PSE has designed a series of courses to help you learn more about building energy and resource consuming systems and the tools that will help you be effective in your role as a resource conservation manager. There are eight (8) core classes offered and a number of advanced and specialized courses. Most training classes are scheduled to be held at the Bellevue PSE campus, but can be customized for and offered at customer's facilities.

## Small Business Lighting Measures

Schedule 255 (Electric only)

### Eligibility

Electric customers with an estimated or actual Demand of 50 kilowatts or less monthly and residential & farm general service electric customers, rate Schedules 24 or 08 Facilities only. Multifamily related businesses or those with dwelling units will be referred to the Multifamily program unless that program does not cover a measure covered by the Small Business Lighting Program.

All 4-foot T8 lamps and Electronic Ballasts, including lamps and ballasts contained within a new fluorescent lighting fixture, proposed for installation on any small business lighting project must be designated as “High Performance” or “Reduced Wattage” by the Consortium for Energy Efficiency (CEE). Lists of all “Qualifying” lamps and ballasts can be found on CEE’s website. Conversion Kits are required to be Nationally Recognized Testing Laboratory (NRTL) Listed.

### Incentives

In addition to the measures listed below the small business rebate includes a Custom Analysis option for measures that are not available on the list. The Custom Analysis option provides a method to include less-common retrofits in a cost-effective manner, similar to PSE’s standard Small Business Lighting rebates. Custom analysis option incentives are capped at 60 percent of the measure cost or not more than \$0.25 per kWh saved, whichever is less.

## Lighting

| Measure                   | Amount           | Eligibility   |
|---------------------------|------------------|---|
| Compact Fluorescent Lamps | (A) \$3.00/unit  | Purchasing and installing a qualified specialty lamp where a similar style incandescent lamp would normally be used.<br>ENERGY STAR® qualified lamps less than 26 Watts (Including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt) |
|                           | (B) \$6.00/unit  | ENERGY STAR® qualified reflector or specialty lamps less than 40 Watts (Including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt)  |
|                           | (C) \$6.00/unit  | ENERGY STAR® qualified lamps 26 to 39 Watts (Including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt)   |
|                           | (D) \$12.00/unit | ENERGY STAR® qualified lamps greater than or equal to 40 Watts (including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt)  |



## Small Business Lighting Replacement Table, cont.

| <b>Measure</b>                                   | <b>Device/Unit Is Replacing:</b>               | <b>Amount</b>   | <b>Eligible Replacements</b>  |
|--|--|-----------------|---|
| Incandescent Fixtures and Exit Sign Replacements | Incandescent fixture, 100W or less combined    | \$35.00/fixture | New CFL fixture or hardwired kit with replaceable lamp, 25 total input watts or less.   |
|  | Incandescent fixture, 100W or greater combined | \$55.00/fixture | New CFL fixture or hardwired kit with replaceable lamp, 26 total input watt or more.  |
|  | Incandescent fixture, 120W or greater combined | \$60.00/fixture | New linear fluorescent fixture, one or two lamp and one electronic ballast.   |
|  | Exit sign, incandescent or CFL lamp(s)         | \$50.00/fixture | New LED exit sign (not a kit). Complete removal and replacement of the entire exit sign, including its components and enclosure. Input power demand 5 Watts or less per sign. Manufacturer warranty for defects in materials and manufacturing for 5 years from date of purchase. |

## Small Business Lighting Replacement Table, cont.

| <b>Measure</b>  | <b>Device/Unit Is Replacing:</b>                                   | <b>Amount</b>    | <b>Eligible Replacements</b>  |
|---|--|------------------|---|
| Higher Wattage Incandescent and High Intensity Discharge Replacements | Incandescent or mercury vapor fixture greater than 175 input watts | \$75.00/fixture  | New High Intensity Discharge (HID) fixture: HPS or MH (50 – 100W)                   |
|   | High Intensity Discharge (HID) fixture primarily metal halide      | \$100.00/fixture | Pulse start metal halide – Must have great than 25 percent input wattage reduction. |
|   | HID fixture greater than 100 input watts.                          | \$110.00/fixture | New CFL fixture greater than 40 input watts   |
|   | HID fixture greater than 175 input watts.                          | \$130.00/fixture | New CFL fixture greater than 80 input watts   |
|   | Incandescent or HID fixture greater than 175 input watts.          | \$95.00/Fixture  | New four-lamp F32T8 fixture with electronic ballast(s).                             |
|   | HID fixture greater than 400 input watts.                          | \$190.00/Fixture | New six-lamp F32T8 fixture with electronic ballasts.                                |
|   | HID fixture greater than 400 input watts.                          | \$190.00/Fixture | New four-lamp F54T5HO fixture with electronic ballast(s).                           |

## Small Business Lighting Replacement Table, cont.

| Measure | Device/Unit Is Replacing:                                     | Amount              | Eligible Replacements  |
|---------|---|---------------------|--|
|         | F40T12, One or two-lamp fixture with one magnetic ballast     | \$40.00/fixture     | "Lamp-for-lamp": F32T8 lamp(s). Low ballast factor ballast required.                     |
|         | F40T12, Three or four-lamp fixture with two magnetic ballasts | \$45.00/fixture     | "Lamp-for-lamp": F32T8 lamp(s). Low ballast factor ballast required.                     |
|         | F40T12, Four-lamp fixture with two magnetic ballasts          | \$50.00/fixture     | Reduce lamps to two F32T8 lamps and one electronic ballast.                              |
|         | F40T12, One or two-lamp fixture, one magnetic ballast.        | \$40.00/fixture     | One or two F32T8 lamp(s). <i>Low ballast factor</i> required.                            |
|         | F40T12, Three or four-lamp fixture, magnetic ballasts.        | \$70.00/fixture     | Lamps reduced to two or three F32T8. <i>Low ballast factor</i> ballast recommended.      |
|         | F96T12 One lamp fixture, one magnetic ballast                 | \$60.00/fixture     | Two F32T8 lamps and one electronic ballast.  |
|         | F96T12 Two lamp fixture, one magnetic ballast                 | \$85.00/fixture     | Two F32T8 lamps and one electronic ballast. <i>Low ballast factor</i> ballast required.  |
|         | F96T12 Two lamp fixture, one magnetic ballast                 | \$60.00/fixture     | Four F32T8 lamps and one electronic ballast. <i>Low ballast factor</i> ballast required. |
|         | F96T12 HO Two lamp high-output fixture, one magnetic ballast  | \$75.00/fixture     | Four F32T8 lamps and one electronic ballast.   |
|         | F96T12 HO Two lamp high-output fixture, one magnetic ballast  | \$80.00/<br>Fixture | Four F32T8 lamps <i>with reflector</i> and one electronic ballast.                       |

## Small Business Lighting, cont.

| Measure                                   | Amount   | Eligibility  |
|---|--|--|
| Lighting Controls                         |  |  |
|   | \$40.00  | Occupancy sensor (including fixture mounted) or timer control, controlling 100W to 199W.   |
|   | \$80.00  | Occupancy sensor (including fixture mounted) or timer control, controlling 200W or more.   |
| LED Lamps; Down Lighting Applications     | (A) \$5.00<br>(B) \$15.00<br>(C) \$15.00<br>(D) \$20.00<br>(E) \$25.00               | (A) ENERGY STAR® qualified or Lighting Design Lab qualified Decorative Lamps<br>(B) ENERGY STAR® qualified or Lighting Design Lab qualified Omnidirectional Lamps<br>(C) ENERGY STAR® qualified or Lighting Design Lab qualified Directional Lamps (less than or equal to 20/8 inch)<br>(D) ENERGY STAR® qualified or Lighting Design Lab qualified Directional Lamps (greater than 20/8 inch) and Screw-in Recessed Can Retrofit Kits<br>(E) ENERGY STAR® qualified or Lighting Design Lab qualified Hard Wire Recessed Can Retrofit Kits |
| Ceramic Metal Halide Lamps, 22 – 28 Watts | Self ballasted parabolic aluminized reflector (PAR) ceramic metal halide (CMH) lamps |  |
|   | \$25.00 per lamp   | Nationally Recognized Testing Laboratory (NRTL) Listed.  |
| Reduced-wattage T8 Lamps, 25 – 28 Watts   | \$1.00 per lamp  | Existing 32-watt 4-foot T8 lamps retrofitted to CEE Listed 25 – 28 Watt T8 lamps as part of a group re-lamp project. Previously paid retrofits are ineligible.   |

## **Commercial and Industrial Large Power User Self-Directed**

Schedule 258 (Electric only)

### **Eligibility**

Customers receiving electrical service from the Company under Schedules 40, 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 provided upon completion and verification of the project.

### **Incentives**

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

The incentive amount is the lesser of the Total Measure Cost, \$0.50 per annual kWh savings, or the customer's remaining incentive allocation, subject to PSE Cost Effectiveness Standards.

Measure categories include, but are not limited to:

|  |   |
|--|---|
| <p><b>HVAC and Refrigeration:</b></p> <ul style="list-style-type: none"> <li>• HVAC – unitary</li> <li>• HVAC – central</li> <li>• Heat Recovery Systems</li> <li>• Chillers</li> <li>• Economizers</li> <li>• VAV Boxes</li> </ul>  | <p><b>Controls:</b></p> <ul style="list-style-type: none"> <li>• Energy Management Systems</li> <li>• Lighting Control Systems</li> <li>• Process and Other Efficiency</li> <li>• Control Systems</li> </ul>  |
| <p><b>Process Efficiency Improvements:</b></p> <ul style="list-style-type: none"> <li>• Refrigeration Systems</li> <li>• Motor and Drive Systems</li> <li>• Fan, Compressor and Pump Systems or Stations</li> <li>• High Efficiency Motors</li> <li>• Other Process Modifications</li> </ul> | <p><b>Lighting Improvements:</b></p> <ul style="list-style-type: none"> <li>• Fluorescent Luminaires</li> <li>• Compact Fluorescent Luminaires</li> <li>• HID Luminaires</li> <li>• LED Exit Signs</li> </ul> |
| <p><b>Building Thermal Improvements:</b></p> <ul style="list-style-type: none"> <li>• Roof and Ceiling Insulation</li> <li>• Exterior Roof Insulation</li> <li>• Wall Insulation</li> <li>• Insulated Windows</li> <li>• Duct Insulation</li> </ul>  | <p><b>Water Heating Improvements:</b></p> <ul style="list-style-type: none"> <li>• Water Heaters</li> <li>• Piping Insulation</li> <li>• Low Flow Devices</li> </ul>  |
| <p><b>Existing Building Commissioning</b></p>  | <p><b>Resource Conservation Management (RCM)</b></p>  |

## Commercial and Industrial Incentives

Schedule 262 (Electric and Gas)

### Eligibility

All Commercial and/or Industrial customers receiving electricity or bundled natural gas service from PSE are eligible. Schedule 40, 46 and 49 customers who are eligible to participate in the Schedule 258 Program must first utilize their Schedule 258 allocation before they are eligible to receive additional incentives under this program. Schedule 448, 449, 458, and 459 customers may utilize their Schedule 258 funding allocation for measures offered under this program.

### Incentives

#### Appliances

| Measure                  | Amount   | Eligibility   |
|--------------------------|--|---------------|
| High-Efficiency Washers  | Clothes<br>\$200.00 per unit   | CEE qualified |
| Dishwashers <sup>6</sup> | <p>Customers will receive a rebate based on dishwasher type and the energy source for water heating and/or a booster heater as outlined by the table below when an Energy Star® Qualified model is purchased. Some leased equipment may also qualify when the lease result in the customer owning the equipment at the end of the lease period.</p> <p>When the energy for water heating and the booster is different, PSE will pay the eligible customer the rebate amount that corresponds to the component of the equipment using energy provided by PSE.</p> <p>In applicable instances, PSE will coordinate with the utility that provides the energy for the opposite energy use (for instance, in Snohomish County, PSE provides the natural gas and Snohomish County PUD provides the electricity) and the water utility for consideration for potential incentives when those utilities have corresponding rebates.</p> |               |

<sup>6</sup> Qualifying dealers, retailers or other vendors may earn an additional \$30.00 sales incentive for under counter and door type units or a \$50.00 sales incentive for single and multi tank conveyor units if rebate is taken off dealer invoice at point of sale.

**Dishwashers, cont.**

| Type                            | Water Heat Type | Booster Type | Electric Rebate* | Gas Rebate* | Total Rebate |
|---------------------------------|-----------------|--------------|------------------|-------------|--------------|
| Under Counter, Low Temp         | E               | -            | \$250            |             | \$250        |
| Under Counter, Low Temp         | G               | -            |                  | \$250       | \$250        |
| Under Counter, High Temp        | E               | E            | \$500            |             | \$500        |
| Under Counter, High Temp        | G               | E            | \$150            | \$350       | \$500        |
| Under Counter, High Temp        | E               | G            | \$350            | \$150       | \$500        |
| Under Counter, High Temp        | G               | G            |                  | \$500       | \$500        |
| Door Type, Low Temp             | E               | -            | \$1,000          |             | \$1,000      |
| Door Type, Low Temp             | G               | -            |                  | \$1,000     | \$1,000      |
| Door Type, High Temp            | E               | E            | \$1,000          |             | \$1,000      |
| Door Type, High Temp            | G               | E            | \$350            | \$650       | \$1,000      |
| Door Type, High Temp            | E               | G            | \$650            | \$350       | \$1,000      |
| Door Type, High Temp            | G               | G            |                  | \$1,000     | \$1,000      |
| Single Tank Conveyor, Low Temp  | E               | -            | \$1,000          |             | \$1,000      |
| Single Tank Conveyor, Low Temp  | G               | -            |                  | \$1,000     | \$1,000      |
| Single Tank Conveyor, High Temp | E               | E            | \$1,500          |             | \$1,500      |
| Single Tank Conveyor, High Temp | G               | E            | \$500            | \$1,000     | \$1,500      |
| Single Tank Conveyor, High Temp | E               | G            | \$1,000          | \$500       | \$1,500      |
| Single Tank Conveyor, High Temp | G               | G            |                  | \$1,500     | \$1,500      |
| Multi Tank Conveyor, Low Temp   | E               | -            | \$1,500          |             | \$1,500      |
| Multi Tank Conveyor, Low Temp   | G               | -            |                  | \$1,500     | \$1,500      |
| Multi Tank Conveyor, High Temp  | E               | E            | \$2,000          |             | \$2,000      |
| Multi Tank Conveyor, High Temp  | G               | E            | \$500            | \$1,500     | \$2,000      |
| Multi Tank Conveyor, High Temp  | E               | G            | \$1,500          | \$500       | \$2,000      |
| Multi Tank Conveyor, High Temp  | G               | G            |                  | \$2,000     | \$2,000      |

**Cooking Equipment**

| Measure        | Amount                                      | Eligibility            |
|----------------|---|------------------------|
| Steamers       | \$750.00/unit                               | Energy Star® Qualified |
| Deep Fat Fryer | \$250.00/electric unit<br>\$750.00/gas unit | Energy Star® Qualified |



**Cooking Equipment, Cont.**

| <b>Measure</b>                                      | <b>Amount</b>          | <b>Eligibility</b>   |
|---|------------------------|--|
| Hot Food Holding Cabinet <sup>7</sup>               |                        |  |
| Larger than 20 cubic feet                           | \$400.00/unit          | CEE Tier 2 qualified   |
| 12 to 20 cubic feet                                 | \$300.00/unit          | CEE Tier 2 qualified   |
| 7 to less than 12 cubic feet                        | \$200.00/unit          | CEE Tier 2 qualified   |
| Ovens <sup>8</sup>                                  |                        |  |
| Commercial Natural Gas or Electric Convection Ovens | \$1,000.00/oven cavity | A list, based on the Food Service Technology Center (FSTC) will be made available to commercial kitchen equipment dealers and will be posted on the Company's website. |
| Electric Combination Oven                           | \$2,000.00/unit        |  |
| Single or Double-Rack Oven                          | \$2,000.00/unit        |  |

<sup>7</sup> Qualifying dealers, retailers or other vendors may earn an additional \$30.00 sales incentive for qualifying Hot Food Holding Cabinet units if rebate is taken off dealer invoice at point of sale.

<sup>8</sup> Qualifying dealers, retailers or other vendors may earn an additional \$50.00 sales incentive, per cavity, for qualifying units if rebate is taken off dealer invoice at point of sale.

**Controls**

| <b>Measure</b>   | <b>Amount</b>   | <b>Eligibility</b>   |
|--|---|--|
| Thermostat Controllers for Portable Classrooms (3 options) |   | For any eligible portable classroom:   |
|  | A) Up to a maximum of \$250.00/unit<br><br>B) Up to a maximum of \$300.00/unit<br><br>C) Up to a maximum of \$350.00/unit | 365-Day Programmable Thermostat Incentive is 100% of thermostat cost up to maximum.<br><br>365-Day Programmable Thermostat with integral occupancy sensor that controls ventilation OR lighting Incentive is 100% of cost up to maximum.<br><br>365-Day Programmable Thermostat with integral occupancy sensor that controls ventilation AND lighting Incentive is 100% of cost up to maximum.   |
| Occupancy Sensors (OS) and Timer Controls                  | Option A: \$40.00/installed unit<br><br>Option B: \$80.00/installed unit  | OS & Timer, controlling 100-199 Watts.<br><br>OS & Timer, controlling greater than or equal to 200 Watts.  |
| PC Power Management  | \$8.00 per desktop PC and monitor combination   | Qualifying software must: <ul style="list-style-type: none"> <li>• Enable power management for PC and monitor</li> <li>• Detect and alter power management settings of networked PCs to minimize electric use</li> <li>• Allow for the grouping and scheduling of connected PCs with similar usage patterns</li> <li>• Be capable of shutting down groups of PCs according to user-defined schedules</li> <li>• Provide a trend log and confirm the type of PC on which the software is installed</li> <li>• Remain in operation for a minimum of four years, with the ability for continued reporting every six months upon PSE's request.</li> </ul> |

*Drives & Motors*

| Measure  | Amount  | Eligibility  |
|--|---|--|
| Variable Speed Drives                                  | \$100.00 per motor HP for HVAC fan and HVAC pump applications | Where not required by Energy Codes. Eligible applications are HVAC fan motors and HVAC pump motors in closed-loop systems. |
| Electronically-Commutated Motors for HVAC related fans | \$0.12 per square foot  | Where not required by code.  |
| Green Motor Rewinding                                  | \$2.00 per rated horsepower of the rewind motor               | 15 to 5,000 horsepower. Incentive provided to rewinding shop, who will agree to provide half to the motor owner.           |

*Hospitality*

| Measure   | Amount        | Eligibility   |
|---|---------------|---|
| Hospitality Restroom Lighting Controls          | \$10.00/unit  | Electric customers who purchase qualifying lighting products for restrooms within guest rooms with a minimum connected load of 50W. |
| Hospitality HVAC Occupancy Controls             | \$75.00/unit  | Unoccupied set point differential must be at least eight (8) degrees Fahrenheit.  |
| Hospitality High Efficiency Terminal Heat Pumps | \$150.00/unit | Commercial electric customers who purchase qualifying Packaged Terminal Heat Pumps and install them in PSE service territory.       |

*HVAC*

| Measure   | Amount      | Eligibility   |
|---|-------------|---|
| High Efficiency Heat Pumps and Air Conditioners— <b>New Applications.</b> | \$30.00/ton | Must meet CEE Tier I qualifications.  |
| High Efficiency HVAC Installation— <b>Retrofit Applications</b>           |             | PSE customers using an operational heating and/or cooling system to provide conditioned air to an eligible facility; meets CEE Tier I or better qualifications. |

**HVAC, Cont.**

| HVAC Retrofit<br>All equipment the new equipment has been purchased to replace must be removed or disabled. |                           |                        | Rebate per Ton | Rebate per Ton |
|---|---------------------------|------------------------|----------------|----------------|
|   |                           |                        | CEE Tier I     | CEE Tier II    |
| <b>Existing System</b>  | <b>Heat Pump</b>          | <b>Retrofit System</b> |                |                |
|   |                           | Heat Pump              | \$100.00       | \$150.00       |
|   |                           | Dual Fuel Heat Pump    | \$300.00       | \$350.00       |
|   |                           | Gas Pack               | \$500.00       | \$550.00       |
|   | <b>*Electric/Electric</b> | <b>Retrofit System</b> |                |                |
|   |                           | Heat Pump              | \$500.00       | \$550.00       |
|   |                           | Dual Fuel Heat Pump    | \$500.00       | \$550.00       |
|   |                           | Gas Pack               | \$500.00       | \$550.00       |
|   | <b>Gas/Electric</b>       | <b>Retrofit System</b> |                |                |
|   |                           | Gas/Electric           | \$100.00       | \$150.00       |

\*Note: Electric/Electric systems are those which are designed to provide heating solely through electric resistance.

| Measure              | Amount   | Eligibility  |
|----------------------|--|--|
| Premium HVAC Service | Three Incentive categories; Retail, Specialty Retail and Office, each with an incremental variety of service offerings, ranging from \$50.00* to \$1,870.00 per unit, depending on system size; 4 tons to 20 tons and over 20 tons.<br><br>*Some incentive packages are provided concurrently, while some are in addition to others. | Based on the level of Premium Services and amount of equipment repair or replacement required at the site. |

*Lighting*

| Measure                                   | Amount   | Eligibility   |
|---|--|---|
| Compact Fluorescent Lamps                 |  | Purchasing and installing a qualified CFL or specialty lamp where a similar style incandescent lamp would normally be used.<br><br>Pin based lamps (unless they are coupled with an adapter), any non-screw in lamps or lamps specific to a certain type of specialty non-CFL fixture are ineligible. |
|   | (A) \$3.00/unit  | ENERGY STAR® qualified lamps less than 26 Watts   |
|   | (B) \$6.00/unit  | ENERGY STAR® qualified reflector or specialty lamps less than 40 Watts (Including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt)  |
|   | (C) \$6.00/unit  | ENERGY STAR® qualified lamps 26 to 39 Watts   |
|   | (D) \$12.00/unit   | ENERGY STAR® qualified lamps greater than or equal to 40 Watts (including qualifying cold cathodes with warranties of at least 2 years and which produce at least 35 lumen per Watt)  |
| Ceramic Metal Halide Lamps, 22 – 28 Watts | Self ballasted parabolic aluminized reflector (PAR) ceramic metal halide (CMH) lamps |   |
|   | \$25.00 per lamp   | Nationally Recognized Testing Laboratory (NRTL) Listed.   |
| Reduced-wattage T8 Lamps, 25 – 28 Watts   | \$1.00 per lamp  | Existing 32-watt 4-foot T8 lamps retrofitted to CEE Listed 25 – 28 Watt T8 lamps as part of a group re-lamping project. Previously paid retrofits are ineligible.   |

**Lighting, Continued**

| <b>Measure</b>                        | <b>Amount</b>   | <b>Eligibility</b>   |
|---------------------------------------|---|--|
| LED Exit Signs                        |   |  |
| Option A - New LED Exit Sign Retrofit | \$50.00 per fixture   | Complete removal and replacement of the entire exit sign, including its components and enclosure. Input power demand 5 Watts or less per sign. Manufacturer warranty for defects in materials and manufacturing for 5 years from date of purchase.   |
| Option B - LED Exit Sign Retrofit Kit | \$30.00 per fixture retrofitted                                   | Includes internal sign components only. Hardwired kits only where the original bases for the incandescent or CFL lamps are disabled or removed. Input power demand 5 Watts or less per sign. Manufacturer warranty for defects in materials and manufacturing for 5 years from date of purchase.   |
| LED Lamps; Down Lighting Applications | (A)\$5.00<br>(B)\$15.00<br>(C)\$15.00<br>(D)\$20.00<br>(E)\$25.00 | (A) ENERGY STAR® qualified or Lighting Design Lab qualified Decorative Lamps<br>(B) ENERGY STAR® qualified or Lighting Design Lab qualified Omnidirectional Lamps<br>(C) ENERGY STAR® qualified or Lighting Design Lab qualified Directional Lamps (less than or equal to 20/8 inch)<br>(D) ENERGY STAR® qualified or Lighting Design Lab qualified Directional Lamps (greater than 20/8 inch) and Screw-in Recessed Can Retrofit Kits<br>(E) ENERGY STAR® qualified or Lighting Design Lab qualified Hard Wire Recessed Can Retrofit Kits |

***Lighting, Continued*****LED Traffic Signals****Eligibility**

Customers with unmetered accounts must document all connected load at the intersection. New installations will not be eligible for an incentive as the LED traffic lights are required by code. Only retrofits of existing incandescent traffic signals are eligible for incentives.

**Measures and Incentives**

| <b>TYPE OF SIGNAL</b>    | <b>INCENTIVE AMOUNT</b> |
|--------------------------|-------------------------|
| 12" Red Ball             | \$ 10.00 each           |
| 12" Red Arrow            | \$ 10.00 each           |
| 8" Red Ball              | \$ 10.00 each           |
| Red Ped. Crossing Signal | \$ 10.00 each           |
| 12" Green Ball           | \$ 20.00 each           |
| 8" Green Ball            | \$ 20.00 each           |
| 12" Green Arrow          | \$ 20.00 each           |
| Yellow Module – Any Size | \$ 5.00 each            |

Note 1: Yellow modules are only eligible if replaced in conjunction with Red & Green modules in the same signal head.

**Refrigeration**

| Measure                                  | Amount   | Eligibility   |
|--|--|---|
| Refrigerated beverage cooler controllers | Installed at the customer's site at no charge. | Any non-hardwired commercially used cooler not containing perishable items and will not contain them in the future. |

| Measure   | Eligibility   |                    |                    |                    |                     |                      |                      |  |
|---|---|--------------------|--------------------|--------------------|---------------------|----------------------|----------------------|--|
| Commercial Ice Makers <sup>9</sup>                          | Ice makers that meet PSE's Super Efficient Ice Maker kWh/lb of ice made in 24 hours shown in the table below: |                    |                    |                    |                     |                      |                      |  |
| Incentive Amount  | \$300.00/unit   |                    |                    |                    | \$600.00/unit       |                      |                      |  |
| <b>Ice Harvest Rate</b><br><i>(Pounds per 24 hr period)</i> | <b>Up to 200 lbs</b>  | <b>201-300 lbs</b> | <b>301-400 lbs</b> | <b>401-500 lbs</b> | <b>501-1000 lbs</b> | <b>1001-1500 lbs</b> | <b>over 1500 lbs</b> |  |
|   | <i>Maximum Kilowatt-hours per pound of ice</i>  |                    |                    |                    |                     |                      |                      |  |
| Water-cooled ice making heads                               | 5.2   | 5.2                | 4.7                | 4.4                | 4.1                 | 3.8                  | 3.4                  |  |
| Water-cooled, self-contained unit                           | 5.2   | 5.2                | 4.7                | 4.4                | 3.9                 | 2.9                  | 2.4                  |  |
| Air-cooled ice making heads                                 | 6.6   | 6.6                | 6.1                | 5.5                | 5.4                 | 5                    | 4.7                  |  |
| Air-cooled remote condensing unit                           | 6.6   | 6.6                | 6.1                | 5.5                | 5.4                 | 5                    | 4.7                  |  |
| Air-cooled self-contained unit                              | 6.6   | 6.6                | 6.1                | 5.5                | 5.4                 | 4.5                  | 4.0                  |  |

<sup>9</sup> Qualifying dealers, retailers or other vendors may earn an additional \$30.00 sales incentive for qualifying Ice Machines if rebate is taken off dealer invoice at point of sale.



*Water; Heat & Management*

| Measure   | Amount  | Eligibility   |
|---|---|---|
| Pre-rinse spray heads<br>1.6, 1.0 or 0.6 gallons per minute                             | Installed at the customer's site at no charge.                            | Hot water applications only. Food service entities that use electricity or natural gas to heat water.   |
| Aerators<br>0.5 GPM   | Installed at the customer's site at no charge.                            | Available only where there are hot water applications for customers who use electricity or natural gas to heat water.   |
| Natural Gas High-Efficiency Water Heaters and Boilers in Full-Service Restaurants       | Water Heaters:<br>\$4.71/MBH (1,000 Btu/hr)<br><br>Boilers:<br>\$6.11/MBH | PSE full-service restaurant customers receiving bundled natural gas service under rate schedule 31, 36 or 41 with water heaters or boilers, having a greater than or equal to 92% efficiency factor, whose load includes a commercial dishwasher.                     |
| Natural gas hot water boilers serving Commercial laundries or multifamily laundry rooms | \$6.00/MBH  | Hydronics Institute Division of GAMA Testing Standard BTS-2000.   |
| Natural gas hot water boilers serving Commercial laundries or multifamily laundry rooms | \$3.00/MBH  | The installed water heater shall have a minimum thermal efficiency of 94% as tested in accordance with ANSI Z21.10.3<br><br><i>Gas Water Heaters – Volume III, Storage Water Heaters With Input Ratings Above 75,000 Btu Per Hour, Circulating and Instantaneous.</i> |

**Small Business Direct-Install Program****Eligibility**

Electric customers with an estimated or actual Demand of 50 kilowatts or less monthly and residential & farm general service electric customers, rate Schedules 24 and 08 Facilities only. Multifamily related businesses will be referred to the Multifamily program unless that program does not cover a measure covered by the Small Business Direct-Install Program.

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## Measures

Measures installed under this program will be delivered to customers by a third party contractor and/or a PSE employee. Equipment used in the Small Business Direct-Install program must meet requirements identified in the Small Business Lighting and the Commercial and Industrial Incentives sections of this document where applicable. Measure categories include, but are not limited to, the following:

### Electric Measures:

- Lighting Controls
- LED Exit Signs
- T12 to T8 Retrofit
- Linear Fixture De-lamping
- Low-wattage T8 Retrofit (25 & 28W)
- HID Retrofit
- Ceramic Metal Halide
- Pulse-start Metal Halide
- Incandescent replacement
- Refrigerated case LED lighting
- Refrigeration measures
- HVAC measures
- Vending Machine controllers
- Hot water tank insulation

### Natural Gas Measures:

- Pre-Rinse Spray Head in Restaurants
- Boiler Cleaning - Laundry Dry Cleaners
- Hot water tank insulation
- Bathroom Sink Aerators
- Energy Efficient Showerheads

## Incentives

Most measures are installed at the customer's site at no charge to the customer. Some measures may require a co-pay by the customer. Incentives are paid to the contractor, and are not intended to be a direct-to-customer rebate.

## Northwest Energy Efficiency Alliance (NEEA)

Schedule 254 (Electric only)

The majority of NEEA programs, measures and initiatives are intended to influence the marketplace as a whole are rarely are targeted to consumers. Rather, NEEA intends to influence utilities, manufacturers, distributors, retailers, builders, property management firms,

Whether directly (in the case of ductless heat pumps (listed on page 19 of this document) or indirectly (in the case of consumer product incentives for retailers), NEEA sponsors programs and initiatives including but not limited to the following categories:

### Residential

- New Home Construction
- Consumer Products
- Lighting
- Appliances

### Commercial

- Energy-efficient design
- Appliance Controls
- Energy Management
- Energy Codes and Standards

### Industrial

- Energy Management
- Regional Technical Solutions
- Sector-wide efficiency Initiatives

### Emerging Technologies

- Residential HVAC
- Regional Collaboration among Utilities

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## Renewable Energy Education

Schedule 248 (Electric only)

### Eligibility

Any customer with a Premises receiving service under Electric Tariff G of the Company and

- a. Who generates electricity using solar or wind energy or biogas from animal waste as a fuel and meets the terms of both Schedule 150 and Schedule 151 of this tariff is eligible for Incentives under this schedule, or
- b. Is a non-residential customer who has been selected and awarded a grant under this schedule.

### Renewables Generating Grants

The Company may, at its discretion, award grants, provide remuneration or otherwise fund eligible small-scale (1-2 kilowatt generating capacity), school-based renewable energy projects. The Company plans to award multiple grants each year.

Primary selection criteria for grant approval include, but are not limited to:

Educational benefit: The project should demonstrate renewable energy generating technology that facilitates student learning, understanding and acceptance of renewable energy resources,

Geographic diversity: Project grants will consider the proximity to existing or planned demonstration projects funded by a grant within the Company's service territory,

Energy efficiency: The school must demonstrate a commitment to energy efficient practices including, but not limited to, utilizing an on-staff Conservation Resource Manager,

Broad support: The project must be championed by at least one teacher at the school and include the support of the administration and governing board.

Project characteristics: the technology utilized, size and other characteristics of the generating project will be considered.

## Net Metering

Schedule 150 (Electric only)

### 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, or wind energy or biogas from animal waste as fuel, with a total capacity of no more than 100 kilowatts (kW) and the generation is located on their own premises. Such generator must operate in parallel with PSE's transmission and distribution facilities. Detailed availability is outlined in PSE's Schedule 150.

## Renewable Energy Advantage Program

Schedule 150 & 151 (Electric only)

### Eligibility

Customer-Generators who receive electric service from the Company and operate a qualifying Generation System on their Premises. Where the Generation System will be interconnected with the Company's distribution system such interconnection shall be under the provisions of a separate interconnection (net metering) agreement. If the Generation System is interconnected with the Company's transmission or distribution system, service under this schedule is not available except during the effectiveness of an interconnection agreement between the Customer-Generator and the Company.

The Customer-Generator must own the real property on which the Generation System is located.

Generation Systems that operate on real property where the Company provides Electric Service, but the Generation System is not interconnected to the Company's distribution system are also eligible. Generation Systems installed on real property that are not and will never be served by the Company are not eligible for service under this schedule.

Detailed eligibility requirements are enumerated in PSE's Schedule 151.

### Annual Payments

The underlined component in the below table is the driver of the Payment Factor

| <u>Customer-Generated Power</u>   | <u>Base Rate</u> | <u>Payment Factor</u> | <u>Price per kWh</u> |
|---|------------------|-----------------------|----------------------|
| Solar modules and inverter manufactured in Washington state                                     | \$0.15           | 3.6                   | \$0.54               |
| Solar modules manufactured in Washington state  | \$0.15           | 2.4                   | \$0.36               |
| Solar or wind generating equipment with an inverter manufactured in Washington state            | \$0.15           | 1.2                   | \$0.18               |
| Anaerobic digester or other solar equipment without components manufactured in Washington state | \$0.15           | 1.0                   | \$0.15               |
| Wind generator equipped with blades manufactured in Washington state                            | \$0.15           | 1.0                   | \$0.15               |
| All other electricity produced by wind  | \$0.15           | 0.8                   | \$0.12               |

Incentive payments will be made once annually and are computed using the price per kWh from the above table, multiplied by the total kWh generated during the payment period. The payment period is from July 1 of one year through June 30 of the next year. Hybrid systems, such as a combination of solar and wind, will be paid at the lowest price per kWh, unless each distinct part of the system is separately metered.

If a Customer-Generator adds a new portion to the existing system (For instance, a new 1 kW array of solar panels manufactured in Washington), the lower payment factor will apply, unless the new portion of the system is separately metered.

## Measure Life Calculations

### Residential Programs

| Measure/Incentive/Initiative  | Maximum Measure Life, Years |
|---|-----------------------------|
| Boilers, Energy Star®   | 20                          |
| CFL Lamp, Energy Star® qualified, any exterior application                            | 4                           |
| CFL Fixture Energy Star® qualified, any exterior or interior application              | 15                          |
| CFL Lamp, Energy Star® any interior application                                       | 5                           |
| Clothes Washers, Energy Star®   | 14                          |
| Compact Fluorescent Light (CFL) Bulb Energy Star® qualified, any interior application | 5                           |
| Dishwashers, Energy Star®   | 9                           |
| Duct leakage testing and duct sealing   | 20                          |
| Duct Sealing  | 20                          |
| Freezers  | 20                          |
| Fireplace, High Efficiency, Natural Gas   | 25                          |
| Fuel Conversion—Space and Water Heat  | 30                          |
| Furnace, Energy Star® Natural Gas   | 18                          |
| Heat Pump – ductless using inverter technology  | 20                          |
| Heat Pump – Energy Star® qualified (air-source, split systems)                        | 18                          |
| Heat Pump – Geothermal, Energy Star®  | 30                          |
| Heat pump replacement for an electric furnace   | 18                          |
| HomePrint Audit   | 3                           |
| Insulation, Attic (R-11 or less to R-38)  | 30                          |
| Insulation, Duct (R-0 to R-11)  | 30                          |
| Insulation, Floor (R-11 or less to minimum R-19, up to R-30)                          | 30                          |
| Insulation, Wall (R-0 to R-13)  | 30                          |
| Light socket, CFL conversion assembly   | 15                          |
| Manufactured Home, Energy Star® certified   | 30                          |
| Multifamily Lighting measures (including lighting reduction)                          | 12                          |
| Powerful Choices for the Environment, Electric and Natural Gas                        | 8                           |
| Refrigerator Decommissioning  | 6                           |
| Refrigerator, Energy Star®  | 22                          |
| Replacement Doors   | 30                          |
| Showerheads, Energy Efficient Residential in <u>Multifamily</u> units                 | 6                           |
| Showerheads, Energy Efficient Residential all dwelling types                          | 10                          |



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**Residential Programs, continued**

| <b>Measure/Incentive/Initiative</b>                               | <b>Maximum Measure Life, Years</b> |
|---|------------------------------------|
| Waste Water Heat Recovery   | 30                                 |
| Water Heater Pipe Insulation (Minimum 3 feet)                     | 15                                 |
| Water heater, Natural Gas, Energy Star®                           | 12                                 |
| Water Heater, Tankless, Natural Gas, Energy Star®                 | 20                                 |
| Water Heater, Heat Pump Water Heater, Energy Star®                | 15                                 |
| Water Heater, High Efficiency, Electric Storage                   | 13                                 |
| Windows- Single pane upgrade to class 33 or greater <sup>10</sup> | 30                                 |
| Whole house ventilation   | 15                                 |

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<sup>10</sup> Windows will be funded only when bundled with other qualifying weatherization Measures.

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## Low Income Weatherization Program Specific Measure Life

Unless otherwise noted in the below table, all measure life figures in the above table apply to the Company's Low Income Weatherization program.

|  |    |
|--|----|
| Programmable Thermostat, Low Income Weatherization                               | 15 |
| Refrigerator Replacement (also known as "decommissioning" or "early retirement") | 6  |
| Structure Sealing  | 25 |
| Tapered Ridge Board, R-05 max to R-38 min  | 30 |
| Water Heater Insulation  | 12 |

## Commercial and Industrial Programs

| Measure/Incentive/Initiative                  | Maximum Measure Life, Years |
|---|-----------------------------|
| <b>Building Thermal Improvements:</b>         |                             |
| Duct Insulation                               | 15                          |
| Exterior Roof Insulation                      | 15                          |
| Insulated Windows                             | 30                          |
| Roof and Ceiling Insulation                   | 24                          |
| Wall Insulation                               | 24                          |
| <b>Commissioning and Optimization:</b>        |                             |
| Commissioning/Optimization of Energy Systems  | 5                           |
| <b>Controls:</b>                              |                             |
| HVAC Controls and Energy Management Systems   | 10                          |
| Lighting Control Systems                      | 10                          |
| PC Power Management                           | 4                           |
| Process and Other Efficiency Control Systems  | 10                          |
| Cooler Controller                             | 10                          |
| <b>HVAC and Refrigeration:</b>                |                             |
| Boilers—Steam                                 | 30                          |
| Boilers--Hot water                            | 24                          |
| Chillers                                      | 20                          |
| Economizers                                   | 10                          |
| Evaporative assist cooling for HVAC equipment | 15                          |
| Heat Recovery Systems                         | 15                          |
| High Efficiency HVAC Retrofit Applications    | 15                          |
| HVAC – central                                | 15                          |
| Premium HVAC Service                          | 5                           |
| HVAC – unitary                                | 15                          |
| <b>Lighting Improvements:</b>                 |                             |
| Compact Fluorescent Luminaires                | 12                          |
| Fluorescent Luminaires                        | 12                          |
| HID Luminaires                                | 12                          |
| LED Exit Signs                                | 12                          |
| LED Luminaires                                | 12                          |
| Locking Screw-in CFL                          | 12                          |
| Low Wattage T8 Lamps                          | 6                           |
| Integral Ballasted LED Lamps                  | 5                           |
| Ceramic Metal Halide Lamps                    | 5                           |
| Screw-in CFL                                  | 3                           |

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**Commercial and Industrial Programs, continued**

| <b>Measure/Incentive/Initiative</b>             | <b>Maximum Measure<br/>Life, Years</b> |
|---|--|
| <b>Lighting Improvements, continued:</b>        |  |
| LED Traffic Signals                             |  |
| Signal Head Red 12" ball                        | 6                                      |
| Signal Head Red 12" arrow                       | 5                                      |
| Signal Head Red 8" ball                         | 6                                      |
| Signal Head Green 12" ball                      | 7                                      |
| Signal Head Green 12" arrow                     | 16                                     |
| Signal Head Green 8" ball                       | 7                                      |
| Signal Head Yellow 12" ball                     | 16                                     |
| Signal Head Yellow 12" arrow                    | 16                                     |
| Signal Head Yellow 8" ball                      | 16                                     |
| Large Pedestrian Module                         | 4                                      |
| Small Pedestrian Module                         | 4                                      |
| <b>New Construction Whole Building Analysis</b> |  |
| Energy Model Whole Building Approach            | 15                                     |
| <b>Process Efficiency Improvements:</b>         |  |
| Fan, Compressor and Pump Systems or Stations    | 15                                     |
| Motor and Drive Systems                         | 15                                     |
| Process Optimization                            | 5                                      |
| Other Process Modifications                     | 15                                     |
| Reciprocating Engines                           | 15                                     |
| Refrigeration Systems                           | 15                                     |
| <b>Restaurant/Kitchen Equipment:</b>            |  |
| Connectionless Steamer                          | 10                                     |
| Deep Fat Fryer                                  | 8                                      |
| Dishwashers                                     |  |
| Conveyor type                                   | 20                                     |
| Door type                                       | 15                                     |
| Under counter                                   | 10                                     |
| Hot Food Holding Cabinet                        | 12                                     |
| Pre-Rinse Spray Heads                           | 5                                      |
| <b>Water Heating Improvements:</b>              |  |
| Low Flow Devices                                | 10                                     |
| Piping Insulation                               | 15                                     |
| Water Heaters                                   | 7                                      |
| <b>Other:</b>                                   |  |
| Clothes Washers, Multifamily, High-use          | 8                                      |
| Transformers                                    | 15                                     |
| Green Motor Rewinds                             | 10                                     |
| Ice Makers                                      | 12                                     |
| Resource Conservation Manager (Behavioral)      | 3                                      |

## Glossary of Acronyms

|                               |  |
|-------------------------------|--|
| <b>AFUE</b>                   | Annual Fuel Utilization Efficiency (standard federal efficiency rating)  |
| <b>AHU</b>                    | Air Handling Unit  |
| <b>AIA</b>                    | American Institute of Architect  |
| <b>ANSI</b>                   | American National Standards Institute  |
| <b>ASHRAE</b>                 | American Society of Heating, Refrigerating, and Air-Conditioning Engineers   |
| <b>BOMA</b>                   | Building Owners and Managers Association   |
| <b>BPA</b>                    | Bonneville Power Administration  |
| <b>CEE</b>                    | Consortium for Energy Efficiency   |
| <b>CMS</b>                    | Customer Management System   |
| <b>CRAG</b>                   | Conservation Resource Advisory Group   |
| <b>DCV</b>                    | Demand Control Ventilation   |
| <b>DDC</b>                    | Design Development and Construction  |
| <b>Direct Install Measure</b> | A conservation measure that is installed by a PSE representative—rather than a PSE customer—into a qualifying structure.   |
| <b>ECM</b>                    | Electronically Commutated Motor  |
| <b>CS</b>                     | Customer Solutions. A division within PSE whose charter is to provide outstanding customer service in achieving all available, feasible, and cost-effective conservation within the PSE service territory. |
| <b>EF</b>                     | Energy Factor  |
| <b>EUI</b>                    | Energy Usage Index   |
| <b>FSTC</b>                   | Food Service Technology Center   |
| <b>FTE</b>                    | Full Time Equivalent (applicable to staffing levels, etc.)   |
| <b>GPM</b>                    | Gallons Per Minute   |
| <b>HID</b>                    | High Intensity Discharge (applies to Lighting measures)  |
| <b>HSPF</b>                   | Heating Seasonal Performance Factor  |
| <b>HVAC</b>                   | Heating, Ventilation and Air Conditioning  |
| <b>IPLV</b>                   | Integrated Part Load Value   |
| <b>kWh</b>                    | Kilowatt Hour  |

**Acronyms, Continued**

|                |  |
|----------------|--|
| <b>MEF</b>     | Manufacturers Efficiency Factor  |
| <b>NEMA</b>    | National Electrical Manufacturers Association  |
| <b>O&amp;M</b> | Operations and Maintenance   |
| <b>ODP</b>     | Open Drip-Proof (motors)   |
| <b>PTCS</b>    | Performance Tested Comfort Systems   |
| <b>PTHP</b>    | Package Terminal Heat Pump   |
| <b>SEER</b>    | Seasonal Energy Efficiency Ratio   |
| <b>TEFC</b>    | Totally Enclosed, Fan-Cooled (motors)  |
| <b>TRC</b>     | Total Resource Cost  |
| <b>UC</b>      | Utility Cost   |
| <b>ULI</b>     | Urban Land Institute   |
| <b>USGBC</b>   | U.S. Green Building Council  |
| <b>UL</b>      | Underwriters' Laboratory   |
| <b>VAV</b>     | Variable Air Volume  |
| <b>VFD</b>     | Variable Frequency Drive   |
| <b>WAMOA</b>   | Washington Association of Maintenance and Operations Administrators  |
| <b>WF</b>      | Water Factor: a measure of water consumption. A higher number, representing lower efficiency, is less desirable. |
| <b>WSEC</b>    | Washington State Energy Code   |