Residential Water Heating: New Incentive Delivery Design

Spring Trade Ally Forum
Agenda

• 2017 incentives and qualifying products
• Water heater market potential
• Energy Trust’s goals for water heating
• Shift to midstream water heater incentives
Water Heater Incentive Types

**Standard Customer Incentive**
- Cash rebate paid to customer
- Must submit application for qualifying install

**Savings Within Reach Customer Incentive**
- Increased cash rebate paid to moderate-income customers
- Must submit Savings Within Reach application for qualifying install

**Instant Incentive**
- Cash rebate paid to installer
- Installer must submit application for qualifying install
- Installer required to reflect instant incentive on customer invoice

**Midstream Incentive**
- Aggregated cash incentives paid to distributor
- Distributor must report on water heater sales and information on qualifying installs
## Energy Trust Water Heater Incentives

<table>
<thead>
<tr>
<th>Water Heater Type</th>
<th>Qualification</th>
<th>2017 Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat Pump Water Heater Standard Incentive</td>
<td>Tier 1 ( \leq 55 \text{ gallon tank} )</td>
<td>$150</td>
</tr>
<tr>
<td></td>
<td>Tier 2 ( \leq 55 \text{ gallon tank} )</td>
<td>$300</td>
</tr>
<tr>
<td></td>
<td>Tier 3 ( \text{ any tank size} )</td>
<td>$300</td>
</tr>
<tr>
<td>Heat Pump Water Heater Savings Within Reach</td>
<td>Tier 3 ( \text{ any tank size; must replace an existing electric water heater} )</td>
<td>$600</td>
</tr>
<tr>
<td>Gas Tank Water Heater</td>
<td>EF .67 or greater; ENERGY STAR® qualified</td>
<td>$100</td>
</tr>
</tbody>
</table>
Savings Within Reach Application

Savings Within Reach incentives for Tier 3 heat pump water heaters are now available to Oregon customers:

- Enroll as Savings Within Reach contractor
- $600 incentive for Tier 3 HPWH units (any tank size)
- HPWH must replace an existing electric water heater
- Submit applications to hesforms@energytrust.org
- Allow 4-6 weeks for incentive processing

To offer Savings Within Reach incentives, contact your account manager to schedule a brief orientation.
Financing with On-Bill Repayment

Affordable financing for water heater projects:

<table>
<thead>
<tr>
<th>Water Heater Type</th>
<th>PGE and Pacific Power customers in Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat Pump Water Heater</td>
<td>SWR OBR (moderate income)</td>
</tr>
<tr>
<td>Savings Within Reach</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water Heater Type</th>
<th>NW Natural customers in Oregon</th>
<th>NW Natural customers in SW Washington</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Tank Water Heater</td>
<td>SWR OBR (moderate income)</td>
<td>OBR - SW WA (any income level)</td>
</tr>
</tbody>
</table>

To offer On-Bill Repayment, contact your Account Manager to schedule a brief orientation.
# Qualifying Water Heater Products

<table>
<thead>
<tr>
<th>Water Heater Type</th>
<th>Tier / EF</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
<th>EF &gt; .67</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 2</td>
<td></td>
<td>-</td>
<td>Bradford White, (GE)</td>
<td>Bradford White</td>
</tr>
<tr>
<td></td>
<td>Tier 3</td>
<td></td>
<td></td>
<td>Rheem, Richmond, Ruud</td>
<td>Rheem, Richmond, Ruud</td>
</tr>
<tr>
<td></td>
<td>EF &gt; .67</td>
<td></td>
<td></td>
<td>Sanden “SANCO₂”</td>
<td></td>
</tr>
</tbody>
</table>
Water Heater Market Opportunity

- Water heater replacement is one of the most cost-effective residential measures.
- Energy Trust only captures about 1% of the water heater replacement market.
- Water heater savings are about 2% of Existing Homes program savings.
- Opportunities for some other energy-saving measures expected to decrease (e.g. Energy Saver Kits).
2016 Market Potential and Electric Water Heater Projects

Total Market: 30,233

Energy Trust Projects:
- Electric Tier 1 HPWH: 39
- Electric Tier 2/3 HPWH: 391
- Market potential: 39
2016 Market Potential and Gas Water Heater Projects

Total Market

- 32,000

Energy Trust Projects

- Gas tank < 0.70: 173
- Gas tank > 0.70: 79
- Market potential

Legend:
- Gas tank < 0.70
- Gas tank > 0.70
- Market potential
Influencing the Water Heater Market

How can Energy Trust help…

- Save more energy with efficient water heaters?
- Increase affordability and availability of efficient water heaters?
- Make it easier and cheaper for everyone to purchase, install and maintain efficient water heaters?
- Eliminate the need to complete forms?
Midstream Water Heater Incentive Program

- Midstream incentives are offered directly to distributors
- Incentives will be used to drive sales of efficient water heaters and reduce the cost for contractors and customers
- Water heater product eligibility requirements will remain the same
- Distributors must report on water heater sales and install information to receive incentives
Shift to midstream water heater incentives

- Distributors and Energy Trust will notify installers of enrollment in midstream incentive program
- Until officially retired, customer incentives will be available for units that do not receive a midstream incentive
- Minimum 60-day notice before customer incentives are discontinued
- When the customer incentive is discontinued, water heaters will only be eligible for midstream and Savings Within Reach incentives
Shift to midstream water heater incentives

- **Standard Customer Incentives**
- **Savings Within Reach Customer Incentive**
- **Midstream Incentives Delivered through Distributors**
- **Ongoing Distributor Enrollment**

Tentative Discontinuation of Standard Customer Incentives
What does this mean for trade allies?

• Instead of submitting forms, trade allies provide installation data to the distributor
• Help communicate Energy Trust’s support in lowering the cost of the equipment, rather than a customer incentive
• Continued Energy Trust marketing and lead generation support
Participating Distributors (as of 4/7/2017)

- General Pacific
- NW Natural Appliance Center

If your distributor is not listed, ask them about their plans to enroll in Energy Trust’s midstream program.

Energy Trust will update this participant list and inform installers of any additions on an ongoing basis.
Discussion and Questions
Regional Photo Map

Existing Homes Account Managers

Trade Ally Hotline:
1.866.365.3526 x9
existinghomesta@energytrust.org
Thank You
Eric Koch and Rachel Zakrasek

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