




Cumberland Valley Electric

A Touchstone Energy Cooperative 

January 30, 2019

***VIA ELECTRONIC TARIFF  
FILING SYSTEM***

Ms. Gwen R. Pinson  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602

Re: Cumberland Valley Electric – 2019 DSM Program Changes

Dear Ms. Pinson:

Please find enclosed for filing with the Commission the above-referenced Cumberland Valley Electric's revised tariffs for the following Demand Side Management ("DSM") Programs:

- Touchstone Energy Home
- Direct Load Control Program – Residential
- Direct Load Control Program – Commercial
- Button-up Weatherization Program
- Heat Pump Retrofit Program
- HVAC Duct Sealing Program
- Commercial & Industrial Advanced Lighting Program
- Industrial Compressed Air Program
- ENERGY STAR<sup>®</sup> Manufactured Home Program
- Appliance Recycling Program
- ENERGY STAR<sup>®</sup> Appliances Program

Over the last year, Cumberland Valley Electric has worked diligently with East Kentucky Power Cooperative, Inc. ("EKPC") and its DSM Steering Committee ("the Committee"), a committee of EKPC and Owner-Member cooperative ("Owner-Member") staff and consultants, to re-evaluate the cost-effectiveness and need for all existing DSM programs. Cumberland Valley Electric relied upon the work of EKPC's consultants and Staff throughout this effort. The conclusions of the re-evaluation were shared with EKPC's executive leadership and the Owner-Members' Chief Executive Officers ("CEOs") and a consensus was achieved to recommend substantial changes to EKPC's portfolio of DSM programs. Cumberland Valley Electric is in agreement with the proposed changes to EKPC's DSM portfolio of programs and desires to make appropriate changes to its own DSM tariffs so that they continue to be consistent with EKPC's tariffs. Accordingly, please find attached the following materials related to the proposed DSM tariffs to be implemented:

**1. Exhibit A – Proposed DSM Tariffs**

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**MAIN OFFICE:**

P.O. Box 440 ☉ Gray, KY 40734

Phone: 606-528-2677 ☉ Fax: 606-523-2698

**DISTRICT OFFICE:**

P.O. Box C ☉ Cumberland, KY 40823

Phone: 606-589-4421 ☉ Fax: 606-589-5297

Copies of the proposed DSM tariffs are collectively filed herewith as Exhibit A. In instances where it is proposed for a tariff to be withdrawn, a tariff sheet will be designated as being reserved for future use, taking the place of the existing tariff provisions is being tendered.

**2. Exhibit B – Supporting Documents: Marked-Up Copies of Proposed DSM Tariffs**

Also included are copies of the modified DSM Program tariffs for each of the DSM programs listed above. The tariffs are tendered in a format showing the strike-throughs of the existing tariffs for convenience.

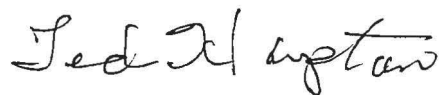
**3. Exhibit C – Supporting Documents: Customer Notice and Effective Date**

Pursuant to KRS 278.180(1), a utility must give at least 30-days' advance notice to the Commission before implementing a new tariff. Therefore, the proposed effective date of these tariff revisions will be March 1, 2019. Pursuant to 807 KAR 5:011 Cumberland Valley Electric has posted the requisite notice at its office located at 6219 North U.S. Hwy 25E Gray, Kentucky and will post the requisite notice on its website, no later than five (5) business days from today's date, which will include a hyperlink to the Commission's website where the tariff can be found. Written notice has also been given to members by delivering a copy of the Customer Notice through publication in the February edition of *Kentucky Living* magazine. A copy of the Customer Notice is attached.

While Cumberland Valley Electric requests that these tariffs become effective on March 1, 2019, it recognizes that several of its members are still making economic decisions based upon the tariffs currently in effect. To minimize disruption and surprise to such customers, Cumberland Valley Electric intends to honor all requests for rebates, appliance pick-ups or other existing program benefits that were initiated by members prior to the effective date of these proposed tariffs. Thus, Cumberland Valley Electric anticipates that even when the revised DSM portfolio is approved and in effect, some legacy obligations will remain to be satisfied to fairly and reasonably wind-down the existing tariffed programs.

Please contact me if you have any questions.

Sincerely,



Ted Hampton  
President & CEO

Enclosures

# CUSTOMER NOTICE

## Proposed Changes to Demand Side Management (DSM) Programs

Notice is hereby given to the members of: **Big Sandy RECC**, 504 Eleventh Street, Paintsville, KY 41240; **Blue Grass Energy Coop. Corp.**, 1201 Lexington Road, Nicholasville, KY40356; **Clark Energy Coop., Inc.**, 2640 Iron Works Road, Winchester, KY40391; **Cumberland Valley Electric, Inc.**, 6219 North U.S. Highway 25E, Gray, KY 40734; **Farmers RECC**, 504 South Broadway, Glasgow, KY 42141; **Fleming-Mason Energy Coop. Corp.**, 1449 Elizaville Road, Flemingsburg, KY 41041; **Grayson RECC**, 109 Bagby Park, Grayson, KY 41143; **Inter-County Energy Coop. Corp.**, 1009 Hustonville Road, Danville, KY 40422; **Licking Valley RECC**, 271 Main Street, West Liberty, KY 41472; **Nolin RECC**, 411 Ring Rd., Elizabethtown, KY 42701; **Owen Electric Coop., Inc.**, 8205 Highway 127 N, Owenton, KY 40359; **Salt River Electric Coop., Inc.**, 111 West Brashear Avenue, Bardstown, KY 40004; **Shelby Energy Coop., Inc.**, 620 Old Finchville Road, Shelbyville, KY 40065; **South Kentucky RECC**, 200 Electric Avenue, Somerset, KY 42502; **Taylor County RECC**, 625 West Main Street, Campbellsville, KY 42718.

On or about January 30, 2019, the Cooperatives will file proposed tariffs that revise or eliminate certain DSM programs that are currently in effect. The proposed effective date for the tariff changes is March 1, 2019. Each of the DSM tariffs are voluntary in nature. None of the Cooperatives have a DSM Rider in effect, so there will be no change in the rates charged for electric service to any customer class. However, if the proposed tariffs are approved:

- The Heat Pump Retrofit Program will add ductless mini-splits as an eligible primary heat source. Other eligibility criteria will change and incentives will no longer be tied to AHRI ratings.
- The Button-Up Weatherization Program will no longer apply to installing higher efficiency windows and doors and program levels will be abolished in favor of a single incentive. A new standard for measuring attic insulations will be adopted.
- The Touchstone Energy Home Program will increase the minimum efficiency eligibility standard while retaining only two eligibility paths (Blue Grass Energy also retains the option to provide additional services).
- The Residential Direct Load Control Program will no longer apply to new water heaters or any pool pumps and gives greater flexibility in providing the incentive to members.
- The Commercial Direct Load Control Program will now apply to heat pumps, but will no longer apply to new water heaters. Additional device communication requirements will apply.
- The ENERGY STAR® Manufactured Home Program will have a lower incentive payment now given directly to a qualifying member.

The Cooperatives also propose to eliminate the: (1) ENERGY STAR Appliance Program; (2) Appliance Recycling Program; (3) Commercial and Industrial Advance Lighting Program; (4) Industrial Compressed Air Program; and (5) HVAC Duct Seal Program, where applicable.

A person may examine this tariff filing at any of the Cooperatives' respective offices at the addresses listed above. A person may also examine this tariff filing at the Public Service Commission's offices, which are located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>. Any comments regarding this tariff filing may be submitted to the Commission through its website or by mail to Kentucky Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The rates contained in this notice are the rates proposed by the Cooperatives, however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, at the address listed above, establishing the grounds for the request including the status and interest of the party. If the commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the tariff filing.

CUMBERLAND VALLEY ELECTRIC, INC.

**Direct Load Control Program – Residential**

**Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Cumberland Valley Electric to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

**Availability**

The Direct Load Control Program is available to residential customers-members in the service territories of Cumberland Valley Electric and will include the control of *existing* water heaters, *existing and new* air conditioners and heat pumps, ~~and pool pumps.~~

Availability may be denied where, in the judgment of Cumberland Valley Electric, installation of the load control equipment is impractical.

**Eligibility**

To qualify for this program, the *new* participant must be located in the service territory of Cumberland Valley Electric and have:

- ~~• 40-gallon (minimum) electric water heating units, and/or~~
- Central air conditioning or heat pump units *with single-stage compressors.* ~~and/or~~
- ~~• Pool pumps.~~

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

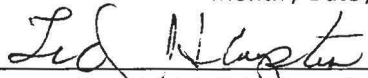
The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Cumberland Valley Electric may require that a rental property agreement be executed between Cumberland Valley Electric and the owner of the rented residence.

DATE OF ISSUE June 20, 2013 January 30, 2019

Month / Date / Year

DATE EFFECTIVE July 20, 2013 March 1, 2019

Month / Date / Year

ISSUED BY   
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

(continued) DSM – Direct Load Control Program – Residential (continued)

**Program Incentives**

Cumberland Valley Electric will provide an incentive to the participants in this program for the following appliances:

Water Heaters: Cumberland Valley Electric will reimburse provide the existing participating residential member \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The existing participant will receive this credit regardless of whether the water heater is actually controlled.

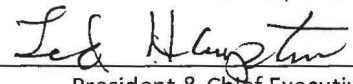
Air Conditioners and Heat Pumps: Cumberland Valley Electric will provide an incentive to the participants in this program. The participant may select one of ~~two~~ three alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One: For each direct load control switch, Cumberland Valley Electric will reimburse provide the participating residential member \$20.00 bill credit annually or provide the incentive via other payment means including, but not limited to, a check per air conditioner or heat pump. (~~\$5 per summer months, June, July, August and September~~).

Alternative Two: When technically feasible, Cumberland Valley Electric will may provide and install at no cost one or more digital Wi-Fi enabled thermostats as needed for control purposes or Cumberland Valley Electric will may provide a Wi-Fi enabled thermostat and a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must sign-up each Cumberland Valley Electric provided thermostat within 60 days or return it to Cumberland Valley Electric or be invoiced by Cumberland Valley Electric for the cost of the thermostat. Wi-Fi enabled means any thermostat utilizing the Wi-Fi communication protocol or similar local networking communication protocols. The member must have a fixed location, reliable internet for communication. Cumberland Valley Electric will reimburse the participating member \$20 per qualifying Wi-Fi enabled thermostat annually. After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- ~~From bill credits to digital thermostats~~—The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay fifty percent (50%) of the installed cost of each digital thermostat.
- ~~From digital thermostats to bill credits~~—This change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through the Cumberland Valley Electric, an amount equal to fifty percent (50%) of the originally installed cost of each digital thermostat that

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CUMBERLAND VALLEY ELECTRIC, INC.

(continued)

- ~~• was initially installed if the participant keeps the thermostat or pay fifty percent (50%) of the cost to remove each digital thermostat that was initially installed.~~
- ~~• Only one change in incentive alternatives will be permitted during a 12-month period.~~

Alternative Three Pool Pumps: Cumberland Valley Electric will reimburse provide the participating residential member \$20.00 bill credit per pool pump qualifying Wi-Fi enable thermostat provided by the retail member that controls an air conditioner or heat pump annually or provide the incentive via other payment means including, but not limited to, a check. Cumberland Valley Electric will provide a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must have a fixed location, reliable internet for communication. ~~(\$5.00 per summer month, June, July, August and September).~~ The participant will receive this credit regardless of whether the pool pump is actually controlled.

**DSM – Direct Load Control Program – Residential (continued)**

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

**Program Special Incentives**

Cumberland Valley Electric and participating Member Systems will provide a special incentive up to \$25.00 for new participants that install a load control switch on qualifying electric water heaters, air conditioners and heat pumps, ~~and or pool pumps,~~ utility supplied Wi-Fi enabled thermostat or retail member supplied Wi-Fi enabled thermostat. This one-time incentive will be in the form of a bill credit on the electric bill following the switch installation or provided via other payment means including, but not limited to, a check.

**Time Periods for Direct Load Control Program**

Water Heaters: ~~A load control switch will be placed on the water heater and~~ Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours per event during the October through April months indicated below.

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CUMBERLAND VALLEY ELECTRIC, INC.

EKPC will cycle the water heaters only during the hours listed below.  
(continued)

| <u>Months</u>         | <u>Hours Applicable for Demand Billing – EPT</u>   |
|-----------------------|--|
| October through April | 6:00 a.m. to 12:00 noon<br>4:00 p.m. to 10:00 p.m. |
| May through September | 10:00 a.m. to 10:00 p.m.                           |

Air Conditioners and Heat Pumps: A load control device (switch or *Wi-Fi enabled* thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, ~~or~~ AMI or *Wi-Fi* or similar communication technologies.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below *and up to (4) four hours per event.*

| <u>Months</u>         | <u>Hours Applicable for Demand Billing – EPT</u> |
|-----------------------|--|
| May through September | 10:00 a.m. to 10:00 p.m.                         |

~~Pool Pumps: A load control switch will be placed on the pool pump and may be controlled for a six (6) hour curtailment during on-peak days May through September. In addition, there may be a fifty percent (50%) cycling for the ensuing two (2) hour recovery period to prevent creating a new peak.~~

**Terms and Conditions**

1. Prior to the installation of load control devices, Cumberland Valley Electric may inspect the participant's electrical equipment to ensure good repair and working condition, but Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Cumberland Valley Electric, will install, *in some cases*, own, and maintain the load management devices controlling the participant's air conditioner or heat pump, ~~or water heater for Alternatives One and Two as noted in this tariff.~~ The participant must allow Cumberland Valley Electric or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Cumberland Valley Electric to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Cumberland Valley Electric's option, result in discontinuance of credits under this tariff until such time as Cumberland Valley Electric is able to gain the required access.

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CUMBERLAND VALLEY ELECTRIC, INC.

3. Participants may join the program at any time during the year. ~~Participants with water heaters and/or pool pumps will receive the first annual incentive within twelve (12) months after the installation of the load control device.~~ Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, ~~bill credits incentives will be provided annually. will not begin until after the installation of the load control device and continue for the months remaining in the June through September time period for that year.~~
4. If a participant decides to withdraw from the program or change incentive alternatives, Cumberland Valley Electric will endeavor to implement the change as soon as possible.
5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

### Direct Load Control Program – Commercial

#### Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Cumberland Valley Electric to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### Availability

The Direct Load Control Program is available to commercial members in the service territories of Cumberland Valley Electric and will include the control of air conditioners and existing water heaters.

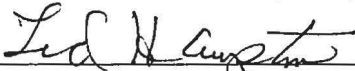
Availability may be denied where, in the judgment of Cumberland Valley Electric, installation of the load control equipment is impractical.

#### Eligibility

To qualify for this Program, the *new* participant must be located in the service territory of Cumberland Valley Electric and have a central air conditioning *or heat pump* units. ~~and/or a 40-gallon (minimum) electric water heating unit.~~ The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

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CUMBERLAND VALLEY ELECTRIC, INC.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Cumberland Valley Electric may require that a rental property agreement be executed between the Member System Cumberland Valley Electric and the owner of the rented commercial property.

**Program Incentives**

~~EKPC and participating Member Systems~~ Cumberland Valley Electric will provide an incentive to the participants in this program for the following appliances:

Air Conditioners and Heat Pumps: The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five (5) tons will receive ~~\$5.00~~ 20.00 per unit. Units over five (5) tons will receive an additional annual credit of ~~\$4.00~~ \$4.00 per ton per unit. Cumberland Valley Electric will reimburse the participating commercial-member at the applicable incentive credit *or provide the incentive via other payment means including, but not limited to, a check.* ~~during the months of June through September.~~ The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters: Cumberland Valley Electric will ~~reimburse~~ *provide* the existing participating commercial-member \$10.00 per water heater annually *or provide the incentive via other payment means including, but not limited to, a check.* The participant will receive this credit regardless of whether the water heater is actually controlled.

**Time Period for Direct Load Control Program**

Air Conditioners and Heat Pumps: A load control device will be placed on each central air conditioning unit *or heat pump* that will allow the operating characteristics of the unit to be modified to reduce demand on the system. *The member must have internet for communication. Utility of member supplied Wi-Fi enabled thermostat programs may also be available.* Communication to the load control device *or thermostat* will be accomplished via AMR, ~~or~~ AMI *or Wi-Fi or similar communication technologies.*

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below *and up to four (4) hours per event:*

| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EPT</u> |
|-----------------------|--|
| May through September | 10:00 a.m. to 10:00 p.m.                         |

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CUMBERLAND VALLEY ELECTRIC, INC.

Water Heaters: A load control switch will be placed on the water heater and *Existing load control switches* may be electrically interrupted for a maximum time period of six (6) hours during the May through September months indicated below and for a maximum time period of four (4) hours during the October through April months indicated below.

EKPC will cycle the water heaters only during the hours listed below.

| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EPT</u> |
|-----------------------|--|
| October through April | 6:00 a.m. to 12:00 noon                          |
|                       | 4:00 p.m. to 10:00 p.m.                          |
| May through September | 10:00 a.m. to 10:00 p.m.                         |

**Terms and Conditions**

1. Prior to the installation of load control devices, Cumberland Valley Electric may inspect the participant's electrical equipment to ensure good repair and working condition, but Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Cumberland Valley Electric, will install, *in some cases*, own, and maintain the load management devices controlling the participant's air conditioner unit or *heat pump water heater*. The participant must allow Cumberland Valley Electric or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Cumberland Valley Electric to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Cumberland Valley Electric's option, result in discontinuance of credits under this tariff until such time as Cumberland Valley Electric is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning or *heat pumps* who join during the months of June through September will receive *the bill credits annually*, beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within twelve (12) months after the installation of the load control device.
4. If a participant decides to withdraw from the program, Cumberland Valley Electric will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months.

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**DSM Section DSM-1**

**Button-Up Weatherization Program**

**Purpose**

The Button-Up Weatherization Program offers an incentive for reducing the heat loss of a home. The retail member may qualify for this incentive by improving *attic* insulation, ~~installing higher efficiency windows and doors, or by~~ *and* reducing the air leakage of their home.

**Availability**

This program is available in all service territories served by Cumberland Valley Electric.

**Eligibility**

This program is targeted at older single-family, multi-family or manufactured dwellings. Eligibility requirements are:

- Home must be 2-years old or older to qualify for the incentive.
- Primary source of heat must be electricity.
- ~~Eligible dwellings may qualify for one of four levels:~~

**Button Up Level I**

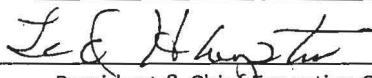
~~The insulation portion of the Button Up incentive will promote the reduction of energy usage on the part of the retail member by providing an incentive of \$40 per one thousand British thermal unit per hour (Btuh) reduced, up to \$520, resulting from improved insulation or installing higher efficiency windows or doors. Heat loss calculation of Btuh reduced will be made by using either the Manual J 8<sup>th</sup> Edition or through other methods approved by East Kentucky Power Cooperative (EKPC). Heat loss calculations in Btuh are based on the winter design temperature.~~

**Button Up Level I with Air Sealing**

~~The air sealing portion of the Button Up incentive will promote the reduction of energy usage through air sealing on the part of retail members. Typical air sealing could include caulking, improved weather stripping, sealing attic accesses, etc. To receive this incentive either an EKPC approved contractor or Cumberland Valley Electric representative must perform a "pre" and "post" blower door test to measure actual Btuh reduced. This portion of the Button Up incentive will also pay \$40 per thousand Btuh's reduced and increases the Button Up Level I maximum incentive to \$750. thousand Btuh to the owner member).~~

DATE OF ISSUE November 28, 2012 January 30, 2019

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The attic insulation portion of the Button Up incentive will promote the reduction of energy usage on the part of the retail members. Heat loss calculation of Btuh reduced will be made by using either the Manual J 8<sup>th</sup> Edition or through other methods approved by EKPC. Heat loss calculations in Btuh are based on the winter design temperature. In order to receive an incentive for attic insulation, an air seal must be completed.

**Incentives**

The Button Up incentive will pay a total payment of \$40 per thousand Btuh reduced to the retail member up to the maximum rebate incentive of \$750.

**Button Up Level II**

The Button Up Level II portion of this incentive will promote energy conservation through a whole house approach. This level of incentive is targeted at retail members experiencing high energy bills as a result of excessive heat loss from multiple causes. The incentive promotes the retail member to address all of the problems in their home at one time. Retail members who reduce their home's energy needs by 26,500 Btuh, are eligible for the full Button Up Level I Air Seal incentive plus an additional \$310 for a total of \$1,060. To receive this incentive either an EKPC approved contractor or owner member representative must perform a "pre" and "post" inspection/blower door and duct leakage test of the home to measure actual Btuh reduced. Each home must meet minimum requirements as determined by Cumberland Valley Electric.

**Button Up Level III**

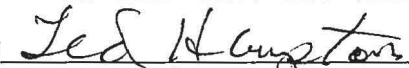
The Button Up Level III portion of this incentive will promote energy conservation through a whole house approach. This level of incentive is targeted at retail members experiencing extremely high energy bills as a result of excessive heat loss from multiple causes. The incentive promotes the retail member to address all of the problems in their home at one time. Retail members who reduce their home's energy needs by 34,250 Btuh, are eligible for the full Button Up Level I Air Seal incentive plus an additional \$620 for a total of \$1,370. To receive this incentive either an EKPC approved contractor or Cumberland Valley Electric representative must perform a "pre" and "post" inspection/blower door and duct leakage test of the home to measure actual Btuh reduced. Each home must meet minimum requirements as determined by Cumberland Valley Electric.

**Button Up Level I Incentive**

Cumberland Valley Electric will provide an incentive to residential members of \$40 per one thousand Btuh reduced, up to \$520. A blower door test is not required to receive this incentive up to the maximum incentive of \$520.

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CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED ~~FOR ENTIRE TERRITORY SERVED~~  
PSC KY NO. 4 P.S.C. NO. 4  
SECOND REVISED ~~FIRST REVISED~~ SHEET NO. 73.1  
CANCELLING PSC KY NO. 4 ~~CANCELLING ORIGINAL SHEET NO. 73.1~~  
FIRST REVISED SHEET NO. 73.1

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**Button Up Level I with Air Sealing Incentive**

~~Cumberland Valley Electric will provide an incentive to residential members of \$40 per one thousand Btuh reduced, up to \$750. To qualify for the increased maximum incentive of \$750 as noted herein, a blower door test is required.~~

**~~Button Up Level II Incentive~~**

~~Cumberland Valley Electric will provide an incentive of \$1060 to residential members who reduce their home's energy needs by 26,500 Btuh. To qualify for the increased maximum incentive as noted herein, the home must pass a blower door test, duct leakage test, and meet the minimum program requirements.~~

**Button Up Level III Incentive**

~~Cumberland Valley Electric will provide an incentive of \$1370 to residential members who reduce their home's energy needs by 34,250 Btuh. To qualify for the increased maximum incentive as noted herein, the home must pass a blower door test, duct leakage test, and meet the minimum program requirements.~~

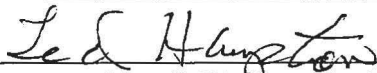
**Term**

The program is an ongoing program.

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DATE OF ISSUE November 28, 2012 January 30, 2019

DATE EFFECTIVE January 1, 2013 March 1, 2019

ISSUED BY   
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

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**Section DSM -2**  
**Heat Pump Retrofit Program**

**Purpose**

The Heat Pump Retrofit Program provides incentives for residential ~~customers~~ members to replace their existing resistance heat source with a ~~high efficiency~~ heat pump.

**Availability**

This program is available to residential members served by Cumberland Valley Electric.

**Eligibility**

This program is targeted to ~~retail~~ members who currently heat their home with a resistance heat source; this program is targeted to site built homes, manufactured homes, and multi-family dwellings. Eligibility requirements are:

- Incentive only applies when homeowner’s primary source of heat is an electric resistance heat furnace, ceiling cable heat, or baseboard heat, electric thermal storage.
- Existing heat source must be at least 2 years old.
- New manufactured homes are eligible for the incentive.
- Two (2) maximum incentive payments per location, per lifetime for centrally ducted systems.
- Ducted and Ductless mini-splits applying for the incentive will be incentivized at a rate of \$250 per indoor head unit up to a maximum of three head units per location, per lifetime.
- Participants in the Heat Pump Retrofit Program are not eligible for participation in the ENERGY STAR® Manufactured Home Program.
- Air Conditioning, Heating, and Refrigeration Institute (“AHRI”) ratings may range as follows: Seasonal Energy Efficiency Ratio (“SEER”) minimum 13; Heating Seasonal Performance Factor (“HSPF”) minimum 7.5.

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**Heat Pump Retrofit Program (continued)**

**Incentives**

Homeowners replacing their existing resistance heat source with a heat pump will qualify for the following incentive based on the AHRI Rating equipment type.

| <u>AHRI RATING</u>    | <u>INCENTIVE TO MEMBER</u> |
|-----------------------|----------------------------|
| 13 SEER<br>7.5 HSPF   | \$500                      |
| 14 SEER<br>8.0 HSPF   | \$750                      |
| ≥15 SEER<br>≥8.5 HSPF | \$1,000                    |

**Heat Pump Retrofit Program (continued)**

| <u>Equipment Type</u>  | <u>Rebate</u> |
|--|---------------|
| <b>Centrally Ducted Systems:</b>   |               |
| Current Energy Conservation Standard established by the Federal Department of Energy "DOE" | \$500         |
| Current ENERGY STAR® level equipment or greater  | \$750         |
| <b>Mini Split Systems:</b>   |               |
| Ducted or Ductless Mini-Splits ENERGY STAR® level equipment or greater                     | \$250         |

**Term**

The program is an ongoing program

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Touchstone Energy Home

Purpose

In an effort to improve new residential home energy performance, Cumberland Valley Electric has designed the Touchstone Energy Home Program. This program provides guidance during the building process to guarantee a home that is ~~≥25-30~~ 15-20% more efficient than the Kentucky standard built home. The standard built new home in rural Kentucky typically receives a ~~100~~ 105 on the Home Energy Rating System (“HERS”) Index. ~~A HERS Index Score of 100 means the home is built to only moderate levels of efficiency generally the 2004 International Energy Conservation Code (“IECC”).~~

Availability

This program is available to residential members served by Cumberland Valley Electric

Eligibility

To qualify as a Touchstone Energy Home under Cumberland Valley Electric’s program, the participating single-family home must be located in the service territory of Cumberland Valley Electric and must meet the program guidelines following one of the ~~three~~ two available paths of approval. Multi-family dwellings pre-approved by East Kentucky Power Cooperative, Inc. may be eligible.

Prescriptive Path:

- Home must meet each efficiency value as prescribed by Cumberland Valley Electric
- Home must receive pre-drywall inspection and complete Cumberland Valley Electric’s pre-drywall checklist (contact the Energy Advisor at Cumberland Valley Electric for a copy of the checklist)
- Home must receive a final inspection, pass a whole house air leakage test (~~<7 air changes per hour @50 pascals~~), and duct leakage test (~~<10% of the fan’s rated capacity~~).
- Primary source of heat must be an Air Source Heat Pump ~~≥14 Seasonal Energy Efficiency Ratio (“SEER”)/8.2 Heating Seasonal Performance Factor (“HSPF”)~~ or Geothermal-current ENERGY STAR® specifications for Seasonal Energy Efficiency Ratio “SEER “and Heating Season Performance Factor “HSPF” or Geothermal.
- Water Heater must be an electric storage tank water heater that is ~~≥.90 Energy Factor (EF)~~-current Energy and Water conservation standards established by the Federal Department of Energy “DOE”.

Performance Path Level #1:

- ~~Home must receive a HERS Index score between 80-85 (15-20% more efficient than the KY standard built home)~~
- ~~Home must receive pre-drywall inspection and complete Cumberland Valley Electric’s pre-drywall checklist (contact the Energy Advisor at Cumberland Valley Electric for a copy of the checklist)~~

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(continued)

**Touchstone Energy Home**

- ~~Home must receive a final inspection, pass a whole house air leakage test (<7 air changes per hour @50 pascals), and duct leakage test (<10% of the fan's rated capacity).~~
- ~~Primary source of heat must be an Air Source Heat Pump ≥13SEER/7.5HSPF or Geothermal Home must pass 2009 IECC performance path.~~
- ~~Water Heater must be an electric storage tank water heater that is ≥ .90 (EF)~~

**Performance Path Level #2:**

- Home must receive a HERS Index score of ~~≤79~~ 75 (At least 24-30% more efficient than the KY standard built home)
- Home must receive pre-drywall inspection and complete Cumberland Valley Electric's pre-drywall checklist. (contact the Energy Advisor at Cumberland Valley Electric for a copy of the checklist)
- Home must receive a final inspection, pass a whole house air leakage test (<7 air changes per hour @50 pascals), and duct leakage test (<10% of the fan's rated capacity).
- Primary source of heat must be an Air Source Heat Pump ≥13SEER/7.5HSPF current Energy and Water conservation standard established by the Federal DOE or Geothermal.
- Home must pass ~~2009 IECC performance path~~ current energy code requirements established in the KY Residential Code.
- Water Heater must be an electric storage tank water heater that is ≥ current Energy and Water conservation standard established by the Federal DOE. ~~90 (EF)~~

**Prescriptive Path Incentive**

Cumberland Valley Electric will provide an incentive of \$750 to residential members that build their new home to meet the requirements of either the ~~Perscriptive~~ Prescriptive or Performance Paths as listed above.

**Performance Path Level #1 Incentive**

~~Cumberland Valley Electric will provide an incentive of \$250 to residential members that build their new home to meet the requirements of the Performance Path Level #1 as listed above.~~

**Performance Path Level #2 Incentive**

Cumberland Valley Electric will provide an incentive of \$750 to residential members that build their new home to meet the requirements of the Performance Path Level #2 as listed above.

**Term**

The program is an ongoing program.

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DATE EFFECTIVE March 1, 2019

ISSUED BY   
President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

DSM

T

Direct Load Control Program – Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Cumberland Valley Electric to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

The Direct Load Control Program is available to residential members in the service territories of Cumberland Valley Electric and will include the control of existing water heaters, existing and new air conditioners and heat pumps.

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Availability may be denied where, in the judgment of Cumberland Valley Electric installation of the load control equipment is impractical.

Eligibility

To qualify for this program, the *new* participant must be located in the service territory of Cumberland Valley Electric and have:

- Central air conditioning or heat pump units with single stage compressors.

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The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Cumberland Valley Electric may require that a rental property agreement be executed between Cumberland Valley Electric and the owner of the rented residence.

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Month / Date / Year

ISSUED BY 

President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**DSM - Direct Load Control Program – Residential (continued)**

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**Program Incentives**

Cumberland Valley Electric will provide an incentive to the participants in this program for the following appliances:

Water Heaters: Cumberland Valley Electric will provide the existing participating residential member \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The existing participant will receive this credit regardless of whether the water heater is actually controlled.

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Air Conditioners and Heat Pumps: Cumberland Valley Electric will provide an incentive to the participants in this program. The participant may select one of three alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

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Alternative One: For each direct load control switch Cumberland Valley Electric will provide the participating residential member \$20.00 bill credit annually or provide the incentive via other payment means including, but not limited to, a check per air conditioner or heat pump.

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Alternative Two: When technically feasible, Cumberland Valley Electric may provide and install at no cost one or more Wi-Fi enabled thermostats as needed for control purposes or Cumberland Valley Electric will provide a Wi-Fi enabled thermostat and a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must sign-up each Cumberland Valley Electric provided thermostat within 60 days or return it to Cumberland Valley Electric or be invoiced by Cumberland Valley Electric for the cost of the thermostat. Wi-Fi enabled means any thermostat utilizing the Wi-Fi communication protocol or similar local networking communication protocols. The member must have a fixed location, reliable internet for communication. Cumberland Valley Electric will reimburse the participating member \$20 per qualifying Wi-Fi enabled thermostat annually.

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Alternative Three: Cumberland Valley Electric will provide the participating residential member \$20.00 bill credit per qualifying Wi-Fi enable thermostat provided by the retail member that controls an air conditioner or heat pump annually or provide the incentive via other payment means including, but not limited to, a check. Cumberland Valley Electric will provide a rebate up to \$100 to offset the member's cost to have the thermostat installed by the member's own heating and air-conditioning contractor. The member must have a fixed location, reliable internet for communication.

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**DSM - Direct Load Control Program – Residential (continued)**

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When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

**Program Special Incentives**

Cumberland Valley Electric will provide a special incentive up to \$25.00 for new participants that install a load control switch on qualifying air conditioners and heat pumps, utility supplied Wi-Fi enabled thermostat or retail member supplied Wi-Fi enabled thermostat. This one-time incentive will be in the form of a bill credit on the electric bill following the switch installation or provided via other payment means including, but not limited to, a check.

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**Time Periods for Direct Load Control Program**

Water Heaters: Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours per event during the October through April months indicated below.

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EKPC will cycle the water heaters only during the hours listed below.

| <u>Months</u>         | <u>Hours Applicable for Demand Billing – EPT</u>   |
|-----------------------|--|
| October through April | 6:00 a.m. to 12:00 noon<br>4:00 p.m. to 10:00 p.m. |
| May through September | 10:00 a.m. to 10:00 p.m.                           |

Air Conditioners and Heat Pumps: A load control device (switch or Wi-Fi enabled thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AML or Wi-Fi or similar communication technologies.

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EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below and up to (4) four hours per event.

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| <u>Months</u>         | <u>Hours Applicable for Demand Billing – EPT</u> |
|-----------------------|--|
| May through September | 10:00 a.m. to 10:00 p.m.                         |

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President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

**DSM - Direct Load Control Program – Residential (continued)**

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**Terms and Conditions**

1. Prior to the installation of load control devices, Cumberland Valley Electric may inspect the participant's electrical equipment to ensure good repair and working condition, but Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Cumberland Valley Electric will install, in some cases, own, and maintain the load management devices controlling the participant's air conditioner or heat pump, for Alternatives One and Two as noted in this tariff. The participant must allow Cumberland Valley Electric, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Cumberland Valley Electric to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Cumberland Valley Electric's option, result in discontinuance of credits under this tariff until such time as Cumberland Valley Electric is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the incentive is selected, incentives will be provided annually.
4. If a participant decides to withdraw from the program or change incentive alternatives, Cumberland Valley Electric will endeavor to implement the change as soon as possible.
5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

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President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

**DSM**

T

**Direct Load Control Program – Commercial**

**Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling Cumberland Valley Electric to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

**Availability**

The Direct Load Control Program is available to commercial members in the service territories of Cumberland Valley Electric and will include the control of air conditioners and existing water heaters.

Availability may be denied where, in the judgment of Cumberland Valley Electric, installation of the load control equipment is impractical.

**Eligibility**

To qualify for this Program, the new participant must be located in the service territory of Cumberland Valley Electric and have a central air conditioning or heat pump units. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

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The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Cumberland Valley Electric may require that a rental property agreement be executed between Cumberland Valley Electric and the owner of the rented commercial property.

**Program Incentives**

Cumberland Valley Electric will provide an incentive to the participants in this program for the following appliances:

Air Conditioners and Heat Pumps: The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five (5) tons will receive \$20.00 per unit. Units over five (5) tons will receive an additional annual credit of \$4.00 per ton per unit. Cumberland Valley Electric will reimburse the participating commercial-member at the applicable incentive credit or provide the incentive via other payment means including, but not limited to, a check. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

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Month / Date / Year

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ISSUED BY *J. E. Hampton*

President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

DSM

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Direct Load Control Program – Commercial (continued)

Water Heaters: Cumberland Valley Electric will provide the existing participating commercial-member \$10.00 per water heater annually or provide the incentive via other payment means including, but not limited to, a check. The participant will receive this credit regardless of whether the water heater is actually controlled.

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Time Period for Direct Load Control Program

Air Conditioners and Heat Pumps: A load control device will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. The member must have internet for communication. Utility of member supplied Wi-Fi enabled thermostat programs may also be available. Communication to the load control device or thermostat will be accomplished via AMR, AMI or Wi-Fi or similar communication technologies.

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EKPC will control the air conditioning units only during its summer on-peak billing hours listed below and up to four (4) hours per event:

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| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EPT</u> |
|-----------------------|--|
| May through September | 10:00 a.m. to 10:00 p.m.                         |

Water Heaters: Existing load control switches may be electrically interrupted for a maximum time period of six (6) hours per event during the May through September months indicated below and for a maximum time period of four (4) hours per event during the October through April months indicated below.

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EKPC will cycle the water heaters only during the hours listed below.

| <u>Months</u>         | <u>Hours Applicable for Demand Billing - EPT</u>   |
|-----------------------|--|
| October through April | 6:00 a.m. to 12:00 noon<br>4:00 p.m. to 10:00 p.m. |
| May through September | 10:00 a.m. to 10:00 p.m.                           |

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ISSUED BY *Lee H. Huntington*  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

DSM

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Direct Load Control Program – Commercial (continued)

Terms and Conditions

- 1. Prior to the installation of load control devices, Cumberland Valley Electric may inspect the participant's electrical equipment to ensure good repair and working condition, but Cumberland Valley Electric shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of Cumberland Valley Electric, will install, in some cases, own, and maintain the load management devices controlling the participant's air conditioner or heat pump. The participant must allow Cumberland Valley Electric or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Cumberland Valley Electric to gain access to the load management device to perform any of the above activities for a period exceeding thirty (30) days may, at Cumberland Valley Electric's option, result in discontinuance of credits under this tariff until such time as Cumberland Valley Electric is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with air conditioning or heat pumps who join during the months of June through September will receive the bill credits annually.
- 4. If a participant decides to withdraw from the program, Cumberland Valley Electric will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of six (6) months.

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ISSUED BY *Led Hampton*  
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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



CUMBERLAND VALLEY ELECTRIC, INC.

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[SHEET CANCELLED]  
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DATE EFFECTIVE March 1, 2019  
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ISSUED BY Ted H. Amstutz  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

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President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.



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Month / Date / Year  
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Month / Date / Year  
ISSUED BY *Led H. Anglin*  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

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Month / Date / Year  
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ISSUED BY *Ted Hampton*  
President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**DSM**

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**Button-Up Weatherization Program**

**Purpose**

The Button-Up Weatherization Program offers an incentive for reducing the heat loss of a home. The retail member may qualify for this incentive by improving attic insulation and reducing the air leakage of their home.

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**Availability**

This program is available in all service territories served by Cumberland Valley Electric.

**Eligibility**

This program is targeted at older single-family, multi-family or manufactured dwellings. Eligibility requirements are:

- Home must be 2-years old or older to qualify for the incentive.
- Primary source of heat must be electricity.

The Button Up incentive will promote the reduction of energy usage through air sealing on the part of retail members. Typical air sealing could include caulking, improved weather stripping, sealing attic accesses, etc. To receive this incentive either an EKPC approved contractor or Cumberland Valley Electric representative must perform a "pre" and "post" blower door test to measure actual Btuh reduced.

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The attic insulation portion of the Button Up incentive will promote the reduction of energy usage on the part of the retail members. Heat loss calculation of Btuh reduced will be made by using either the Manual J 8<sup>th</sup> Edition or through other methods approved by EKPC. Heat loss calculations in Btuh are based on the winter design temperature. In order to receive an incentive for attic insulation, an air seal must be completed.

**Incentives**

The Button Up incentive will pay a total payment of \$40 per thousand Btuh reduced to the retail member up to the maximum rebate incentive of \$750.

**Term**

The program is an ongoing program.

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ISSUED BY   
President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED  
PSC KY NO. 4  
SECOND REVISED SHEET NO. 73  
CANCELLING PSC KY NO. 4  
ORIGINAL SHEET NO. 73

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[SHEET CANCELLED]

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President & Chief Executive Officer

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CUMBERLAND VALLEY ELECTRIC, INC.

FOR ALL AREAS SERVED  
PSC KY NO. 4  
FIRST REVISED SHEET NO. 73.1  
CANCELLING PSC KY NO. 4  
ORIGINAL SHEET NO. 73.1

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[SHEET CANCELLED]

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President & Chief Executive Officer

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

DSM

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Heat Pump Retrofit Program

Purpose

The Heat Pump Retrofit Program provides incentives for residential members to replace their existing resistance heat source with a heat pump.

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Availability

This program is available to residential members served by Cumberland Valley Electric

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Eligibility

This program is targeted to members who currently heat their home with a resistance heat source; this program is targeted to site built homes, manufactured homes, and multi-family dwellings. Eligibility requirements are:

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- Incentive only applies when homeowner's primary source of heat is an electric resistance heat furnace, ceiling cable heat, baseboard heat, electric thermal storage.
- Existing heat source must be at least 2 years old.
- New manufactured homes are eligible for the incentive.
- Two (2) maximum incentive payments per location, per lifetime for centrally ducted systems.
- Ducted and Ductless mini-splits applying for the incentive will be incentivized at a rate of \$250 per indoor head unit up to a maximum of three head units per location, per lifetime.
- Participants in the Heat Pump Retrofit Program are not eligible for participation in the ENERGY STAR® Manufactured Home Program.

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Incentives

Homeowners replacing their existing resistance heat source with a heat pump will qualify for the following incentive based on the equipment type:

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**Heat Pump Retrofit Program (continued)**

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| <b><u>Equipment Type</u></b>   | <b><u>Rebate</u></b> |
|--|----------------------|
| <b>Centrally Ducted Systems:</b>   |                      |
| Current Energy Conservation Standard established by the Federal Department of Energy "DOE" | \$500                |
| Current ENERGY STAR® level equipment or greater  | \$750                |
| <b>Mini Split Systems:</b>   |                      |
| Ducted or Ductless Mini-Splits ENERGY STAR® level equipment or greater                     | \$250                |

**Term**

The program is an ongoing program.

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President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CUMBERLAND VALLEY ELECTRIC, INC.

D

[SHEET CANCELLED]  
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DATE OF ISSUE January 30, 2019  
Month / Date / Year  
DATE EFFECTIVE March 30, 2019  
Month / Date / Year  
ISSUED BY *Ted W. Hampton*  
President & Chief Executive Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

DSM

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Touchstone Energy Home

Purpose

In an effort to improve new residential home energy performance, Cumberland Valley Electric has designed the Touchstone Energy Home Program. This program provides guidance during the building process to guarantee a home that is  $\geq 25-30\%$  more efficient than the Kentucky standard built home. The standard built new home in rural Kentucky typically receives a 105 on the Home Energy Rating System ("HERS") Index.

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Availability

This program is available to residential members served by Cumberland Valley Electric.

Eligibility

To qualify as a Touchstone Energy Home under Cumberland Valley Electric's program, the participating single-family home must be located in the service territory of Cumberland Valley Electric and must meet the program guidelines following one of the two available paths of approval. Multi-family dwellings pre-approved by East Kentucky Power Cooperative, Inc. may be eligible.

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Prescriptive Path:

- Home must meet each efficiency value as prescribed by Cumberland Valley Electric.
- Home must receive pre-drywall inspection and complete Cumberland Valley Electric's pre-drywall checklist (contact the Energy Advisor at Cumberland Valley Electric for a copy of the checklist).
- Home must receive a final inspection, pass a whole house air leakage test and duct leakage test.
- Primary source of heat must be an Air Source Heat Pump  $\geq$  current ENERGY STAR<sup>®</sup> specification for Seasonal Energy Efficiency Ratio "SEER" and Heating Season Performance Factor "HSPF" or Geothermal.
- Water Heater must be an electric storage tank water heater that is  $\geq$  current Energy and Water conservation standards established by the Federal Department of Energy "DOE".

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**DSM – (continued)**

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**Touchstone Energy Home**

Performance Path:

- Home must receive a HERS Index score of  $\leq 75$  (At least 30% more efficient than the KY standard built home).
- Home must receive pre-drywall inspection and complete Cumberland Valley Electric's pre-drywall checklist. (contact the Energy Advisor at Cumberland Valley Electric for a copy of the checklist)
- Home must receive a final inspection, pass a whole house air leakage test, and duct leakage test.
- Primary source of heat must be an Air Source Heat Pump  $\geq$  current Energy and Water conservation standard established by the Federal DOE or Geothermal.
- Home must pass current energy code requirements established in the KY Residential Code.
- Water Heater must be an electric storage tank water heater that is  $\geq$  current Energy and Water conservation standard established by the Federal DOE.

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**Incentive**

Cumberland Valley Electric will provide an incentive of \$750 to residential members that build their new home to meet the requirements of either the Prescriptive or Performance Paths as listed above.

**Term**

The program is an ongoing program.

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DSM  
ENERGY STAR® Manufactured Home Program

Purpose

Cumberland Valley Electric's ENERGY STAR® Manufactured Home Program ("ESMH") is designed to ensure that members of Cumberland Valley Electric purchase an energy efficient manufactured home. Cumberland Valley Electric will accomplish this by providing the purchaser of a manufactured home with an incentive to purchase and install a new ENERGY STAR® certified manufactured home.

Availability

This program is available to residential members served by Cumberland Valley Electric.

Eligibility

To be eligible for this ESMH incentive, new manufactured homes must meet the following criteria:

- United States Environmental Protection Agency ("EPA") and Systems Building Research Alliance ("SBRA") guidelines as an ENERGY STAR® Manufactured Home.
- Primary source of heat must be a heat pump.
- Home must be all electric.
- Home must be installed by the member on lines served by Cumberland Valley Electric
- Participants in the ENERGY STAR Manufactured Home Program are not eligible for participation in the Heat Pump Retrofit Program.

Payments

After new home installation and after receiving certification as an ENERGY STAR® manufactured home, Cumberland Valley Electric will tender a \$1,150 incentive payment to their member. The incentive is intended to help cover the cost of upgrading the home from the standard United States Department of Housing and Urban Development (HUD) construction requirements to the SBRA and EPA ENERGY STAR® manufactured home construction requirements.

Term

This program is an ongoing program.

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President & Chief Executive Officer

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President & Chief Executive Officer

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CUMBERLAND VALLEY ELECTRIC, INC.

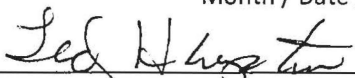
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