

ENERGY STAR® MANUFACTURED HOME PROGRAM GUIDELINES

OBJECTIVE:

East Kentucky Power Cooperative's ("EKPC") ENERGY STAR® Manufactured Home Program ("ESMH") is intended to expand the market for ENERGY STAR® homes in the EKPC service area by providing manufactured home producers with an incentive to promote and facilitate the production and installation of new ENERGY STAR® certified manufactured homes.

AVAILABILITY:

This program is available to all EKPC's owner-member cooperatives ("owner-members") on whose system an ENERGY STAR® certified manufactured home is installed.

TERM: The ESMH program is an ongoing program.

ELIGIBILITY: TYPE OF NEW HOMES:

- ENERGY STAR® Certified Manufactured Homes
- Primary source of heat must be a heat pump 13 SEER & 7.5 HSPF or higher.
- Home must be all electric.
- Home must be installed by the manufacturer on lines served by one of EKPC's 16 owner-members.

PROGRAM DESCRIPTION:

Through the ESMH program, EKPC will pay incentives in the form of rebates for electrically heated manufactured homes that qualify for the ENERGY STAR® label as defined by the United States Environmental Protection Agency ("EPA"). ENERGY STAR® compliance requires the use of a combination of structural envelope and equipment measures that, in combination, result in performance that is significantly more energy efficient than comparable factory-built homes produced in accordance with the United States Department of Housing and Urban Development ("HUD") code.

An ENERGY STAR® certified manufactured home is equipped with the following features:

- Thermal envelope improvements
 - increased envelope insulation
 - improved duct insulation
 - tighter duct construction
 - higher efficiency windows
 - tighter envelope construction
- High efficiency equipment/control strategies
 - high efficiency heat pumps in place of standard electric resistance furnaces and air conditioning equipment
 - high efficiency domestic water heater
 - programmable thermostat

INCENTIVE AMOUNT:

An incentive of \$1,750 will be paid to the home manufacturer for each new ENERGY STAR® Certified home that is sold at retail to an end-use cooperative member (“end-use member”) of one of EKPC’s owner-members and equipped with a heat pump approved by Systems Building Research Alliance (“SBRA”). EKPC will pay the incentive to the home manufacturer per qualified home after demonstrated completion of the following items:

- Construction of the home with features that meet or exceed the provisions of the ENERGY STAR® Manufactured Homes program for manufactured homes along with all required documentation.
- Affixing the EPA ENERGY STAR® (blue) and SBRA Quality Assurance (gray) labels to the home (see Figure 1), signifying that the home is built in accordance with the program quality control procedures.
- Recording information about the home in the ENERGY STAR® *Information Manager*, SBRA’s proprietary web-based compliance tracking software.
- Installation of the home at the building site and completion of the ENERGY STAR® *Site Installation Checklist*. As part of this process, verifying the installation of the heat pump is required under the program. Service provided by the manufacturer’s certified installer.
- Signing of the Site Installation Checklist and the Quality Assurance label by an authorized agent of the manufacturer.
- Archiving documentation detailing the items above for inspection by SBRA and the plant’s ENERGY STAR® Certifier. (The Certifier will further verify compliance with these requirements by field testing a representative sample of homes built by the manufacturer.)

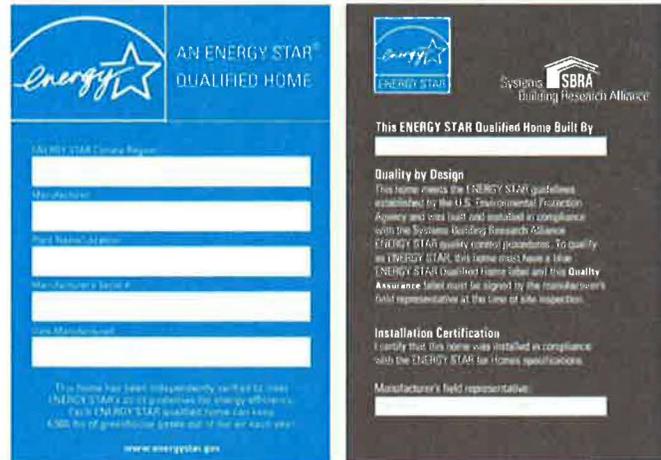


Figure 1. Labels for ENERGY STAR Manufactured Homes

QUALITY ASSURANCE:

Under a policy effective November 1, 2005, the EPA made manufactured housing plant certification, third-party plant Certifier oversight and field performance verification for ENERGY STAR® manufactured homes the responsibility of SBRA as the national Quality Assurance Provider (“QAP”). To assure quality at every step in the ENERGY STAR® process, SBRA has established a process that both leverages the quality control measures already in place for manufactured homes (the plant Design Approval Primary Inspection Agency (“DAPIA”) and In-Plant Plan Inspection Agency (“IPIA”) process discussed below) and has created a separate network of third-party agents called ENERGY STAR® Certifiers that function in a similar capacity as Home Energy Rating System (“HERS”) raters and providers. This four-tiered quality

control system—DAPIAs, IPIAs, Certifiers and SBRA—taken together assure that ENERGY STAR® manufactured homes consistently perform to expectations.

There are several overlapping and reinforcing procedures identified below that assure that the manufacturer that builds ENERGY STAR® homes is meeting or exceeding the requirements of the program.

- **DAPIA approvals of the ENERGY STAR package:** Under the HUD standards that regulate manufactured homes, every design must be approved by a third-party agent, called the DAPIA. Manufacturers develop ENERGY STAR® compliant packages that are incorporated into the DAPIA package and are thus covered under the umbrella of HUD enforcement. Therefore, failure to build the home as specified would be a violation of HUD regulations. Conformance of the design to the ENERGY STAR® requirements is verified by the ENERGY STAR® Certifiers.
- **IPIA approval during construction:** The HUD standards also require an in-plant inspection of all homes by another third party called an IPIA. The IPIA is responsible for verifying that the manufacturer is building the home in accordance with the DAPIA-approved plans. For ENERGY STAR® homes, the IPIA checks during the production process that the home is built with the required insulation, equipment, windows, controls and other features found on the approved plans.
- **ENERGY STAR Certifiers:** Separate and apart from the above process that leverages the existing inspection agencies, every manufacturer must have a third-party ENERGY STAR Certifier. The Certifiers are responsible to SBRA as the ENERGY STAR® QAP. SBRA requires these agents to have skills equivalent to HERS raters and be familiar with factory building practices. The actions of the manufactured home Plant Certifiers are governed by procedures stipulated by SBRA. The Certifiers provide a unique function and are on the front lines of assuring conformance to ENERGY STAR® requirements. The role of the Certifier includes the following:
 - Oversee the plant ENERGY STAR® qualification process.
 - Train plant production staff in ENERGY STAR® techniques.
 - Review and if acceptable, approve plant processes and the plant’s ENERGY STAR® -related documentation, including ENERGY STAR® qualified home designs, ENERGY STAR® Site Installation Checklist, Quality Control Manual and the Manufacturer’s Site Installation Manual.
 - After initial plant certification, conduct ongoing quality control inspection and testing of a representative sample of completed homes.
 - Participate in and contribute to periodic meetings of Certifiers conducted by SBRA regarding program quality control and oversight.

SBRA Oversight: As the national QAP, SBRA oversees the work of the Certifiers and routinely reviews quality control methods and approaches with the Certifiers.