For All Counties Served P.S.C. No. 1 First Revised Sheet No. 153 Cancelling P.S.C. No. 1 Original Sheet No. 153

BLUE GRASS ENERGY COOPERATIVE CORPORATION

Section DSM – 2

Touchstone Energy Home

Purpose

In an effort to improve new residential home energy performance, Blue Grass Energy has designed the Touchstone Energy Home Program. This program provides guidance during the building process to guarantee a home that is ≥ 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 home owners served by Blue Grass Energy.

Eligibility

To qualify as a Touchstone Energy Home under Blue Grass Energy's program, the participating single-family home must be located in the service territory of Blue Grass Energy 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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Program Guidelines

- Home must receive a HERS Index score of < 75 (At least 30% more efficient than the KY standard built home)
- Home must receive pre-drywall inspection and complete Blue Grass Energy's pre-drywall checklist (contact the Energy Advisor at Blue Grass Energy 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 ≥ 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 > current Energy and Water conservation standard established by the Federal DOE.

Incentive

Blue Grass Energy will provide a free energy rating using the Home Energy Rating System (HERS) to each qualifying participant that builds their new home to meet the requirements listed above. Any homes not able to meet the requirements listed above will be charged market value for the service provided. A HERS rating is valued at \$450 to \$750.

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Term

The program is an ongoing program.

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KENTUCKY PUBLIC SERVICE COMMISSION Gwen R. Pinson

Executive Director

Steven R. Punso

EFFECTIVE

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ISSUED BY: CHILL & CICL

TITLE: Vice President & CFO

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