Section DSM 10

Community Assistance Resources for Energy Savings Program

Purpose

Blue Grass Energy's Community Assistance Resources for Energy Savings ("CARES") program provides an incentive to enhance the weatherization and energy efficiency services provided to its retail members ("end-use member") by the Kentucky Community Action Agency ("CAA") network of not-for-profit community action agencies or by Kentucky's non-profit affordable housing organizations ("AHO"). On behalf of the end-use member, Blue Grass Energy will pass along an East Kentucky Power Cooperative, Inc. ("EKPC")-provided incentive to the CAA or AHO. Blue Grass Energy's program has two primary objectives. First, the EKPC-provided incentive, passed along by Blue Grass Energy to the CAA or AHO, will enable the CAA or AHO to accomplish additional energy efficiency improvements in each home. Second, this incentive will assist the CAA or AHO in weatherizing more homes.

Availability

This U.S. Department of Energy's Weatherization Assistance Program is available to end-use members who qualify for weatherization and energy efficiency services through their local CAA in all service territories served by Blue Grass Energy. November 2, 2025

Weatherization and energy efficiency services provided by Kentucky's AHO's are also available to retail members in all service territories served by Blue Grass Energy. KENTUCKY PUBLIC

SERVICE COMMISSION

Eligibility

AGENCY QUALIFICATIONS

CAA's and AHO's must be registered with the IRS as 501(c)(3) non-profit organizations and work to improve housing affordability for low to moderate income Kentuckians.

HOMEOWNER QUALIFICATIONS

A participant must be an end-use member of Blue Grass Energy.

A participant must qualify for weatherization and energy efficiency services according to the guidelines of either the U.S. Department of Energy's ("DOE") Weatherization Assistance Program administered by the local CAA or the AHO. Household income cannot exceed the designated poverty guidelines administered by the CAA or AHO. **KENTUCKY**

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ISSUED BY:

TITLE: President & CEO

PUBLIC SERVICE COMMISSION inda C. Bridwel

Executive Director

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For All Territory Served P.S.C. No. 1 First Revised Sheet No. 179 Cancelling P.S.C No. 1 First Original Sheet No. 179

BLUE GRASS ENERGY COOPERATIVE CORPORATION

• A participant must dwell in either a Heat Pump-Eligible Home or a Heat Pump-Ineligible Home. For purposes of this tariff:

A Heat Pump-Eligible Home is a single family or multi-family individually metered residential dwelling that utilizes electricity as the primary source of heat or that switches from wood as its primary source of heat to an electric furnace; and

A Heat Pump-Ineligible Home is a single family or multi-family individually metered residential dwelling (that does not utilize electricity as the primary source of heat but cools the home with central or window unit air conditioners). Each Heat Pump-ineligible home must also have an electric water heater and use an average of 500 kWh monthly from November to March.

CANCELLED

November 2, 2025

Payments

KENTUCKY PUBLIC HEAT PUMP ELIGIBLE HOMES SERVICE COMMISSION

Blue Grass Energy will pass along an EKPC-provided incentive to the CAA or AHO at the rates detailed below. The maximum incentive possible per household is \$2,000, which can be reached by using any combination of the following improvements not to exceed their individual maximums:

HEAT PUMP:

Upgrading from a low-efficiency electric heat source to a heat pump will be reimbursed at a rate of 100% of the total incremental cost (material + labor) up to a maximum of \$2,000 per household. Incremental cost is the additional cost of upgrading from a low-efficiency electric heat source to a heat pump above and beyond any costs associated with the electric furnace. The existing heat source must be electric (or switching from wood to electric) to qualify.

• WEATHERIZATION IMPROVEMENTS:

Any of the following weatherization improvements made to the home will be reimbursed at a rate of 50% of a CAA's or AHO's cost (material + labor), up to a maximum of \$1,000:

- o Insulation
- o Air sealing

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Executive Director

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For All Territory Served P.S.C. No. 1 First Revised Sheet No. 180 Cancelling P.S.C No. 1 First Original Sheet No. 180

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- Duct sealing, insulating, and repair
- Water heater blanket

Health and safety measures completed at the home do not qualify for the incentive and documentation required from a CAA or AHO must adhere to the program guidelines. Quality assurance sampling will be conducted by Blue Grass Energy at a rate of 10%.

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HEAT PUMP INELIGIBLE HOMES

Blue Grass Energy will pass along an EKPC-provided incentive to the CAA or AHO at the rates detailed below. The maximum incentive possible per household is \$750, which can be reached by using any combination of the following improvements not to exceed the maximum:

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WEATHERIZATION IMPROVEMENTS:

Any of the following weatherization improvements made to the home will be reimbursed at a rate of 25% of a CAA's or AHO's cost (material + labor) up to a maximum of \$750:

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- Insulation
- Air sealing
- Duct sealing, insulating, and repair
- Water heater blanket

Health and safety measures completed at the home do not qualify for the incentive and documentation required from a CAA or AHO must adhere to the program guidelines. Quality assurance sampling will be conducted by the owner-member at a rate of 10%.

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Term

The program is an ongoing program.

CANCELLED

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