

#### **MEMORANDUM**

TO:

**Member System CEOs** 

FROM:

Anthony S. Campbell Astronomy

DATE:

April 22, 2022

**SUBJECT:** 

**DSM Program Revisions** 

Today, EKPC filed with the Kentucky Public Service Commission ("PSC"), revisions to two DSM programs that are currently in effect. The proposed effective date for the tariff changes is May 22, 2022. 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 Community Assistance Resources for Energy Savings Program ("CARES") will no longer be restricted to only Community Action Agencies. The proposed revision will allow other 501(c)(3) organizations with affordable housing missions to participate in the program.
- The Button-Up Weatherization Program revision will add a standalone measure for sealing HVAC ducts in homes that heat with electricity.

You may examine this tariff filing at the offices of EKPC located at 4775 Lexington Road, Winchester, Kentucky. This tariff filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <a href="http://psc.ky.gov">http://psc.ky.gov</a>. Any comments regarding this tariff filing may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602.

The proposals contained in this notice are the items being proposed by EKPC, however, the Public Service Commission may order programs that differ from the proposed programs contained in this notice. Each of EKPC's owner-members is eligible for the proposed tariff revisions or deletions. The proposed tariff revisions or eliminations do not amend or revise existing rates of EKPC and do not include any proposed new rates for EKPC. Consequently, an analysis of the amount of change in dollars and percentage change or the effect upon an average bill for each customer classification is not provided.

A person may submit a timely written request for intervention to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602, 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 or mailing of the notice, the Commission may take final action on the tariff filing.

A Touchstone Energy Cooperative XIX

**CARES Program** 

## **DSM Program Changes**

## **Explanation CARES Program**

## Background

EKPC Community Assistance Resources for Energy Savings ("CARES") program provides an incentive to enhance the weatherization and energy efficiency services provided to the retail members of the Owner-Members of EKPC by the Kentucky Community Action Agency ("CAA") network of not-for-profit community action agencies. EKPC provides an incentive through the Owner-Member to the CAA on behalf of the retail member. EKPC's incentive enables the CAA to accomplish additional energy efficiency improvements in each home. The additional incentive from EKPC assists the CAA in weatherizing more homes.

## **Cost-effectiveness**

The CARES program remains cost-effective based on the most recent avoided electricity and natural gas costs that were used for EKPC's 2022 IRP filing.

The benefit-cost ratio for the CARES program using the TRC test is 1.15.

Please refer to the program assumptions sheet and cost-effectiveness summary sheet (attached) for more details.

#### **Tariff Changes**

The CARES program was originally designed to partner only with the CAA Network. However, EKPC has recently become aware of other 501(c)(3) nonprofit entities in the Owner-Members' service territories that are performing rehabilitation work on existing homes. These Affordable Housing organizations (*i.e.* Habitat for Humanity) are improving insulation, air sealing, and mechanicals at many of their job sites. The efforts they are putting forward align with the improvements EKPC requires in the CARES program. As a result, EKPC plans to alter the tariff so that any 501(c)(3) affordable housing organization in the Owner-Members' service territories can participate in this program.

The incentive structure and payments to the Owner-Member will remain the same. The total transfer payment amount can be up to \$2,700 per residence.

#### DSM for 2022 IRP

## **CARES Program (Low income)**

low income residential members by the Kentucky Community Action network of community action
15 years of participation Year 1 is 2022 agencies (CAAs). Heat pump eligible homes receive a new SEER 14 heat pump as well as weatherization measures. Other homes receive only weatherization measures.

EKPC provides an incentive to enhance the weatherization and energy efficiency services provided to its

Assumption	Source
Load Impacts Before Participant	
11,286 kWh, 8.81 kW (coincident with	HVAC loads for a typical heat pump in typical residence. Note: the program savings are based
winter system peak), 3.45 kW (summer),	on a mix of homes with different primary heating systems: electric furnace, wood, heat pump,
750 therms Savings: 4,495 kWh, 59 therms	and other non-electric heat. Plus gas furnace.
After Participant	MATORIA
6,791 kWh, 7.47 kW (coincident with	HVAC loads for a typical heat pump home reduced by 4,495 kWh. Savings estimate is a weighted average based on measure packages and baseline HVAC consumption of the
winter system peak), 2.79 kW (summer), 691 therms	different participation categories. Weighted gas savings of 59 therms.
I Hatima of aggings	15 years
Lifetime of savings Discount rate for TRC and RIM	5 percent per EKPC data, 3/14/21; 3.5 % societal test from Mercatus Center report
Generation Capacity Cost -PJM Market,	
100% summer \$36.50 per kW-year in	PJM capacity performance market March 2021, start year is 2022. Updated escalators to
2022 Avoided Electricity Energy Costs - PJM	match. 100% allocation to summer
Market, AEP-Dayton hub, \$30.31 /MWh	based on March 3, 2021 ACES Forward prices for AEP_Dayton hub. \$30.31 /MWh in
in 2022	2021. DSMore Scenario 2, 1.193 esc in 2022
Transmission Capacity Cost - OATT tariff	
\$ 24.31 per kW-year in 2022 Avoided Gas Commodity Costs - \$2.87	Network rate, 2020-21. 2.3 % escalation rate. Applied to winter coincident peak.
per Mcf in 2022	DSMore scenario 2. Based on Aces Henry Hub 3/2021 forecast.
Participant Costs \$ 867	This is the Kentucky Housing share of measure costs, modeled to calculate a true TRC
Administrative Cost	
EK \$21,250 fixed annual (2022-2036) 2%	
esc.	0.1 FTE for implementation admin, plus M&V, escalated at 2% to 2022
	This includes the rebate to the CAA (avg will be \$2,000) but since it does not go to the
Co-op \$2,106 per new participant	consumer it is treated as a program cost. Plus coop admin cost (\$106 per participant).
Rate Schedule - Retail	
Median Residential Rate for Co-ops	Current rates in effect as of February, 2020
Cust chrg \$15.00, Energy Rate \$.08532  Rate Schedule - Wholesale	
East Kentucky E-2 rate.	Current rates in effect as of February, 2020
Natural gas delivery rate is \$ 5.578 per	Current rates as of August 2021. From Columbia Gas of KY GSR rate. Sum of base rate
Mcf in 2018 (\$0.578 per ccf for DSMore units)	charge and gas cost demand. DSMore adds in the commodity portion using the market forecast.
<u> </u>	(VIOLANCE)
Participation - 2022-2036: 375. 0%	Based on hydrat allocation for \$ 2 million base case
Free Riders	Based on budget allocation for \$ 3 million base case
Rebates	State in talkation programs are participant out of pocket costs
Co-op to Participant \$0  EK to Co-op \$2.670	Direct installation program - no participant out of pocket costs  100% reimbursement of program costs plus 5 years net lost revenue
EN 10 C0-0p 32,070	Troo to relinivate entre of program costs place a years not lost revenue

## CARES program (Low income) for 2022 IRP: 15 years participation

Distribution Syster	n Benefits	Distribution System Costs	
Power Bill Declines Rebates From EK	\$ 17,011,193 \$12,356,928	Revenue Declines Administrative Costs Rebates Paid To Consumers	( <b>\$22</b> ,997, <b>088)</b> (\$9,746,701) \$0
Total Benefits	\$29,368,121	Total Costs	(\$32,743,788)
	Benefit / Cost I	Ratio: 0.90	

Participant Benefits		Participant Co	sts			
Electric Bill Declines	\$9,802,796 Up Front Investment		\$9,802,796 Up Front Investment	\$9,802,796 Up Front Investment	\$9,802,796 Up Front Investment	(\$2,621,197)
Rebates From Distribution System	\$					
Reductions in Gas bill	\$1,160,089					
Total Benefits	\$10,962,885	Total Costs	(\$2,621,197)			
r	Benefit / Cost	Ratio: 418				

Total Resource Benefits		Total Resource Costs		
Avoided Energy Costs Avoided Gen Capacity Costs Avoided Transmission Expense Reduced Nat Gas Costs	\$9,737,687 \$3,065,896 \$2,061,614 \$1,194,361	Up Front Customer Investment Distribution System Admin. Costs EK Administrative Costs	(\$4,012,531) (\$9,746,701) (\$262,257)	
Total Benefits	\$16,059,558	Total Costs	(\$14,021,488)	
	Benefit / Cost I	Ratio: 1.15	1	

EK Benefits		EK Costs	5
Avoided Energy Costs	\$9,737,687	Decrease In Revenue	(\$17,011,193)
Avoided Gen Capacity Costs	\$3,065,896	Rebates Paid	(\$12,356,928)
Avoided Transmission Expense	\$2,061,614	Administrative Costs	(\$262,257)
Total Benefits	\$14,865,197	Total Costs	(\$29,630,378)
	Benefit / Cost	Ratio: 0.50	

Societal Benefits		Societal Costs	
Avoided Energy Costs	\$12,012,363	Up Front Customer Investment	(\$4,411,882
Avoided Gen Capacity Costs	\$3,738,493	Utility Admin Costs	(\$11,005,110
Avoided Transmission Expense	\$2,495,959	·	
Environmental Externalities	\$0		
Reduced Gas Costs	\$ 1,466,075		
Total Benefits	\$19,712,890	Total Costs	(\$15,416,993)
	Benefit / Cost I	Ratio: 1 28	

Combined RIM: Benefits:

\$14,865,197

Costs:

(\$33,006,045)

Benefit / Cost Ratio: 0.45



## **DSM Program Changes Explanation**

## **Button-up Weatherization Program**

## **Background**

The Button-up Weatherization ("Button-up") Program is designed to incentivize members with poor energy-performing homes to improve the energy efficiency of the home's shell. The program's primary focus is on air sealing the shell of the home and improving ceiling insulation. Air-sealing actions reduce air infiltration by sealing air leaks in the shell walls, floors or ceiling. Electrical and plumbing protrusions as well as window and door seals are typical places where air leaks cause the home to lose heat in the winter. The incentive is paid based on heat loss reduction measured in British Thermal Units per hour ("BTUH"). Heat losses are reduced by lowering air leakage via improved air-sealing. The Button-up program is an important program to assist members with high bills caused by excessive heat loss. Air-sealing and improved ceiling insulation are the most cost-effective measures to improve home energy performance.

In 2021, EKPC resumed its working relationship with the Collaborative group. The Collaborative public-interest representatives requested that EKPC and its Owner-Members consider adding a measure for duct sealing to the existing button up tariff. Duct sealing targets the air sealing of ducts in existing homes that are located in un-heated spaces like attics or crawlspaces. The measure is cost-effective. Reducing the amount of duct leakage has a beneficial impact on the end user's energy costs.

#### Cost-effectiveness

The most recent energy efficiency potential study (GDS Associates, October 2021) identified duct sealing as a cost-effective measure. Across all housing types and heating technologies, the weighted average benefit-cost ratio for the duct sealing measure using the TRC test is 2.33.

Including the duct sealing measure in the program results in a TRC of 1.68 for the Button-up program.

These results are based on the avoided costs used in EKPC's 2022 IRP filing. Measure costs, savings, and savings lives are based on the October 2021 GDS study, which is included as an Exhibit in EKPC's 2022 IRP filing.

Please refer to the program assumptions sheet and cost-effectiveness summary sheet (included) for more details.

## **Tariff Changes**

The Button-up tariff is being changed to provide an incentive for duct sealing. Duct sealing is a standalone measure that is calculated differently than the performance-based Button-up incentive. End-use members who improve their duct leakage are eligible for a \$400 incentive per duct system.

The HVAC duct sealing portion of the Button-up program will pay a \$400 incentive to residential members (or their contractor) that meets the eligibility requirements for duct sealing listed above. EKPC will also pay the Owner-Member an administrative fee of \$100 and lost margins of \$150. EKPC will pay a total transfer payment of \$650.

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Button-Up Weatherization Program

15 years of participation Year 1 is 2022  Assumption  Load Impacts  Before Participant 10,500 kWh, 8.12 kW (coinc. with winter system peak), 2.47 kW (summer)  Savings: 2,253 kWh 1.74 kW (winter)	of a home. Measures are ceiling insulation, air sealing, and duct sealing. <u>Source</u>
0.53 kW (summer) After Participant 8,247 kWh, 6.38 kW (winter peak), 1.94 (summer peak)	GDS kWh savings for ceiling insulation, air sealing, & duct sealing, weighted by home type and electric heat technology
Lifetime of savings Discount rate for TRC and RIM Generation Capacity Cost -PJM Market,	20 Years weighted by measure kWh 5 percent per EKPC Data, 3/14/21; 3.5 % societal test from Mercatus Center report
100% summer \$36.50 per kW-year in 2022 Avoided Electricity Energy Costs - PJM	PJM capacity performance market March 2021, start year is 2022. Updated escalators to match. 100% allocation to summer
Market, AEP-Dayton hub, \$30.31 /MWh in 2022 Transmission Capacity Cost - OATT	based on March 3, 2021 ACES Forward prices for AEP_Dayton hub. \$30.31 /MWh in 2021. DSMore Scenario 2, 1.193 esc in 2022
tariff \$ 24.31 per kW-year in 2022 Participant Costs \$1,401	Network rate, 2020-21, 2.3 % escalation rate. Applied to winter coincident peak.  GDS measure costs, weighted
Administrative Cost EK \$5,400 per year (2012-2036), 2% escalation	Program admin estimate of \$4,300 provided by EKPC Marketing/Communications, October 2010 updated to 2021 (using PPI). Also includes \$0 advertising budget.
Co-op \$316 per new participant	Labor costs are \$116. (2 hours times \$58 per hour). Plus \$200 for pre and post blower door test.
Rate Schedule - Retail Median Residential Rate for Co-ops Cust chrg \$15.00, Energy Rate \$.08532 Rate Schedule - Wholesale	Current rates in effect as of February, 2020
East Kentucky E-2 rate.	Current rates in effect as of February, 2020
Participation - 2022-2036: 280 10% free riders	Based on budget allocation for the \$ 3 million base case. Free riders based on Frontier Assoc study for LG&E/KU
Rebates Co-op to Participant \$ 510	Based on tariff - \$40 per 1,000 BTUH design day heating loss reduction
EK to Co-op \$ 1,000	Reimburse for rebate, 50% of admin costs, plus compensation for net lost revenues.

# Button Up Weatherization program for 2022 IRP: 15 years of participation

Distribution System	Benefits Distribution System Cost		Costs
Power Bill Declines Rebates From EK	\$ 8,037,095 \$3,455,620	Revenue Declines Administrative Costs Rebates Paid To Consumers	(\$9,645,229) (\$1,091,976) (\$1,762,366)
Total Benefits	\$11,492,715	Total Costs	(\$12,499,571)
	Benefit / Cost I	Ratio: 0,92	1

Participant Benefits		Participant Costs	
Electric Bill Declines Rebates From Distribution Syst Reductions in O&M costs	\$4,069,672 terr \$ 1,151,271 \$0	Up Front Investment	(\$3,162,608)
Total Benefits	\$5,220,943	Total Costs	(\$3,162,608)
	Benefit / Cost	Ratio: 1.65	<b>-</b>

Total Resource Benefits		Total Resource Costs	
Avoided Energy Costs	\$4,849,388	Up Front Customer Investment	(\$4,357,192)
Avoided Gen Capacity Costs	\$2,118,078	Distribution System Admin. Costs	(\$1,091,976)
Avoided Transmission Expense	\$2,284,231	EK Administrative Costs	(\$66,644)
Reduced Customer O&M costs	\$0		
Total Benefits	\$9,251,697	Total Costs	(\$5,515,812
	Benefit / Cost	Ratio: 1.68	

EK Benefits		EK Costs	
Avoided Energy Costs	\$4,849,388	Decrease In Revenue	(\$8,037,095)
Avoided Gen Capacity Costs	\$2,118,078	Rebates Paid	(\$3,455,620)
Avoided Transmission Expense	\$2,284,231	Administrative Costs	(\$66,644)
Total Benefits	\$9,251,697	Total Costs	(\$11,559, <b>360)</b>
	Benefit / Cost	Ratio: 0.80	

Societal Benefits		Societal Costs	
Avoided Energy Costs Avoided Gen Capacity Costs Avoided Transmission Expense Environmental Externalities	\$6,217,477 \$2,668,252 \$2,854,563 \$0	Up Front Customer Investment Utility Admin Costs	(\$4,790,846) (\$1,273,933)
Total Benefits	\$11,740,292	Total Costs	(\$6,064,779)
	Benefit / Cost Ratio: 1.94		

Combined RIM:

Benefits: \$9,251,697 Costs: (\$12,566,215)

Benefit / Cost Ratio: 0.74

P.S.C. No. 35, First Revised Sheet No. 84 Canceling P.S.C. No. 35, Original Sheet No. 84

#### **DSM - 10**

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#### Community Assistance Resources for Energy Savings Program

### **Purpose**

EKPC Community Assistance Resources for Energy Savings ("CARES") program provides an incentive to enhance the weatherization and energy efficiency services provided to the retail members of the owner-members of EKPC 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"). EKPC will provide an incentive through the owner-member to the CAA or AHO on behalf of the retail member. EKPC's program has two (2) primary objectives. First, EKPC's incentive will enable the CAA or AHO to accomplish additional energy efficiency improvements in each home. Second, the additional incentive from EKPC will assist the CAA or AHO in weatherizing more homes.

#### Availability

This U.S. Department of Energy's Weatherization Assistance Program is available to retail members who qualify for weatherization and energy-efficiency services through their local CAA in all service territories of the owner-members of EKPC.

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Weatherization and energy efficiency services provided by Kentucky's AHO's are also available to retail members in all service territories of the owner-members of EKPC.

#### 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 a retail member of one of EKPC's owner-members.

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- A participant must qualify for weatherization and energy efficiency services according to the guidelines of either the 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.
- 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

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DATE EFFECTIVE:

Service rendered on or after May 22, 2022

ISSUED BY:

Anthony S. Campbell,

#### FOR ALL COUNTIES SERVED

P.S.C. No. 35, First Revised Sheet No. 85 Canceling P.S.C. No. 35, Original Sheet No. 85

## DSM - 10 (continued)

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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.

## **Payments**

#### **HEAT PUMP - ELIGIBLE HOMES**

EKPC will reimburse the owner-member for rebates paid to a 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 low-efficiency electric heat source to a heat pump will be reimbursed at a rate of one-hundred percent (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 fifty percent (50%) of a CAA's or AHO's cost (material + labor), up to a maximum of \$1,000:

- o Insulation
- o Air sealing
- o 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 ten percent (10%).

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Anthony S. Campbell,

P.S.C. No. 35, First Revised Sheet No. 86 Canceling P.S.C. No. 35, Original Sheet No. 86

## DSM - 10 (continued)

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#### **HEAT PUMP - INELIGIBLE HOMES**

EKPC will reimburse a CAA's or AHO's energy efficiency efforts through the owner-member 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:

#### • WEATHERIZATION IMPROVEMENTS:

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

- o 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 ten percent (10%).

## LOST REVENUE AND ADMINISTRATVE COSTS

The owner-member will receive a transfer payment of \$600 to cover lost revenue and \$100 to cover its T administrative cost.

<u>Term</u>

The program is an ongoing program.

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ISSUED BY:

Anthony S. Campbell,

#### FOR ALL COUNTIES SERVED

P.S.C. No. 35, Third Revised Sheet No. 62 Canceling P.S.C. No. 35, Second Revised Sheet No. 62

## DSM 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 by reducing the air leakage of their home or by sealing their HVAC duct system.

#### Availability

This program is available in all service territories of the owner-members of EKPC.

#### 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 owner-member representative must perform a "pre" and "post" blower door test to measure actual Btuh reduced.

The attic insulation portion of the Button Up incentive will promote the reduction of energy usage on the part of the retail member. 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.

The HVAC duct sealing portion of the Button up is a standalone measure that can be utilized to air seal HVAC duct systems located in un-heated spaces. Air sealing ducts with traditional mastic sealers is an effective way to lower energy costs.

- Limited to homes that have accessible centrally ducted heating systems in unconditioned areas.
- Initial duct leakage must be greater than 10cfm per 100ft2
- Contractor or owner-member Representative are required to conduct a "pre" and "post" blower door test to verify reductions. Only contractors trained or pre-approved by EKPC may be used.
- Duct leakage per system must be reduced to less than 8cfm per 100ft2 (Ex: Duct system serves 1200ft. 1200ft2/100= 12 x 8cfm= Duct Seal Target of 96cfm)

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**ISSUED BY:** 

Anthony S. Campbell,

## FOR ALL COUNTIES SERVED

P.S.C. No. 35, Second Revised Sheet No. 63 Canceling P.S.C. No. 35, First Revised Sheet No. 63

## DSM Button-Up Weatherization Program (continued)

 All joints in the duct system must be sealed with foil tape and duct mastic. Foil tape alone does not qualify as properly sealing the duct system.

For homes that have two or more separately ducted heat systems, each system will qualify independently for the incentive.

## **Payments**

The air sealing and ceiling insulation portion of the Button Up incentive will pay a total payment of \$70 per thousand Btuh reduced and the maximum rebate incentive up to \$750 (\$40 per thousand Btuh to the retail member and \$30 per thousand Btuh to the owner-member). EKPC will also pay the owner-member an administrative fee of \$230 and up to \$565 for lost margins. EKPC will pay up to a total transfer payment of \$1,545.

The HVAC duct sealing portion of the Button Up program will pay a \$400 incentive to residential members (or their contractor) that meets the eligibility requirements for duct sealing listed above. EKPC will also pay the owner-member an administrative fee of \$100 and lost margins of \$150. EKPC will pay a total transfer payment of \$650.

## <u>Term</u>

The program is an ongoing program.

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Anthony S. Campbell,