

Exhibit D – HVAC Check-Up Description

The memo is in support of the following Washington Wattsmart Business program changes for 2022:

Incentives – HVAC Check-up Incentives– Exhibit A-1, page 31		
Category	Description of Change	Reason for Change
Maintenance Agreement Thermostat Economizer Refrigerant Charge	Add incentive offering to the program	This incentive offering is developed to encourage customers to maintain existing rooftop units (RTUs) to optimize equipment efficiency and install energy saving measures on existing HVAC equipment. For additional information, refer to Exhibit D.

Overview

For small and mid-sized buildings, rooftop units (RTU) are the most important piece of equipment that customers never think about. RTUs control heating/cooling and help meet building code ventilation requirements. While an integral part of a facility, RTUs are often ignored for years until customers notice discomfort in their facility temperature, generally due to a failure or inefficiency of their equipment.

The Wattsmart Business program currently offers incentives for energy management and prescriptive replacement of HVAC equipment. Energy management can be cost prohibitive for some customers while prescriptive retrofit incentives are likely only utilized to replace failing equipment. RTUs that are proactively maintained can last years beyond the average equipment lifespan to save customers in electricity cost and equipment replacement cost. The purpose of HVAC Check-up is to encourage regular upkeep and maintenance of existing RTUs while helping to build a relationship between the customers, the contractors, and the utility program.

HVAC Check-Up will use local, trained, and certified HVAC service technicians to diagnose problems with the customers' RTUs and educate them about available remedies and energy upgrades. Each customer will receive a building assessment to discover any problems; the recommended fix; and estimated cost, savings, and amount of incentives available.

Targeted Customers

The HVAC Checkup offering will target any commercial customers with rooftop units.

The offering will only be available to customers with no existing HVAC maintenance agreement as the intent is to encourage proactive maintenance of existing equipment by customers who do not yet have regularly scheduled maintenance protocols.

The program plans to leverage the PUX, where the customers would have the option to request an assessment and be connected to an approved HVAC check-up contractor. Additionally, targeted postcard campaigns will be utilized to raise awareness about the offering to potential customers. Approved contractors may also be given tailored/co-branded marketing materials for customer outreach purpose as needed.

Trade Ally Delivery

Contractors interested in participating in the HVAC Check-Up will need to apply to participate, in addition to being in the Wattsmart Business Vendor Network. HVAC Check-Up incentives will only be offered through approved HVAC Check-Up vendors in the Wattsmart Business Vendor Network.

Measures

Contractors can offer the following HVAC Check-ups measures to Pacific Power customers.

Measure	Equipment Requirements	New Equipment Eligibility Requirements	Incentive
3-year Maintenance agreement	Existing RTU used for comfort cooling	3-year maintenance agreements only. Agreements must include a minimum of two system checks per year (heating and cooling seasons), one condenser coil cleaning per year, and a thermostat reprogramming and calibration.	\$75/RTU
Refrigerant Charge	Existing RTU used for comfort cooling	Must meet manufacturer specifications.	\$35/Ton RTU Capacity
Economizer Repair	Existing RTU used for comfort cooling	Must be fully functional.	\$150/RTU
Connected Thermostat	Replace existing non-connected thermostat	Connected thermostat must meet equipment eligibility criteria outlined by the Regional Technical Forum (RTF)	\$350/Thermostat

Savings and incremental costs will be deemed on a per cooling ton basis based on work from the Regional Technical Forum (RTF) and other Technical Reference Manual (TRM) where applicable. Please refer to Exhibit E – Wattsmart Business Regional Technical Forum Alignment Review.

Customer simple payback will vary based on equipment size.

	Estimated kWh Savings	Measure Life	Estimated Incr/Full Measure Cost	Proposed Incentive	Estimated Simple Payback ²
3-Year Maintenance Agreement	63 kWh/ton	3	\$19.51/ton ¹	\$75/RTU	2 years
Refrigerant Charge	11 kWh/ton	3	\$49.49/ton	\$35/ton	10 years
Economizer Repair	60 kWh/ton	3	\$90.96/ton	\$150/RTU	6 years
Connected Thermostat ²	47 – 501 kWh/ton	5	\$69.6/ton	\$350/Thermostat	1 – 8 years

1. First year cost only
2. Assuming \$0.11/kWh electric rate