

Northwest Ductless Heat Pump Project



Leveraging Utility Incentives and Loans

Presented by Selena Bell Heise, Dennis Rominger, Shelley Martin, DuWayne Dunham

Overview

- Why program incentives and loans
- Why utilities have different program requirements
- Utility profiles
 - Clark County PUD
 - Puget Sound Energy
 - Idaho Power
- Conclusion

Utility Incentive and Loan Programs

- Why efficient equipment incentives and loans?
 - reduce electricity usage
 - control energy demand
 - use power effectively and save on existing supply
 - efficiency programs often cost less than the construction and operation of building a new power generation site
- Contractors are key partners in achieving utility program goals!

Utility Programs Are Not All The Same

- Why
 - Goals
 - Risk
 - Budgets
 - Reporting and regulatory requirements
 - Territory specific situations (heating zone, demographics, housing characteristics)

Utility Profile: Clark County PUD

Loans

- Interest rate
- Requirements
- Process
- Customer education
- Availability

Utility Profile: Puget Sound Energy

Pre-Approval

- PSE Recommends Pre-Approval. The Pre-Approval Form is *PSE Homeowner Participation Form* - Found on www.nwductless.com. By a Contractor receiving program pre-approval, it ensures qualifications are met to participate in the program. Waiting for the pre-approval protects both the customer, the contractor, and the integrity of the pilot program.

Q: If a customer installs a Ductless Heat Pump, and they didn't get pre-approved, can they still receive a rebate under our program?

A. Getting the Homeowner Participation Form pre-approved is NOT a requirement of the program just highly recommended. We are trying to avoid a situation where the contractor gave an instant rebate or promised the customer a rebate only to find out after the install that they don't meet the qualifications.

Q: Why are we recommending pre-approval?

A. With this being a pilot program, there are many requirements in order for someone to become pre-approved. It is important that we are able to obtain the best possible data as we work to make this a permanent program for 2010 and beyond.

Q: What is the main reason customers are not pre-approved?

A. Customers are usually not approved due to the 1-year usage history requirement and for not using electric as their primary heating source.

Q: Is there a min. electrical consumption in order for someone to qualify for the Program?

A. No. Through the Homeowner Participation Form, contractor and customer acknowledge that they meet a number of qualifying factors under this program. A minimum consumption is not one of the criteria. However, we are still pulling electrical usage in order to verify that the contractor/customer is giving us correct information on the Form specifically that they use electric as their primary heating source

Utility Profile: Idaho Power

Contractor relationships

Essential!

Essential to the Utility Program's Success:

- Especially in regards to heating and cooling programs where contractors help sell the program
- There are more of you than the one of me – contractors can be great sources for marketing the utility incentive programs

Essential to the customer:

- product/service cannot be purchased/installed without you; you are the critical path to answer customers' specific questions: how much does it cost, which option is best for my home, etc.
- helping customer complete program paperwork

How can we work together so everyone wins?

Program design ensures win-win-win (customer-contractor-utility)

- WIN for utility:
 - Recognize the utility has certain parameters to work with when designing a program (regulatory, cost-effectiveness, etc.)
 - Utilities want great customer satisfaction
 - Also want good trade ally satisfaction and participation

Utility Profile: Idaho Power

WIN for contractor:

- Offering incentives on higher efficiency products/services (incentives to customers and contractors)
- Have listing of participating contractors – differentiate you from others
- Listing in program materials results in sales leads
- Provide program marketing; contractor sales sheets
- Co-op marketing (don't have it yet but hoping to add to our programs)
- Training (technical, business/sales)
- Third party credibility (don't endorse a contractor but close to it on program list)
- Programs should generate extra sales for participating contractors (higher efficiency equipment sales; better quality installations)=hopefully generate increased revenue

WIN for customer:

- Incentives
- Education on high efficiency products/services
- List of participating contractors

Communication (both ways and ongoing)

Feedback on program (design, marketing, etc. so utility can improve their offering over time)

Conclusion

Benefits to leveraging utility programs

- Cash incentives and rebates
- Customer referrals
- Consumer education and outreach
- Marketing materials and cooperative promotions
- Technical assistance
- Your customers will save money on energy cost for years to come
- Third party credibility from the utility