

4/5/2023

PROGRAM ADMINISTRATION

WASHINGTON

NON RESIDENTIAL ENERGY EFFICIENCY Program Year 2022

Program Description

The Non-Residential Energy Efficiency program is promoted to the Company's commercial, industrial and irrigation customers as Wattsmart Business.

The Wattsmart Business program¹ is intended to maximize the efficient use of electricity for new and existing non-residential customers through the installation of energy efficiency measures and energy management protocols. Qualifying measures are any measures which, when implemented in an eligible facility, result in verifiable electric energy efficiency improvements.

Services and incentives offered through the Wattsmart Business program include:

- Typical upgrades included in Incentive Lists: Incentives for listed lighting, HVAC, irrigation, and other equipment upgrades that increase electrical energy efficiency and exceed energy code requirements.
- Custom analysis: Offers energy analysis studies, services, and incentives for more complex projects.
- Energy Management: Provides expert facility and process analysis and incentives to help lower energy costs by optimizing customer's energy use.
- Enhanced incentives for small businesses: Provide enhanced incentives for lighting upgrades installed by an approved Wattsmart Small Business Contractor at an eligible existing small business customer facility.
- Midstream/Lighting Instant Incentive: Provides instant, point-of-purchase incentive for qualifying LED lamps sold through participating distributors. Customers purchasing lamps from non-participating suppliers can apply for incentives after purchase.
- Energy Project Manager Co-funding: Available to customers who commit to an annual goal of completing energy projects resulting in at least 1,000,000 kWh/year in energy savings.
- Project Financing: Pacific Power teamed with National Energy Improvement Fund, an energy efficiency project financing firm, to provide customers with access to third party financing options

¹ The current program brochure is available at

https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartBusiness_Brochure.pdf

Current program detail (in addition to the program tariff, Schedule 140) maintained on the Company website is available at https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartBusiness_Incentive_tables_information.pdf

Current program detail on Midstream/Lighting Instant Incentives is available at xxxxxxxxxxxxxxxx

for instances where funds for project implementation are not available from within the customer's organization.

Program Administration

The program includes several delivery channels, including Trade Ally, Small Business Enhanced Incentive Offer, Midstream/Lighting Instant Incentive, and Project Manager (managed account) delivery.

Trade Ally:

In this channel, the program is primarily marketed through local trade allies who receive support from one of two program administrators. The Company contracts with Resource Innovations, Inc.² ("RI", formerly Nexant) and Cascade Energy (Cascade) for trade ally coordination, training, application processing and project facilitation services for commercial measures and industrial/agricultural measures, respectively.

- Trade ally engagement – identify, recruit, train, support and assist trade allies to increase sales and installation of energy efficient equipment at qualifying business customer facilities.
- Incentive processing and administrative support – handle incoming inquiries as assigned, process incentive applications, develop and maintain simplified analysis tools and provide program design services, evaluation, and regulatory support upon request.
- Direct customer outreach and project facilitation for smaller customer projects.
- Inspections – verify on an on-going basis the installation of measures.

Small Business Enhanced Incentive Offer:

In this channel, the program is primarily marketed through local contractors/vendors approved specifically for this offer who receive support from the program administrator, RI. RI is responsible for the following:

- Management of approved contractors – identify, recruit, contract with, train, support, and assist contractors to increase sales and installation of energy efficient lighting equipment at qualifying small business customer facilities.
- Direct customer outreach.
- Incentive processing and administrative support – handle incoming inquiries as assigned, process incentive applications, develop and maintain simplified analysis tool and provide program design services, evaluation, and regulatory support upon request.
- Inspections – verify on an on-going basis the installation of measures.

² RI also delivers the Home Energy Savings program, allowing consolidation of some administrative functions and the residential and non-residential trade ally networks.



Midstream Lighting Incentive Offer:

In this channel, the program is primarily marketed through distributors approved specifically for this offer who receive support from the program administrator, RI. The program is also marketed through installation contractors, who also receive support from RI. RI is responsible for the following:

- Management of approved distributors – identify, recruit, contract with, train, support, and assist distributors to increase sales of energy efficient lighting equipment at qualifying business customer facilities.
- Incentive processing and administrative support – handle incoming inquiries as assigned, process incentive applications, and provide program design services, evaluation, and regulatory support upon request.
- Inspections – verify on an on-going basis the installation of measures at eligible customer facilities.

Project Manager (Managed Account Delivery)

In this channel, Cascade Energy, working with the Company's internal project manager, manages a subset of more complex projects. The team works directly with the customer or through the Company's regional business managers³ to identify projects and provide program services and incentives or refer project leads to the appropriate channel identified above.

³ Regional business managers are responsible for directly working with Washington commercial and industrial/ag customers.