

WN U-3

Canceling
Fifth Revision Sheet No. 301

SCHEDULE 301
LOW INCOME WEATHERIZATION INCENTIVE PROGRAM (T)

1. AVAILABILITY

This program is available to Department of Commerce approved Low Income Weatherization providers and other Low Income Agencies providing weatherization services (Agencies) to income-eligible residential dwellings served by Cascade Natural Gas Corporation. (T)

2. PROGRAM DESCRIPTION

This program is designed to increase energy efficiency in low-income households within Cascade's service territory by providing rebates to Agencies for the installation of approved energy efficiency measures in qualifying residential dwellings following the completion of a home energy evaluation performed by a qualifying Agency. (T)

3. ELIGIBILITY

In order to qualify for the Weatherization Incentive Program (WIP) and Enhanced Weatherization Incentive Program (E-WIP) benefits, the customer must be a residential customer of Cascade Natural Gas, must be certified as low-income by a qualified Low-Income Weatherization provider in Washington State, and must live in a dwelling where the primary heat source is fueled by natural gas. Combined WIP and E-WIP rebates shall fully fund the cost of qualified weatherization measures for customers. "Fully fund" does not prohibit the agency leveraging other funding sources, in combination with utility funds, to fund low-income conservation projects. (T)

In order to receive rebates for the installed cost of weatherization measures under E-WIP, the Agency delivering weatherization services must meet the requirements above and must also have in place a current, signed Memorandum of Understanding (MOU) with Cascade Natural Gas with individualized targets for the number of homes anticipated to be served by that Agency for the calendar year. This target shall be developed in coordination with the Agency and shall be adjusted on an annual basis. (T)

4. ENERGY EFFICIENCY MEASURES

The following measures qualify for rebate under both the WIP and E-WIP programs:

- Ceiling insulation
- Wall insulation
- Floor insulation
- Water heater insulation
- Duct sealing
- Duct insulation
- Infiltration reduction
- Low-flow faucet aerators
- Low-flow showerheads
- Natural gas furnaces (95% AFUE or greater)¹
- Furnace tune-up and filter replacement
- Direct vent space heater (90% AFUE or greater)
- Natural gas water heaters (0.91 EF or greater tankless)
- Natural gas water heaters (0.64 EF or greater storage)

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¹ Unless Department of Commerce specifications specifically recommend a lower efficiency unit, and documentation is provided to the Company to verify this is the case.

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Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

Fourth Revision Sheet No. 301-A

Canceling

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Third Revision Sheet No. 301-A

SCHEDULE 301

LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

4. ENERGY EFFICIENCY MEASURES (continued)

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These measures will qualify for a rebate payment to the Agency when: (a) the measures are identified as cost effective under the appropriate climate zone and housing type under the Washington State Department of Commerce Weatherization Priority List, or (b) each measure is identified as having a savings-to-investment ratio of 1.0 or higher according to the Agency's energy audit in the dwelling in which a measure is being installed, or (c) when it is cost-effective to do so using utility-specific avoided costs. Participating Agencies shall use TREAT energy modeling software when conducting audits. Agency shall provide a copy of TREAT or Priority List report along with its completed rebate application, and other documentation as specified on the Company's current rebate application form in order to qualify for incentives. The Company may consider exemptions to the 1.0 SIR requirement for individual measures, if such exemptions are consistent with provisions in the Department of Commerce Weatherization Manual, and the total weatherization project remains cost-effective. Such exemptions must be approved on an individual basis by the Company and its Conservation Advisory Group. Only Agencies with a demonstrated 12-month history of projects whose final costs have not exceeded 120% of anticipated costs shall be eligible for this exemption.

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5. REBATE CALCULATION & PAYMENT:

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Cascade will provide a rebate to participating Agencies for the installation of the measures listed above. The following formula will be used to calculate the rebate under the standard WIP:

Projected Annual Therm Savings of Measure(s) x 100% of the Avoided Cost per Therm

The WIP portion of the rebate will not exceed 100% of the Avoided cost of the annual therm savings.

The avoided cost per therm is based on the Company's most recently acknowledged Integrated Resource Plan.

Agencies participating in the E-WIP program shall receive a rebate payment in the amount of the total installed cost of the approved weatherization measure/s. Installed cost shall include associated repair work and health and safety improvements necessary to the installation of a qualified measure, provided advanced review and approval is provided to the Company prior to payment. Agency shall demonstrate total install costs by providing the Company with all requisite documentation including contractor invoices, where available, or an otherwise itemized list of work performed and cost incurred.

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Agencies will be provided reimbursement for actual project costs for homes treated under both the WIP and E-WIP programs. Expenses associated with project coordination will be funded up to a maximum program average of 20 percent of the total project cost as billed to the Company. An additional agency indirect-rate associated with the delivery of low-income conservation measures will be provided in the amount of 10 percent of the total project cost as billed to the Company. The total combined project coordination and indirect-rate provided by the Company to the Agencies shall not exceed 30% of total project cost as billed to the Company.

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CASCADE NATURAL GAS CORPORATION

First Revision Sheet No. 301-B

Canceling

WN U-3

Original Sheet No. 301-B

SCHEDULE 301
LOW INCOME WEATHERIZATION INCENTIVE PROGRAM

6. GENERAL PROVISIONS:

The low-income weatherization investment costs associated with this program will be accounted for and recovered through an annual deferral amortization or other accounting mechanism as required under the most recent conditions of the Company's Biennial Conservation Plan. Cascade shall retain existing cost recovery mechanisms, subject to the Commission's Order in Docket UG-152286, unless otherwise ordered by the Commission. All installations of weatherization must comply with all codes and permit requirements applicable in the state of Washington and must be properly inspected, if required, by appropriate agencies. The Company reserves the right to verify installation prior to payment of any rebates. Rebates are qualified for payment under the terms of the most recent rebate application form and are subject to update. Cascade, in conjunction with its Conservation Advisory group, and the agencies that deliver the low-income weatherization program, will develop and report annual savings goals based on projected annual completions. Agency spending will be monitored by the Company in conjunction with the CAG to ensure that proper fiscal management is taking place by those delivering the program. To the extent possible, these activities will be integrated with Cascade's existing biennial and annual conservation planning and reporting processes.

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