

➤ **Insulation & Air Sealing**

A. Description

The Insulation and Air Sealing Rebate product offers rebates for installing qualifying insulation and air sealing measures in existing single-family homes or properties with four units or fewer. Eligible customers must be those with a combination of residential electric and natural gas service, gas-only service, or electric-only service residences who heat with electricity and also have central air-conditioning.

The Insulation and Air Sealing Rebate product also offers rebates for installing qualifying cellular shade measures in existing single-family homes. Eligible customers must be those with a combination of residential electric and natural gas service with central AC, or electric-only who are electrically-heated or have central AC.

Public Service will rebate the following qualifying measures:

- Air sealing with a 20% reduction in air leakage based on blower door results;
- Attic insulation to a minimum R-value of 49 (where pre-improvement insulation is R-15 or less);
- Wall insulation to a minimum R-value of 13 (pre-improvement existing exterior wall cavities must be empty); and
- Cellular shades that are listed with the Attachments Energy Rating Council and certified with the following:
 - Warm Climate rating of at least 35
 - Cool Climate rating of at least 5

B. Forecasts, Participants & Budgets

Forecasts and Participants

Participation forecasts and rebate amounts are aligned with marketing and trade partner education plans to encourage participation from customers who will benefit from the product.

Budgets

Budgets for the insulation and air sealing measures are based on 2020 and 2021 product performance. The air sealing incremental costs include the costs to the customer for bypass attic air sealing, weatherization and envelope air leakage reduction, and additional costs of blower door testing. M&V costs are based on a percentage of the installations to ensure they meet quality installation standards and achieve the expected energy savings.

Budgets for the cellular shade measure are based on internal analysis and input from industry; rebates are the single largest expense component.

Typically, this product is promoted through the Company's website, communications to local area insulation and air sealing contractors, interior design contractors, community events and by the

Company's Consumer Education team. The product requires a minimal budget for promotion and marketing purposes. The Company has allocated some budget for contractor trainings and educational opportunities for the trade community.

C. Application Process

The Company must receive a completed rebate form and a copy of a dated invoice detailing the work performed. Applications will be reviewed and processed according to company policy and rebates are generally issued within eight weeks. The Company will issue the rebate directly to the customer, or an alternate rebate recipient if appropriately designated on the rebate application form.

For Insulation measures, participating trade partner companies must have a technician on staff that is currently certified in one of the following: BPI – Building Analyst, Envelope Professional, Residential Whole House Air Leakage Control Installer, Air Leakage Control Installer, Quality Control Inspector, Crew Leader or Energy Auditor certification. The Company reserves the right to expand the list of certifications accepted for contractor participation.

A technician's certification may not be used by another trade partner company to meet the product requirements. All contractor companies must register to participate in the product, which includes terms of the Company's trade partner agreement and meeting BPI requirements.

D. Marketing Objectives & Strategies

The Company will market the Insulation and Air Sealing product through a variety of channels such as the Home Energy Audit product, the Company's website, communication with participating contractors, and events. The Company may support the overall marketing strategy with email efforts, advertising, and social media. Historically, this strategy has been implemented during the key heating months of December, January, and February, and also during the summer months.

Additionally, the Company will incorporate communication activities to participating contractors to facilitate proper education of customers on the features and benefits of the product.

Finally, the Company may initiate cross-marketing efforts with our other natural gas rebate products. Other, emerging strategies may also be incorporated.

The Company is looking into ways to provide a more comprehensive experience for our residential customers that simplifies the process of installing capital intensive energy efficient equipment. This may include an end-to-end solution where the customer chooses from any, or all, of the following as applicable:

- Advice and analysis of the available equipment options
- Financing
- Enrollment in Demand Management products
- Assistance with choosing qualified contractors

- Enrollment in green programs and/or warranty services

E. Product-Specific Policies

For insulation measures, the customer must use a registered contractor. These contractors have agreed to the terms of the Company's trade partner agreement and met the requirements of the product. The cellular shades measure does not require customers to use a registered contractor.

Air sealing Natural Air Changes per Hour ("NACH") airflow reductions of at least 20% are required for each install, unless the home has a pre-improvement rating of 0.50 NACH or lower, based on the Company's calculation formula found on the rebate form. Pre and post blower door tests are required for these homes.

For homes that do not meet the .50 NACH but need less than a 20% reduction to achieve .50 NACH; participation in the insulation measure will be allowed and pre and post improvement blower door tests are required. These customers are not eligible for air sealing rebates.

For homes that achieve a pre-improvement rating of less than .50 NACH; participation in the insulation measure will be allowed, and the NACH reduction requirement and the post improvement blower door test will be waived. These customers are not eligible for air sealing rebates.

Combustion Appliance Zone ("CAZ") testing is required for all insulation measures.

Customer, or Do-It-Yourself, installations, as well as installations done by non-registered contractors do not qualify for rebates.

This product excludes new residential construction, new residential additions, insulation of doors, garages, sheds, workshops, below-grade walls, mobile homes, projects with pre-improvement R-values that exceed product minimums, and residential properties with more than four units. To qualify for a rebate, all insulation must be installed to the manufacturer's specifications and meet all state and local codes and federal regulations. All measures must follow industry-accepted practices. For areas being treated, where there is a risk of asbestos, or other hazardous materials becoming airborne, blower door diagnostic tests may not be performed. In these situations, the contractor is required to safely complete air sealing measures to the best of their abilities and note the invoice that the presence of a hazardous material prevented a blower door test from being completed. These customers will not be eligible for an air-sealing rebate.

The Company reserves the right to inspect installations before or after issuing a rebate. Rebates will not be issued if the same improvement has already been rebated through other Public Service rebate products. Customers are eligible for one rebate per calendar year.

F. Stakeholder Involvement

The quarterly DSM/BE Roundtable Meetings will provide a forum for stakeholder involvement and feedback regarding this product. The Company continues to conduct meetings with interested trade partners and stakeholders to improve and implement this product. The Company will continue to engage stakeholders for product feedback.

G. Rebates & Incentives

All insulation measures are rebated at 30% of project costs, up to the measure cap. Prescriptive rebates on cellular shades are 71% of incremental costs.