

Equity Incentive Layering Workshop

October 18, 2023



Agenda

1. Introductions

2. TECH Heat Pump Water Heater Overview

3. Breakout Groups Discussion



Energy Solutions Presenters



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TECH Heat Pump Water Heater Overview



TECH Heat Pump Water Heater Program Overview

- \$80.2 M additional incentives for Heat Pump Water Heaters (HPWH)
- Residential customers statewide, commercial customers in select territories
- Incentives active October 31, 2023 – end of 2025
- Incentives paid to contractors, passed through to customers (100%)
- Retrofit, not new construction
- New load shifting requirements
 - Customers: enroll in a demand response (DR) program and be on a time-of-use (TOU) rate.
 - Contractors: set up the HPWH to shift load off peak hours.



Eligible Heat Pump Water Heater Project Types

- **Residential Unitary:** Heat pump water heater serves a single dwelling. *Two types:*
 - Single Family Unitary (single family home or individually-owned unit in a larger property)
 - Multifamily Unitary (any property with two or more dwelling units)
- **Multifamily Central:** Any residential project with one central heat pump water heater system serving more than one household
- **Commercial Unitary:** One heat pump water heater serving one non-residential customer. *Two types:*
 - Small Business Unitary (projects use the same equipment as residential unitary)
 - Large Commercial Unitary (projects use a commercial heat pump water heater)

All types of multifamily projects as well as large commercial unitary projects require a reservation and proof of milestone before submitting the final incentive claim.

Heat Pump Water Heater Incentives

| Project Type | General Market or Equity | HPWH Incentive | Low-GWP Incentive* | ≥ 55 Gallon Capacity Incentive | Electrical Upgrade Incentive | Max Incentive |
|--------------------------|--------------------------|----------------|--------------------|--------------------------------|------------------------------|---------------------------------|
| Residential Unitary | General Market | \$3,100 | \$1,500 | \$700 | \$2,000** | \$7,300 |
| Residential Unitary | Equity | \$4,185 | \$1,500 | \$700 | \$4,000** | \$10,385 |
| Multifamily Central | General Market | \$900/kWh | \$200/kWh | N/A | N/A | \$300,000 per project |
| Multifamily Central | Equity | \$1,000/kWh | \$200/kWh | N/A | N/A | \$300,000 per project |
| Large Commercial Unitary | N/A | \$700/kWh | \$200/kWh | N/A | N/A | \$50,000 per project |
| Small Business Unitary | N/A | \$3,100 | \$1,500 | N/A | N/A | \$4,600 |

* Low GWP kicker incentive is for heat pump water heaters with a refrigerant with GWP of 150 or less. Other ratings cannot be used in place of GWP.

** For General Market customers, the Electrical Upgrade incentive is capped at 50% of eligible electrical costs.

*** For Equity customers, the \$4,000 incentive may cover a variety of other “pre-electrification” costs associated with a heat pump water heater installation.

Heat Pump Water Heater Electric Upgrades and Pre-Electrification Rules

Eligible Electric Upgrades

- Replace or upgrade main service panel (up to 200 amps)
- Relocate main service panel
- Install a smart load center
- Install a subpanel
- Behind the meter feeder upgrade
 - (Typically for multifamily apartments, this is the conductor located after the main disconnect switch/service equipment but before apartment panel/subpanel)
- Upgrade dwelling unit main disconnect

Eligible Pre-Electrification Costs (Equity Only)

- Relocate heat pump water heater
- Additional plumbing/electrical upgrades
- Venting
- Replace/repair/seal flooring, walls, or ceiling due to leakage or improper venting

*Electrical Upgrade incentives **can only be paid to contractors who completed the work under their license**, meaning the majority of electrical upgrade measures can only be pursued by contractors with a General B or C-10 license. Any incidental electric work downstream of the main panel which is also eligible for the electrical upgrade incentives could be pursued C20 or C36 contractors in accordance with CSLB guidelines.*

Heat Pump Water Heater Incentive Rules

- Thermostatic mixing valves are required on all installations and must be properly installed and calibrated
 - Thermostatic mixing valves must conform to ASSE 1017 (point of distribution)
 - Built-in thermostatic mixing valves may conform to UL 60730-1, ASSE 1082, or ASSE 1084
- Incentives available for all replacements types except heat pump water heater to heat pump water heater conversions
- For Residential Unitary projects, heat pump water heaters must be sized at a minimum to meet California Plumbing Code First Hour Rating

| | | | | | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Number of bathrooms | 1 to 1.5 | 1 to 1.5 | 1 to 1.5 | 2 to 2.5 | 2 to 2.5 | 2 to 2.5 | 2 to 2.5 | 3 to 3.5 | 3 to 3.5 | 3 to 3.5 | 3 to 3.5 |
| Number of bedrooms | 1 | 2 | 3 | 2 | 3 | 4 | 5 | 3 | 4 | 5 | 6 |
| First Hour Rating (gallons) | 38 | 49 | 49 | 49 | 62 | 62 | 74 | 62 | 74 | 74 | 74 |

Chapter 5, Table 501.1(2) in [2022 California Plumbing Code](#)



Equity Customer Requirements



Single-family:

- Live in single-family low-income residences
- Have household income which is ≤ 80 percent of the area median income (AMI) or ≤ 250 percent of federal poverty level (FPL) (whichever is less stringent)
- Also available customers who have participated in/are eligible for certain other programs that verify income



Multifamily:

- Deed-restricted low-income residential housing and is either:
 - Located in DAC
 - A building where at least 80 percent of the households have incomes at or below 60 percent of the AMI
- Also available to customers who have participated in/are eligible for the MASH or SOMAH

Incentive Application Coordination

Equity

* Does the customer qualify for the equity incentives?

Select...



* Equity Pre-Electrification Measures Included

Select...



* What is the method for income verification?

Select...



* Equity Pre-Electrification Costs

Only include costs associated with items selected, not including "other" unless approved.
If none, enter 0.

Additional Incentives

* Please list the name(s) of any other incentive programs being applied for.

If none, please put N/A.

* What is the total amount of other incentives being applied for?

If none, please put 0. Do not include BayREN Midstream nor 3CE's Incentives here.

* Please select the Quick Start Grant program associated with this project

Select...



If none, please select "None".

Questions?



Designated Applicant Overview

- Designated applicant refers to any 3rd party not involved with the appliance installation who is submitting (and in some cases receiving incentive) on behalf of the installation contractor
- Contractors can be represented by multiple designated applicants
- Designated applicants can either
 - Submit applications with the funds still going to the participating contractor **or**
 - Submit applications **and** receive the funds on behalf of then participating contractor
 - The agreement is per designated applicant/contractor meaning that designated applicant can function in both roles as needed

How to Enroll as a Designated Applicant

1. Submit the TECH Designated Applicant Agreement
2. Have the contractors you are supporting enroll in the program and note that they approve to be paired with you as the designation applicant

Relevant links to be shared in a follow-up

Incentive Claim Form – Designated Applicant View

Location and Program

Please enter information about the installation site location and choose the appropriate program.

*** Select Program**

Select...

Please select one

*** Pay To Branch**

Select...

Please select one

*** Street Address** **Address 2**

e.g. 123 Main e.g. Suite 321

*** City** *** State** *** Zip**

Five or nine digit zipcode

Continue

Discussion Portion – Breakout



Intros

- Name
- Organization
- Name of program
- Program structure (i.e. direct install vs measure-based)
- Do you have a heat pump water heater measure(s)?
 - If so, what is the cap and what can/can't it cover?
- To whom is the incentive paid?



Responsibilities and Education

- Would you be interested in signing up to participate in the program as a designated application on behalf of enrolled contractors?
- If not, can you ensure all your participating contractors receive the necessary information to fill out TECH heat pump water heater incentive claims correctly?



Incentive Layering

How would you prefer to layer with the TECH heat pump water heater incentive, and why?

Considerations:

- Maximize the amount from TECH Clean California?
- Fill in gaps to cover full project cost?
- Offer first-in amount to claim savings with TECH Clean California providing gap filling?



Income Verification

TECH Heat Pump Water Heater Needs:

- PDF or document uploaded to incentive claim form
- If PII involved, transferred securely
- No income details listed
- If your program is not either ≤ 80 percent of the area median income or ≤ 250 percent of federal poverty level, additional indication that customer has been specifically verified to be within those levels

Questions

- Would you be able to upload such a document, or provide contractors with such a document to upload?
- How much PII would your document contain and is there a secure way to get that to contractors if you're not a designated applicant?
- If the income qualification levels for your program are less stringent, is there a way for you to indicate on your acceptance documentation that the customer also qualifies at the income levels described above?
- Would you want to encourage past customers to participate? If so, would they have proof they could upload?



Thank You

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