

## **SCE&G Proposes New Energy Efficiency Programs** *Upon approval, implementation estimated to begin mid 2010*

In June 2009, SCE&G filed a portfolio of nine proposed Energy Efficiency programs with the South Carolina Office of Regulatory Staff and the Public Service Commission of South Carolina. Seven of the programs are geared toward residential customers, with the remaining two focused on commercial/industrial customers. The company expects a hearing regarding these proposed programs in early 2010. After a decision has been reached, implementation of approved programs will begin mid 2010.

### **Proposed Residential Programs**

Since March 2009, SCE&G has actively solicited input from customers and key stakeholder groups throughout South Carolina regarding the types of programs they would like to see implemented to help them save energy. The majority of the feedback the company has received falls into three general categories of interest for program consideration -- rebates/incentives, consumer education and in-home services. As shown in the table below, the programs that are specific to the residential market reflect that ongoing customer feedback.

<b>Program Name</b>	<b>Rebates/Incentives</b>	<b>Education</b>	<b>In-Home Services</b>
Benchmarking		✓	
Energy Information Display	✓	✓	✓
Energy Check-up/Home Performance Audit	✓	✓	✓
ENERGY STAR Lighting and Appliance	✓	✓	
New High Efficiency HVAC/Water Heater	✓	✓	✓
Existing HVAC Efficiency	✓	✓	✓
Residential ENERGY STAR New Homes	✓	✓	

#### **1. Residential Benchmarking**

This program will provide customers with detailed energy consumption benchmarks for monthly and annual energy use, along with recommendations on how to improve energy efficiency. The program will use data to identify a customer's "peer group" (e.g., homes with similar construction characteristics, of a similar age, in a similar sub-division and/or with similar occupancy patterns) to compare that customer's energy usage to the peer group. In addition, participating customers can receive periodic emails should their energy usage fall outside their benchmark range. The service will be provided at no cost to participating customers.

## **2. Residential Energy Information Display**

This program will provide customers with a discounted in-home display device (one per household) that helps monitor energy usage. The device will provide customers with key information to help them effectively manage their energy usage, including current price of energy (\$/kWh and/or \$/hour), cost of energy used this month, and where they stand relative to their personal energy budget.

Participating customers will be charged a one-time \$40 fee for the display (which has an estimated value of approximately \$150), of which \$20 will be refunded once the customer installs and registers the display and SCE&G can validate that it is accurately collecting information. This \$40 charge/\$20 refund will be waived for low-income customers. SCE&G will provide participants with information on how to use the device, and will follow up with a sample group to assess participant satisfaction.

## **3. Residential Home Energy Check-up and Home Performance Audit**

This program will offer two levels of home energy reviews: Tier 1) a quick home energy check-up; Tier 2) a comprehensive Home Performance audit. Through both, customers will be made aware of the energy efficiency programs and rebates offered by SCE&G, federal and state tax credits, and other known sources of funding and/or technical support.

The Tier 1 review, which effectively replaces SCE&G's existing residential energy assessment programs (Value Visit and In-Home Energy Consultation), will include a visual inspection of key energy-related facets of the home performed by SCE&G staff, as well as a direct installation of low-cost measures (e.g., compact fluorescent lights (CFLs), water heater wraps, and/or pipe insulation). Homeowners will be encouraged to follow-up with more comprehensive energy efficiency improvements, such as air and duct sealing or appliance retrofits. The Tier 1 assessment -- estimated to be a \$250 value -- is free to customers, provided they agree to a minimum number of installation measures. Customers declining the installation of the measures will be charged \$25.

The Tier 2 Audit is a comprehensive Home Performance Audit, performed by a qualified independent contractor. The audit is a whole-home inspection with diagnostic testing, typically including a blower door and duct blaster test, as well as the use of standardized energy auditing software. After the audit, the contractors review their findings with the homeowners and make recommendations for energy efficiency improvements. Homeowners may follow-up with a

variety of projects such as insulation, duct sealing and repair, high-efficiency HVAC systems, lighting, and appliances. SCE&G will provide incentives equal to approximately 15-25 percent of the cost of the recommended measures, up to \$1,500 per home (a higher cap and incentive level will be available for low income customers). The price of the Tier 2 Audit will be set by the participating independent contractors, but it is estimated that contractors will charge \$300-\$600 for the audit, with some contractors rolling the charge into the cost of any recommended improvements they are involved in implementing. SCE&G will provide program-related training to HVAC, remodeling, insulation and weatherization contractors as well as Home Energy Rating System (HERS) raters and other trade allies interested in offering home performance services to their customers.

#### **4. Residential ENERGY STAR Lighting and Appliances**

This program will offer opportunities to all residential customers to purchase a variety of ENERGY STAR qualified products through retail sales channels at discounted prices that reflect an incentive provided by SCE&G. SCE&G will also provide informational, educational, and point-of-purchase materials to increase customer awareness of ENERGY STAR qualified products. SCE&G customers will receive instant markdowns on qualifying products at participating retailers through the use of in-store coupons. Incentive levels, generally, will be between 25 and 75 percent of the incremental cost of the measure. The initial list of qualifying equipment includes:

- CFL bulbs (standard)
- CFL bulbs (specialty)
- CFL fixtures
- LED night lights
- LED task lights

#### **5. Residential New High Efficiency HVAC and Water Heater**

This program will provide incentives to eligible customers for the purchase and installation of high efficiency central air conditioners, heat pumps, and non- electric resistance storage water heaters in new construction or upon replacement in existing construction. The program will use a network of independent HVAC and plumbing contractors that are trained in program details.

***Typical incentives include:***

- Central AC system (minimum SEER 14) - \$300
- Air Source Heat Pump system (minimum SEER 14) - \$300
- Ground Source Heat Pump system (minimum EER 19) - \$300
- Non-electric Resistance Storage Water Heater - \$250

SCE&G will develop a schedule of specific incentives based on the tonnage and efficiency of the units. Upon submission of a qualifying incentive application, participants may elect to receive their incentive in the form of a check, or may choose to assign the incentive to their contractor.

**6. Residential Existing HVAC Efficiency**

This program will provide incentives to eligible customers to improve the efficiency of existing central air conditioner and heat pump systems through HVAC tune-ups, refrigerant charge and air flow correction, and duct sealing and insulation. SCE&G will use marketing and public relations to educate customers of the benefits of these opportunities and inform them how to participate in the program. The services will be delivered through a network of independent HVAC contractors that are trained in program details.

***Typical incentives include:***

- HVAC Tune-up - \$60
- Duct Insulation - \$150
- Duct Sealing - \$150

Upon submission of a qualifying incentive application, participants may elect to receive their incentive in the form of a check, or may choose to assign the incentive to their contractor.

**7. Residential ENERGY STAR New Homes**

This program will provide commercial builders with incentives to construct, market, and sell ENERGY STAR qualified homes, which are at least 15 percent more efficient than homes built to the 2004 International Residential Code (IRC) and often 20 to 30 percent more efficient than standard homes. The program will allow builders to recoup their costs and provide an opportunity to increase profits and homeowner satisfaction. The program also will provide

financial incentives to help offset the increased costs associated with incorporating more energy efficient features into new homes. Incentives will be paid to the builder/developer on a per-home basis and will initially be set as follows:

- ENERGY STAR Home
  - \$300 (Home Energy Rater System rating of 85)
  - \$450 (HERS rating of 80)
  - \$600 (HERS rating of 75)
- Additional Advanced Lighting Package (if not used to obtain HERS rating) \$100
- High efficiency electric or alternative fuel water heater (if not used to obtain HERS rating) \$250

## **Commercial and Industrial proposed programs**

### **1. Commercial & Industrial - Prescriptive**

This program will offer financial incentives according to a standard schedule of incentives and equipment efficiency and performance standards. Typical measures will include high efficiency lighting, lighting controls, motors, HVAC systems, and food service equipment. This program will provide incentives for an established list of common measures without requiring complex analysis or participation rules. Customers will submit incentive applications which will be subject to a quality control review to ensure all required forms and documentation have been submitted and that incentive calculations are correct.

### **2. Commercial & Industrial - Custom**

This program will provide calculated incentives (on a \$/kW and \$/kWh saved basis) to offset the cost of qualifying large energy efficiency projects. This program is focused on those technologies or customer applications that are not covered by the prescriptive program. Customers will apply for the program in advance of initiating any work. Based on the nature of the operations and the equipment to be replaced or purchased, SCE&G will validate potential energy savings and determine if an incentive is crucial in the customer's decision to make the improvements. If so, we'll calculate a custom incentive unique to each project.