

**SEWARD COUNTY PUBLIC POWER DISTRICT
CONSUMER SERVICES POLICY #16
ELECTRIC HEAT INCENTIVE**

I. OBJECTIVE:

- A. To provide the District's consumers with a cash incentive to offset installation charges for electric installations that will encourage off peak system electric load building.
- B. To increase the market share of electric space heating installations in both the residential and commercial markets.
- C. To better utilize SPPD's power costs. When new loads are added the fixed capacity costs for the total generating capacity are shared by more customers. New loads are therefore beneficial to the existing rate payers.
- D. To encourage wise use of energy and to conserve finite fuels.

II. CONDITIONS AND DEFINITIONS:

(All heat pump rebates will only be paid after the District receives a completed performance certification form (High Efficiency Heat Pump Verification) signed by the customer and HVAC vendor.)

Residential Electric Heat Incentive Program Guidelines

- A. All space heating equipment must be permanently installed. A mobile home must be on a permanent foundation.
- B. Duplexes and condominiums will be considered residential for purposes of incentive eligibility as long as each unit is individually metered.
- C. Rebates are paid to the owner of a residence after the equipment is installed, operating, verified by SPPD, and after certification is returned and completed by the vendor.

Rebates are available for new construction.

Rebates are eligible for conversion from fossil fuel existing heating installations to electric.

Rebates are eligible for upgrades from air source heat pumps (as long as the upgrade is to a minimum of 14 SEER and 8.2 HSPF) to air source replacement units. Upgrades also include the change out from an air source heat pump to a geothermal heat pump. Upgrades do not include the change out of an old geothermal unit to a new geothermal unit.

Incentives are not available for resistance heating.

- D. In those cases where combinations of two heat pumps are installed in the same house, the secondary payment must be submitted at the same time that the primary payment is submitted. Payment rate for a secondary unit is 50%.
- E. To be eligible for a space heating incentive, a cottage/cabin must be heated during the winter months of October through May.
- F. A house with fossil fuel furnace and an air conditioner is not eligible for an incentive payment.
- G. If electricity is the primary source of heat for a residence, the use of solar panels, wood stove or fireplace will not affect the eligibility for a space heating incentive payment.
- H. Any supplemental heaters for house additions are not eligible for incentive payments unless they are large enough for their own dedicated heating and cooling system.

Commercial Electric Heat Incentive Program Guidelines

- A. The District will participate in NPPD's Commercial Electric Heat Incentive Program. Rebates and terms of eligibility will be exactly according to NPPD's guidelines.
- B. Multi-family dwellings (apartments & condominiums) will be considered commercial if metered by a single master meter.

III. POLICY:

In accordance with the proceeding objectives effective at the date noted below it shall be the policy of the District that the following payment schedule will apply as outlined on Exhibit 1 and 2.

EXHIBIT 1 - Residential Heating

	AIR SOURCE HEAT PUMP **	GROUND SOURCE HEAT PUMP
14 SEER	\$200	
15 SEER	\$400	
16 SEER	\$500	\$600

** can include Add on Heat Pump as long as SEER is 14 and above

**EXHIBIT 2 - Commercial
Space Heating & Cooling**

TABLE OF ELIGIBLE EQUIPMENT

Equipment Type² (Split or Package)	Size (tons)	Minimum Cooling Efficiency³	Minimum Heating Efficiency³	Program Incentive
Air Conditioner (air cooled)	< 5.4	14.0 SEER	n/a	\$100
Air Conditioner (air cooled)	< 5.4	15.0 SEER	n/a	\$125
Air Conditioner (air cooled)	< 5.4	16.0 SEER	n/a	\$150
Air Conditioner (air cooled)	≥ 5.4 to < 11.3	11.3	n/a	\$20 x (EER - 10.3) x tons
Air Conditioner (air cooled)	≥ 11.3 to < 20	11.1	n/a	\$20 x (EER - 9.7) x tons
Air Conditioner (water cooled)	< 5.4	12.6	n/a	\$20 x (EER - 10) x tons
Air Conditioner (water cooled)	≥ 5.4 to < 11.3	12.1	n/a	\$20 x (EER - 10) x tons
Air Conditioner (water cooled)	≥ 11.3 to < 20	11.6	n/a	\$20 x (EER - 10) x tons
Air Source Heat Pump	< 5.4	14.0 SEER	8.2 HSPF	\$100
Air Source Heat Pump	< 5.4	15.0 SEER	8.2 HSPF	\$300
Air Source Heat Pump	≥ 5.4 to < 11.3	11.0	3.3 @ 47° F	\$25 x (EER - 10.1) x tons
Air Source Heat Pump	≥ 11.3 to < 20	11.0	3.2 @ 47° F	\$25 x (EER - 9.3) x tons
Water Source Heat Pump ¹	< 1.4	11.2 @ 86° F	4.2 @ 68° F	\$25 x (EER - 10.5) x tons
Water Source Heat Pump ¹	≥ 1.4 to < 20	12.0 @ 86° F	4.2 @ 68° F	\$25 x (EER - 10.5) x tons
Open Loop Ground Source HP ¹	≤ 20	16.2 @ 59° F	3.6 @ 50° F	[\$10 x (EER - 16) + 180] x tons
Open Loop Ground Source HP ¹	≤ 20	13.4 @ 77° F	3.1 @ 32° F	[\$20 x (EER - 14) + 180] x tons

¹Water Source Heat Pump typically refers to boiler/cooling tower applications; Open Loop Ground Source Heat Pump refers to pump and dump systems; Closed Loop Ground Source Pump typically refers to earth or pond coupled systems.

²Table implies new matched indoor and outdoor components. If different, contact your local utility.

³Equipment efficiencies to be rated at full load according to test procedures and conditions specified in ASHRAE Standard 90.1, AHRI/ISO 13256-1 and 13256-2. Unless noted otherwise, all cooling ratings are EERs, and all heating ratings are C.O.P.s.

There may be new equipment available on the market that does not meet the Minimum Cooling and/or Heating Efficiencies listed above. Check with your contractor prior to purchase. Send completed and signed application to your local electric utility office.

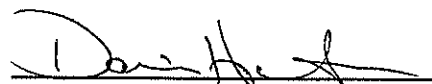
CONDITIONS FOR PAYMENT:

1. Eligible equipment must be installed permanently.
2. An allowance will be paid to the owner of the structure after the equipment is installed, operating and verified by SPCPD and certified by installer.
3. Fifty percent of the incentives shown will be paid for one additional furnace and heat pump unit in new or conversion installations.
4. Cooling efficiency upgrades are limited to meeting SEER minimums.

IV. RESPONSIBILITY:

- A. It shall be the responsibility of the Board of Directors for any change or revisions of this policy.
- B. It shall be the responsibility of the General Manager for the administration of this policy and for making recommendations on necessary or required changes.

Date Adopted: December 19, 1988
Date Revised: April 17, 1989
Date Revised: January 21, 1992
Date Revised: December 15, 1992
Date Revised: March 20, 1995
Date Revised: January 12, 1996
Date Revised: January 24, 1997
Date Revised: March 18, 1999
Date Revised: January 17, 2001
Date Revised: January 10, 2002
Date Revised: December 20, 2002
Date Revised: November 15, 2005
Date Revised: July 18, 2006
Date Revised: November 15, 2006
Date Revised: November 21, 2007
Date Revised: November 18, 2008
Date Revised: January 15, 2009
Date Revised: December 15, 2009
Date Revised: December 21, 2010
Date Revised: December 20, 2011


Secretary