

# Statewide Upstream & Midstream Heating, Ventilation & Air Conditioning Program “Comfortably California” Implementation Plan

## Contents

Program Overview.....	2
Program Budget & Savings .....	2
Program Name: .....	2
Program ID number: .....	2
Program Budget Table: .....	2
Program Gross/Net Impacts Table: .....	3
Program Cost Effectiveness (TRC): .....	3
Program Cost Effectiveness (PAC): .....	3
Type of Program: .....	3
Market Sector(s): .....	3
Program Type: .....	3
Market Channel(s) and Intervention Strategy: .....	3
Implementation Plan Narrative.....	4
Program Description: .....	4
Program Delivery and Customer Services: .....	4
Program Design and Best Practices: .....	6
Innovation: .....	6
Metrics: .....	7
For Programs claiming to-code savings: .....	8
Pilots: .....	9
Workforce Education and Training (WE&T): .....	9
Workforce Standards: .....	9
Disadvantaged Worker Plan: .....	9
Additional Information: .....	10
Supporting Documents .....	10
Program Manuals and Program Rules:.....	10
Program Theory and Program Logic Model: .....	11
Process Flow Chart: .....	12
Incentive Tables, Workpapers, Software Tools: .....	12
Quantitative Program Targets: .....	13
Diagram of Program: .....	14
Evaluation, Measurement & Verification (EM&V):.....	14
Normalized Metered Energy Consumption (NMEC):.....	15
Program Manuals.....	16
Eligible Measures or measure eligibility, if applicable: .....	16
Eligibility Requirements: .....	16
Contractor Eligibility Requirements: .....	18
Participating Contractors, Manufacturers, Retailers, Distributors, and Partners: .....	19
Additional Services:.....	19
Audits: .....	19
Program Quality Assurance Provisions: .....	19
Other Program Metrics: .....	19
Attached Supporting Documents: .....	21

## Program Overview

The Statewide Upstream and Midstream Heating, Ventilation & Air Conditioning Program (the “Program”), named Comfortably California is an upstream and midstream program that will offer HVAC measures including high-efficiency commercial unitary air conditioners, commercial heat pumps, commercial chillers, commercial space heating boilers, residential air conditioners, residential heat pumps, residential gas furnaces and residential gravity wall furnaces. The Program captures savings through the movement of incentivized deemed measures.

The current implementation agreement term is three (3) years with annual review processes and ongoing performance evaluation. The Program budget is \$36,974,312.24. The program NET savings goals are 60,235,134 kWh, 19,776 kW, and 1,728,244 therms. The Program will be offered consistently across IOU territories, and made available to all Distributors, Retailers and Manufacturers executing sales for installations in all IOU territories. San Diego Gas & Electric (SDG&E) has been named the lead IOU responsible for the administration of the Program.

## Program Budget & Savings

### 1. Program Name:

Statewide Upstream and Midstream Heating, Ventilation & Air Conditioning (HVAC) Program;  
Common program name is Comfortably California Program or Comfortably CA Program.

### 2. Program ID number:

SDGE-4125

### 3. Program Budget Table:

Cost Category Description	Program Budget (\$)				Percent of Total
	2021	2022	2023	Total	
Administration & Overhead	\$530,845.99	\$572,040.49	\$532,507.36	\$1,635,393.84	4%
Marketing & Outreach	\$596,403.07	\$303,743.21	\$226,582.94	\$1,126,729.22	3%
Direction Implementation—Non-Incentive	\$2,956,181.63	\$3,210,219.80	\$3,678,471.04	\$9,844,872.47	27%
Direction Implementation—Incentive	\$6,112,085.20	\$9,011,043.73	\$9,244,187.68	\$24,367,316.61	66%
<b>Total Implementation Budget</b>	<b>\$10,195,515.89</b>	<b>\$13,097,047.23</b>	<b>\$13,681,749.02</b>	<b>\$36,974,312.14</b>	<b>100%</b>

**4. Program Gross/Net Impacts Table:**

Comfortably California Goals	Program Year Totals			Total
	2021	2022	2023	
Gross Energy Savings (kWh)	29,880,558	30,688,928	32,186,300	92,755,786
Net Energy Savings (kWh)	19,410,554	19,918,576	20,906,004	60,235,134
Gross Energy Savings (Therms)	523,851	1,194,625	1,208,207	2,926,683
Net Energy Savings (Therms)	328,793	696,154	703,297	1,728,244
Gross Demand Reduction (kW)	10,027	9,994	10,429	30,450
Net Demand Reduction (kW)	6,515	6,487	6,774	19,776

**5. Program Cost Effectiveness (TRC):**

Comfortably California Goals	Program Year TRC Totals			TRC Average
	2021	2022	2023	
TRC	1.65	1.72	1.85	1.74

**6. Program Cost Effectiveness (PAC):**

Comfortably California Goals	Program Year PAC Totals			PAC Average
	2021	2022	2023	
PAC	2.97	3.02	3.19	3.06

**7. Type of Program:**

Third-party delivered

**8. Market Sector(s):**

Commercial and Residential

**9. Program Type:**

Resource

**10. Market Channel(s) and Intervention Strategy:**

Upstream, Midstream and Incentive. Intervention strategies, goals and timeline (short-, mid-, and long-term) are provided in the Program Logic Model. Intervention strategy is primarily Incentive, ancillary contractor training support services and technical assistance. Program Launch readiness will begin upon Notice to Proceed issued December 11<sup>th</sup>, 2020 with Program Launch expected in February 2021. Steady state implementation will occur through December 2023. Program goals are based on NET savings as indicated in the Program Gross/Net Impacts Table.

## Implementation Plan Narrative

### 11. Program Description:

The Statewide Upstream and Midstream Heating, Ventilation & Air Conditioning Program (“Program”), named Comfortably CA is an upstream and midstream program that will offer HVAC measures including high-efficiency commercial unitary air conditioners, commercial heat pumps, commercial chillers, commercial space heating boilers, residential air conditioners, residential heat pumps, residential gas furnaces and residential gravity wall furnaces. The Program will engage HVAC “Partners” (“Partners” are defined in the scope of work as distributors, manufacturers, or retailers) to offer incentives for the energy efficient heating and air conditioning equipment that will deliver cost-effective and reliable energy savings for California residents and businesses. The Program also offers training and marketing support to participating distributors and their contractors and dealers and offers education and training materials to end use customers. The program offers consistent products and support across Pacific Gas & Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas) territories.

The program follows the same general logic as earlier Upstream and Midstream programs in that it aims to influence the market through changes in stocking and selling practices at the retailer, distributor and manufacturer levels and thus influencing the end users and installation contractors. By promoting high-efficiency equipment, the program is designed to encourage manufacturers to develop California specific equipment and guidelines to further influence positive change in California. As with previous Upstream and Midstream models, there are great efficiencies in implementation to be leveraged by maintaining fewer, deeper participant relationships at the higher levels of the HVAC supply chain. The program actively recruits HVAC distributors and provides online rapid validation tools and secure online portals to ensure high levels of participation, security, and customer satisfaction. The Comfortably CA program is designed to adapt to market changes and retains flexibility in product offerings and incentive levels, and flexibility around product support, training curriculum and contractor and customer-facing education.

### 12. Program Delivery and Customer Services:

Program will execute the Partner recruiting strategy in coordination with the PA based on the following:

**Recruitment Approach:** Program’s Partner recruitment approach will be designed to be delivered uniformly throughout the four large Investor-Owned Utility service territories. Program will work with Partners to develop a procurement strategy that enables Partners to meet customer demand for qualifying high-efficiency units.

**HVAC Partners Network:** Program will engage a network of Manufacturers, Distributors and Retailers to deliver incentive-eligible equipment via the midstream channel to commercial and residential customers, statewide.

Program will target Distributors and Retailers serving the areas of California with the greatest sales potential for high-efficiency HVAC equipment, identified through Program’s prior statewide implementation experience, HARDI market data, and GIS analysis using NAICS data. Program will recruit distributors that are located within or have significant sales volume within an IOU service territory. Distributors and Retailers must have point-of-sale (POS) capabilities to meet program data tracking and reporting requirements.

**Super Representatives:** Program will engage Manufacturer “super representatives”, and design build firms to promote larger, more complex commercial measures (e.g., chillers, large package units, and built-up systems).

**Hard-to-Reach (HTR) Customers and Disadvantaged Communities (DACs):** Program will engage and recruit participating Distributors and Retailers that serve hard-to-reach (HTR) customers and disadvantaged communities (DACs). Program will also work closely with local contractors that serve HTR customers and DACs to raise awareness about Program benefits available for HTR customers and DACs.

Program will use the most current version of the CalEnviroScreen Tool (currently California Environmental Screen (CES) 3.0) to identify census blocks with percentile scores over 75 percent in an effort to serve DACs and will reference the following criteria to identify HTR customer populations according to the California Public Utilities Commission (CPUC) definition in D. 18-05-041<sup>1</sup>:

- Outside the metropolitan area (geography)
- Located in a DAC (geography)
- Non-English primary language
- Less than 10 employees (commercial)
- Very small commercial customer (< 20 kW or <10,000 therms)
- Leased/rented facility

The Comfortably California Program will support job access for Disadvantaged Workers by ensuring the Program has participating Distributors and Retailers that serve zip codes in the top 25 percent of the CalEnviroScreen Tool.

Program will also engage HTR customers and those in DACs through awareness-building channels. Program will develop messaging to convey the benefits of high-efficiency equipment in culturally appropriate terms for diverse communities.

Program will coordinate with community-based organizations (CBOs) serving HTR customers and DACs. Program will utilize CBO partnerships throughout the state to help with education and in-moment support for technology upgrades. Program will work with CBOs to provide education on the technologies and their benefits, especially the benefits of proactive replacement. Program will also provide CBOs product guides that can be updated with their own brand.

The Program’s California team includes Field Technicians, Account Managers, and Engineers to reach diverse communities.

**Stakeholder Training:** Program will train Distributor and Retailer staff to impart knowledge needed to navigate their organizational hierarchy as well as tools to motivate ongoing engagement. Program’s outreach staff will be trained by Program’s HVAC subject matter experts who have direct experience working in the HVAC and distribution industries. Program’s outreach staff will also be trained in professional sales principles including needs assessment, tactics for overcoming objections, and how to effectively communicate the value of Program participation.

Program will work closely with participating Distributors and Retailers to stock and promote sales of incentive-eligible equipment to contractors and to stock high-efficiency products.

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<sup>1</sup> D. 18-05-041, “Decision Addressing Energy Efficiency Business Plans,” (Application 17-01-013, et. al.), California Public Utilities Commission, Findings of Fact 14, May 31, 2018.

Program will provide in-store marketing materials to Distributors and Retailers that direct buyers to qualifying energy efficient products.

### **13. Program Design and Best Practices:**

The Program is designed to offer competitive incentives and supplemental trainings and support to create a valuable product for its participants. Incentives for deemed measures will be established using Incremental Measure Cost (IMC) and Full Measure Cost (FMC) as the cost basis. Program will ensure its incentive measure design is consistent with the best practice guidance presented in CPUC Decision-18-05-041, including the use of higher-value incentives to promote degrees of efficiency above code and supporting the market introduction of new products with higher degrees of efficiency and quality.<sup>2</sup>

Measures and Incentives will be reviewed and adjusted annually through a rigorous review process. This process will be used to evaluate measures and incentives based on market trends, savings changes, performance, and projections.

Program will pursue continuous improvements to promote complete Partner and customer satisfaction. Partner and customer feedback issues provided through surveys or received directly shall be tracked using the monthly reports, as well as completed complaint forms. This item shall also be incorporated into Program's Quality Assurance Plan. Program will have trained respondents on-call to rapidly respond to field issues, as needed. Program will also maintain a customer service log to track such Partner and customer calls and the service that was provided.

Program will work with Distributors to host Program trainings for contractors. Program will present contractors with sales tools, studies and market data that illustrate higher rates of customer satisfaction associated with more efficient equipment.

Program will also equip contractors with knowledge and program related materials to shift customers to a value-driven purchase process, building a business case through total cost of ownership calculations, non-energy benefits, and environmental and health impacts. Training will address HVAC requirements in compliance with applicable legislation (SB 1414, SB 350, SB 1383, AB 758 and AB 793). Program will also comply with local rules governing HVAC standards.

Programs will train contractors to offer a "good/better/best" solution to customers – with high EER models and fuel substitution options (as applicable), representing the "best". Program will support and facilitate trainings in collaboration with Partners and present at local industry organization's events to increase installation confidence and promote current installation and maintenance standards, including ANSI/ACCA 5, ASHRAE Standard 180, and ASHRAE 62.2. Program will target trainings to contractors who support a workforce that complies with D.18-10-008 workforce standards.

### **14. Innovation:**

The Program aims to influence manufacturers to adopt California specific product standards to aid in product selection. Campaigns that focus on marketing Energy Efficiency Ratio (EER) over Seasonal Energy Efficiency Ratio (SEER) are an example of how a simple innovative approach to product marketing and placement can positively influence the market over time.

Program will work directly with manufacturers to motivate the design of equipment for peak performance in California and support development of a testing standard that reflects the state's operating conditions. Program will conduct training focused on EER instead of SEER efficiency measurements to capture true

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<sup>2</sup> D. 18-05-041, page 18.

savings in the State's climate. Program will work with manufacturers, research laboratories, and industry groups to build a business case for developing a new performance test standard aligned with California operating conditions.

Program will provide Manufacturers with policy advocacy and engineering support during market launch of new products. Program will work directly with manufacturers to encourage the development of climate-specific products through lab testing and design consultation enabled through partnerships with the National Renewable Energy Laboratory (NREL); coordination and facilitation of manufacturer conversations with Air Conditioning, Heating and Refrigeration Institute (AHRI), assisted by state-specific insight and advocacy through Program's collaboration with the Emerging Technologies Coordinating Council.

Program will target marketing to encourage customers to install DR-enabling thermostats. Program will market Title 24-compliant control devices, including smart thermostats, alongside energy efficient HVAC systems to provide a natural complement to statewide IDSM efforts. In addition, Program will educate contractors on the benefits that energy management can have on assisting customers with minimizing their peak demands as an added value when installed with a premium HVAC system. Program will work with COMPANY to identify outreach and communication opportunities to encourage thermostat registration and customer enrollment in relevant DR programs. Program will continue to track DR program developments and eligible technologies to provide guidance to customers to the best fit DR programs.

## **15. Metrics:**

The table below identifies the Key Performance Indicators (KPIs) for the Program and describes how each KPI will be tracked. These KPIs will be the primary means of assessing the Program's performance on an ongoing basis with tracking of some KPIs on a semi-monthly basis but development of a KPI score (multiplier \* score) on a quarterly basis. Savings, Incentives and TRC metrics shall be derived from the quarterly CET. KPIs will be reviewed annually and updated based on changes to individual measure savings or CET inputs which will affect TRC.

The KPI ratings will be based on a 0 - 4 scale:

- 0: Unsatisfactory
- 1: Below expectations
- 2: Meeting Expectations
- 3: Exceeding Expectations
- 4: Greatly exceeding expectations

ID	Weight	Category	Description	Scoring	Continuous Monitoring Mechanisms
1	20%	<b>Program Performance:</b> kWh Savings (net lifecycle savings)	To date, % achieved of net kWh savings required under the Agreement split on an even pro rata basis	0: less than 60% 1: 60 – 79% 2: 80 – 100% 3: 101 – 120% 4: greater than 120%	EECP
2	10%	<b>Program Performance:</b> kW Savings (net lifecycle savings)	To date, % achieved of net kW savings required under the Agreement split on an even pro rata basis	0: less than 60% 1: 60 – 79% 2: 80 – 100% 3: 101 – 120 % 4: greater than 120%	EECP
3	15%	<b>Program Performance:</b> Therm Savings (net lifecycle savings)	To date, % achieved of net Therm savings required under the Agreement split on an even pro rata basis	0: less than 60% 1: 60 – 79% 2: 80 – 100% 3: 101 – 120% 4: greater than 120%	EECP
4	15%	<b>Program Performance:</b> TRC Ratio	Program’s TRC ratio based on measure installations and spend to date	0: less than 1.55 1: 1.56 – 1.64 2: 1.65 – 1.82 3: 1.83 – 1.92 4: greater than 1.93	CET Tool
5	10%	<b>Compliance:</b> Reporting Accuracy	Average % variance between the forecasted figures and actual figures for the reporting period (energy savings, expenditures, and accruals)	0: greater than 39% 1: 30 – 39% 2: 20 – 29% 3: 10 – 19% 4: less than 10%	Quarterly Report
6	10%	<b>Marketing:</b> Enrollment of Distributors	# of distributors enrolled in Program divided by # of distributors forecasted per the marketing plan	0: less than 70% 1: 71 – 80% 2: 81 – 90% 3: 91 – 95% 4: greater than 96%	Monthly Report
7	5%	<b>Distributor and Customer Satisfaction:</b> Survey Scoring	Average score of customer satisfaction surveys administered by Contractor (Assuming a 5 point scale where 5 is highly satisfied)	0: less than 2.9 1: 3.0 – 3.9 2: 4.0 – 4.5 3: 4.6 – 4.8 4: greater than 4.8	Quarterly Report
8	5%	<b>Distributor and Customer Satisfaction:</b> Complaints Received	# of complaints divided by # of distributors and customers participating in Program	0: 5% or higher 1: 4 – 4.9% 2: 2 – 3.9% 3: 1 – 1.9% 4: less than 1%	Quarterly Report
9	5%	<b>Compliance:</b> HTR/DAC Penetration	To date, % of achieved energy savings in HTR and/or DAC markets (average of kWh, kW, therms)	0: Less than 2% 1: 3 – 4% 2: 5 – 6% 3: 7 – 8% 4: Greater than 8%	Quarterly Report
10	5%	<b>Compliance:</b> Diverse Business Enterprise	To date, DBE spending as percent of total spend and DBE % commitment	0: less than 70% 1: 70 – 90% 2: 90 – 100% 3: 101 – 120% 4: greater than 120%	Quarterly Report

**16. For Programs claiming to-code savings:**

Not applicable.



## **17. Pilots:**

Not applicable.

## **18. Workforce Education and Training (WE&T):**

The Program will develop and provide at no cost HVAC contractor trainings to support promote the Program and further support WE&T efforts by encouraging contractors to attend trainings offered through other programs, and partnerships across California. The program will provide links to and information on current training, and work with institutions such as IHACI, NATE and others to encourage contractor development and expand and initiate partnerships with entities that do job training and placement. The Program will work with Energy Training Centers as able to help facilitate job connections.

## **19. Workforce Standards:**

Prescriptive workforce standards per D. 18-01-008 do not apply to upstream/ midstream programs.

For all Program HVAC projects and for each Program HVAC measure installed, modified, or maintained in a non-residential setting where the project is seeking an energy efficiency incentive of \$3,000 or more, the Program shall ensure that each worker or technician involved in the project meets at least one of the following criteria:

- Completed an accredited HVAC apprenticeship.
- Is enrolled in an accredited HVAC apprenticeship.
- Completed at least five years of work experience at the journey level according to the Department of Industrial Relations definition, Title 8, Section 205, of the California Code of Regulations, passed a practical and written HVAC system installation competency test, and received credentialed training specific to the installation of the technology being installed.
- Has a C-20 HVAC contractor license issued by the California Contractor's State Licensing Board.

This standard shall not apply where the incentive is paid to any manufacturer, distributor, or retailer of HVAC equipment, unless the manufacturer, distributor, or retailer installs or contracts for the installation of the equipment.

## **20. Disadvantaged Worker Plan:**

According to CPUC D.18-10-008, "Disadvantaged Worker" means "a worker that meets at least one of the following criteria: lives in a household where total income is below 50 percent of Area Median Income; is a recipient of public assistance; lacks a high school diploma or GED; has previous history of incarceration lasting one year or more following a conviction under the criminal justice system; is a custodial single parent; is chronically unemployed; has been aged out or emancipated from the foster care system; has limited English proficiency; or lives in a high unemployment ZIP code that is in the top 25 percent of only the unemployment indicator of the CalEnviroScreen Tool."

For purposes of reporting on Disadvantaged Workers, the Program's collection of personal information from individual workers beyond zip code shall be 1) strictly voluntary for the worker, 2) recorded in an anonymous manner, and 3) cannot be used as a reason to include or exclude workers from assignment to any projects funded as part of the energy efficiency business plans. When Program seeks information, it must be in a manner such that the workers do not feel compelled to provide any such personal information, particularly related to marital or parental status, involvement in the criminal justice system,

and/or involvement with the foster care system. The exception to these statements is in instances where background checks are required per the terms of this Agreement.

CPUC D. 18-10-008 does not specifically apply to this Program because it does not directly involve the installation, modification, repair, or maintenance of EE equipment; however, where possible, the program will work with industry partners both in these communities and that have relationships with these communities to target disadvantaged employees and share training opportunities. The program will also engage with properties that are located within disadvantaged communities. This strategy will help connect disadvantaged workers to projects through energy efficiency programs.

**21. Additional Information:**

Not Applicable.

## Supporting Documents

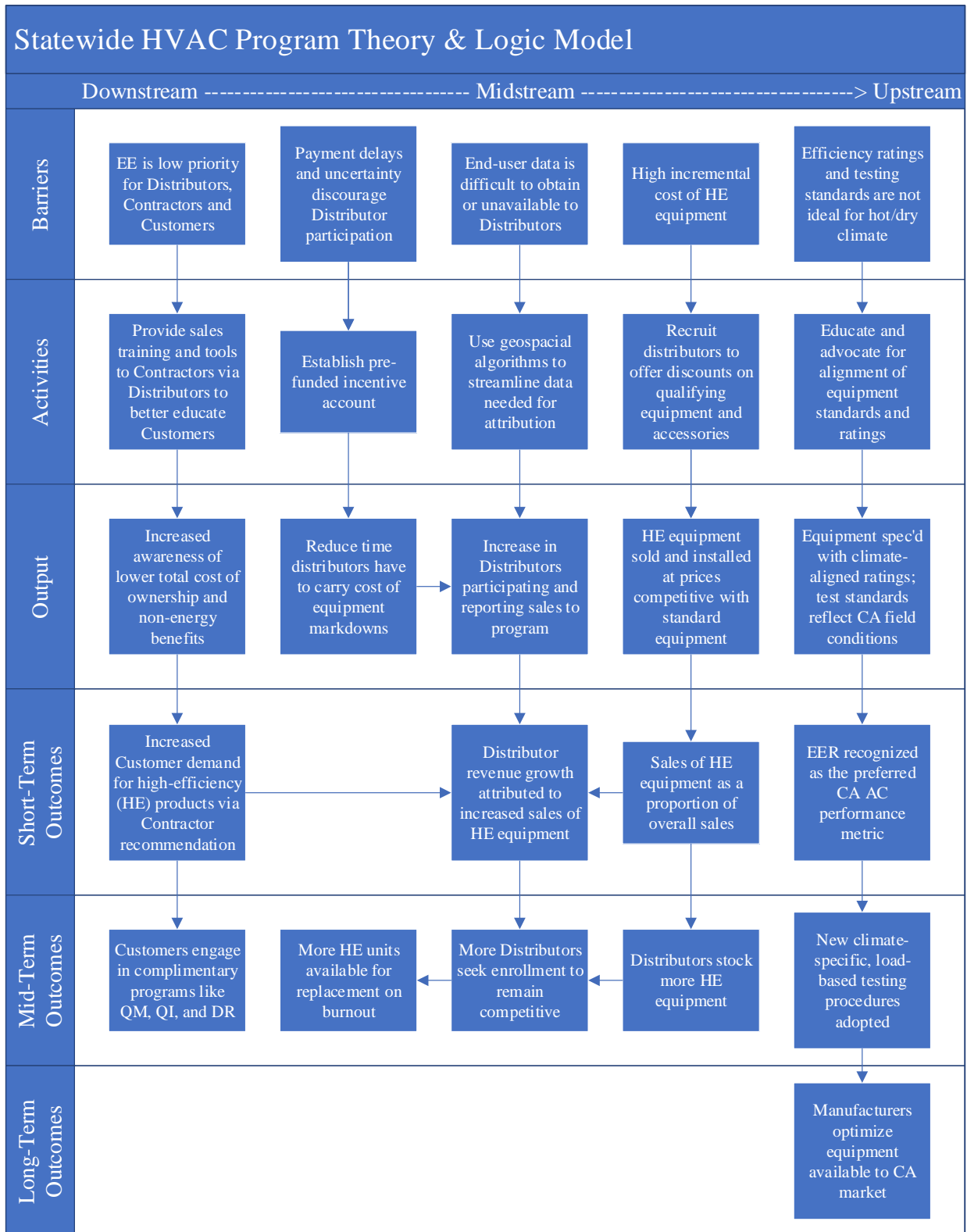
**22. Program Manuals and Program Rules:**

A short description of supporting materials is provided below. Greater detail is provided in the Comfortably California Distributor Handbook.

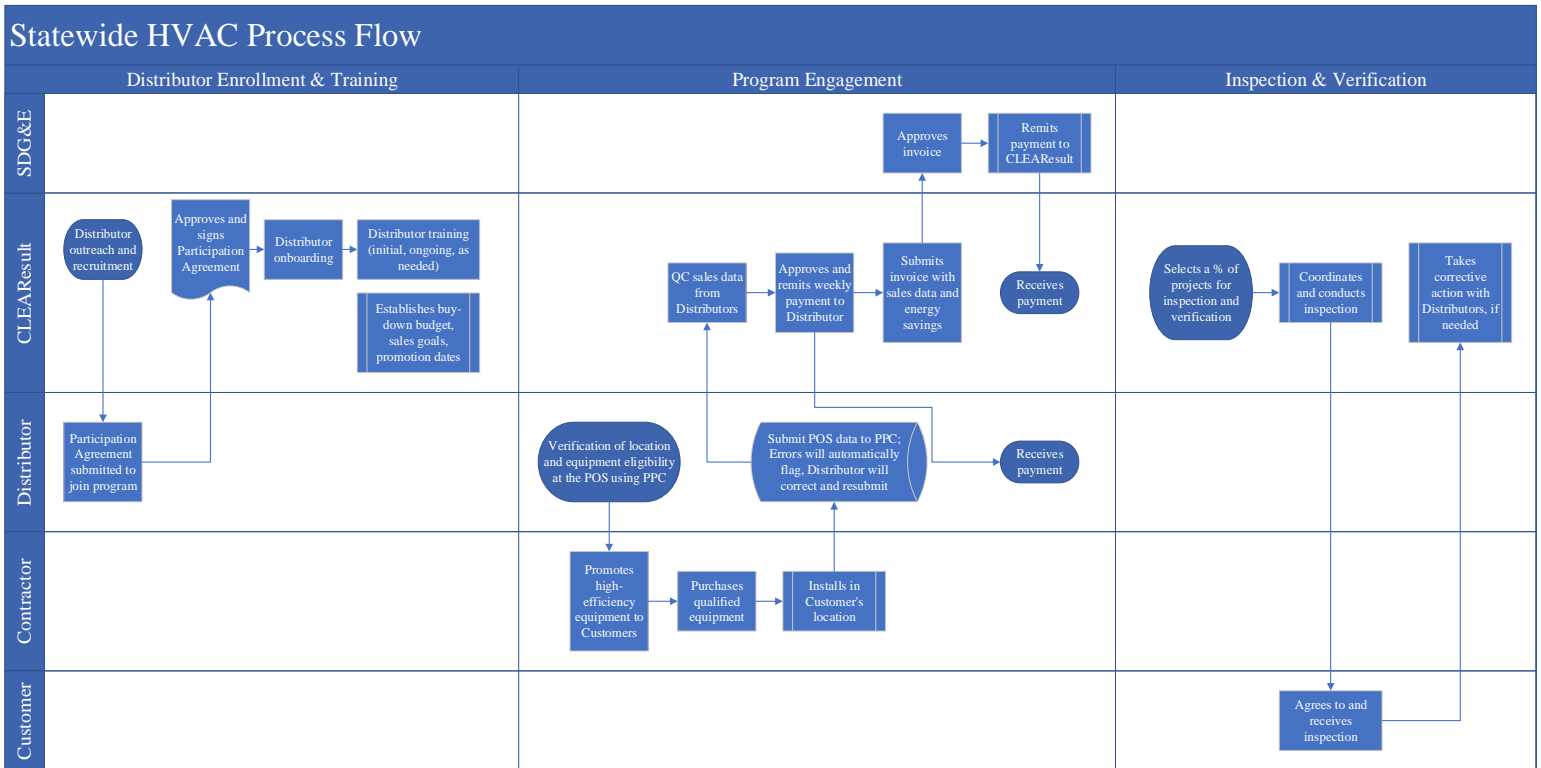
Supporting Materials Index:

#	Information Required	Short Description
1	Customer Eligibility Requirements	The program will offer rebates to distributors, retailers, and manufacturers for the sale of eligible products to IOU customers in eligible zip codes.
2	Distributor Eligibility Requirements	List of distributor eligibility requirements. The program will work with distributors to ensure all incentive eligibility requirements are met.
3	Distributor Handbook	A collection of resources for the distributor to be successful in selling HE equipment.
4	Eligible Measures & Requirements	Eligible measures rebated through the program will adhere contract eligibility requirements as agreed upon between SDG&E and CLEAResult. All savings will be transparent in supporting calculations. Measures will be evaluated annually.
6	Verification Guidelines	Post-installation verifications are required. Verifications will be conducted in a manner that aligns with statewide incentive eligibility requirements.
7	Additional Services	The program will offer sales training to both distributors and contractors. The program will also perform marketing to/engagement with contractors and manufacturers.

### 23. Program Theory and Program Logic Model:



## 24. Process Flow Chart:



## 25. Incentive Tables, Workpapers, Software Tools:

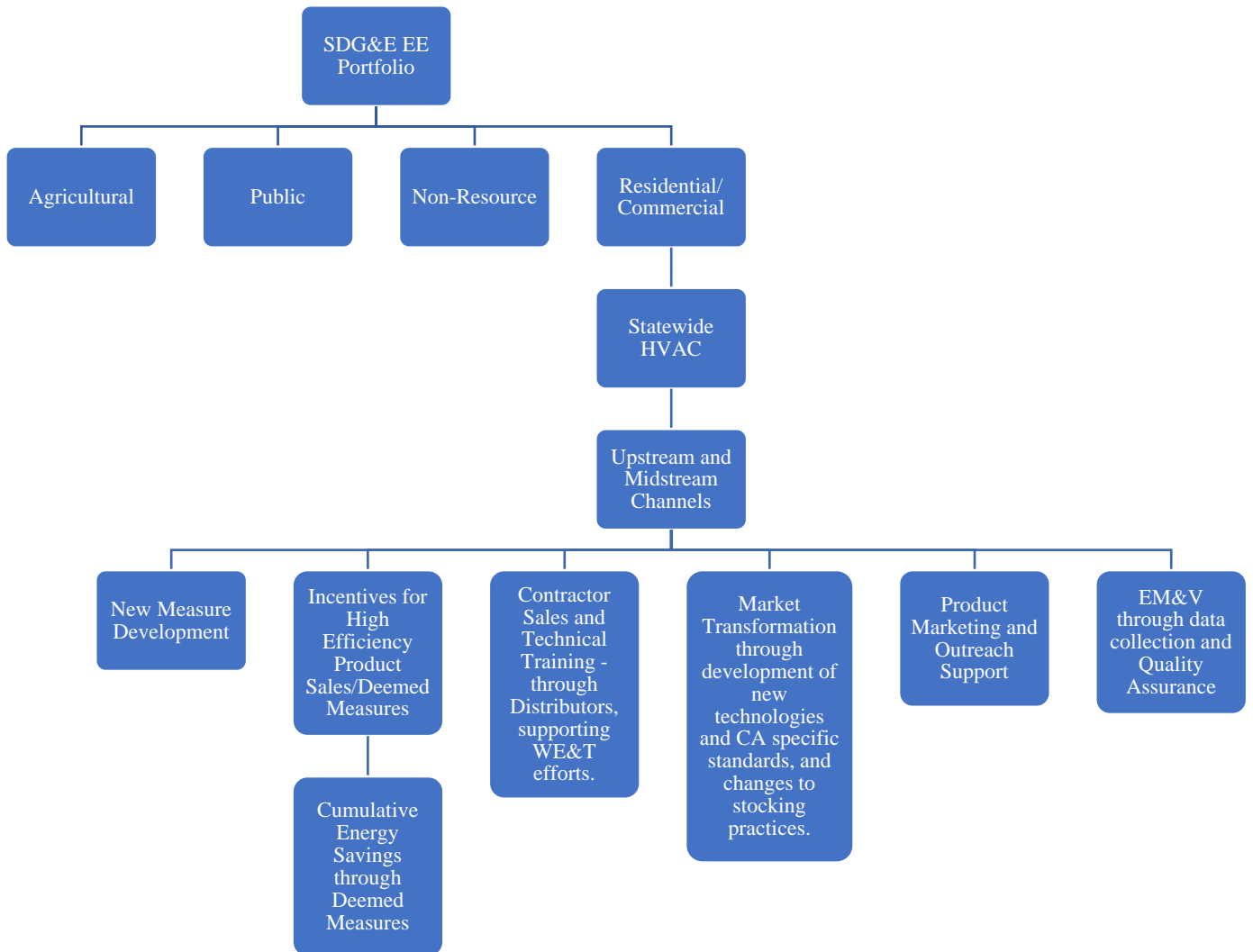
Measure Name	Delivery Type	Savings Source (Workpaper)	Incentive Unit and Amount
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 1	Midstream	SWHC013-01	\$15 per ton (Tier 1)
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 2			\$20 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 3			\$25 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 1	Midstream	SWHC013-01	\$15 per ton (Tier 1)
Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 2			\$20 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 1	Midstream	SWHC014-01	\$50 per ton (Tier 1)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 2			\$75 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 3			\$100 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 1	Midstream	SWHC014-01	\$50 per ton (Tier 1)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 2			\$75 per ton (Tier 2)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 3			\$100 per ton (Tier 3)
Residential Gravity Wall Furnace Tier 1	Midstream	SWHC001-01	\$45 per unit (Tier 1)
Residential Gravity Wall Furnace Tier 2			\$50 per unit (Tier 2)
Commercial Packaged Furnace with Variable Speed Motor	Midstream	SWHC011-01	\$0.30 per MBTU <sub>h</sub> (Input Rating)
Commercial Hot Water Boiler Tier 1 - Space Heating Only	Midstream	SWHC004-01	\$0.25 per MBH (Input Rating)
Commercial Hot Water Boiler Tier 2 - Space Heating Only			\$0.5 per MBH (Input Rating)
Commercial Steam Boiler Tier 1 - Space Heating Only	Midstream	SWHC004-01	\$0.25 per MBH (Input Rating)
Commercial Steam Boiler Tier 2 - Space Heating Only			\$0.5 per MBH (Input Rating)

Residential Air Conditioner Tier 1 - Split System Only Residential Air Conditioner Tier 2 - Split System Only Residential Air Conditioner Tier 3 - Split System Only	Midstream	SWHC049-01	\$50 per ton (Tier 1) \$75 per ton (Tier 2) \$100 per ton (Tier 3)
Residential Heat Pump Tier 1 - Split System Only Residential Heat Pump Tier 2 - Split System Only Residential Heat Pump Tier 3 - Split System Only Residential Heat Pump Tier 4 - Split System Only	Midstream	SWHC049-01	\$25 per ton (Tier 1) \$50 per ton (Tier 2) \$75 per ton (Tier 3) \$100 per ton (Tier 4)
Residential High Efficiency Furnace with Variable Speed Motor Tier 1 Residential High Efficiency Furnace with Variable Speed Motor Tier 2	Midstream	SWHC031-01	\$179 per household (Tier 1) \$313 per household (Tier 2)
Residential Smart Thermostat - Central AC and Gas Furnace Residential Smart Thermostat - Central Heat Pump	Midstream	SWHC039-03	\$50 per household \$50 per household
Air Cooled Constant Speed Screw Chiller Tier 1 - Space Cooling Only Air Cooled Constant Speed Screw Chiller Tier 2 - Space Cooling Only	Midstream	SWHC020-01	\$20 per ton (Tier 1) \$40 per ton (Tier 2)
Commercial Water-Cooled Centrifugal Chillers with Conventional VSD - Space Cooling Only	Midstream	SWHC005-01	\$10 per ton
Commercial Water-Cooled Screw Chillers - Space Cooling Only	Midstream	SWHC005-01	\$10 per ton

## 26. Quantitative Program Targets:

Comfortably California Goals	Program Year Totals			Total
	2021	2022	2023	
Gross Energy Savings (kWh)	29,880,558	30,688,928	32,186,300	92,755,786
Net Energy Savings (kWh)	19,410,554	19,918,576	20,906,004	60,235,134
Gross Energy Savings (Therms)	523,851	1,194,625	1,208,207	2,926,683
Net Energy Savings (Therms)	328,793	696,154	703,297	1,728,244
Gross Demand Reduction (kW)	10,027	9,994	10,429	30,450
Net Demand Reduction (kW)	6,515	6,487	6,774	19,776

**27. Diagram of Program:**



**28. Evaluation, Measurement & Verification (EM&V):**

Evaluation begins with enrollment, continues through program delivery and ongoing evaluation. There are three main areas of program influence that need to be measured to verify increased efficient equipment uptake. The three areas include upselling, stocking, and pricing.

During the enrollment phase the Program will survey each participating distributor regarding their business practices, with a focus on how they stock, promote and price equipment. Program will use this information to establish a baseline for the percentage of qualifying equipment stock, past sales activity, current product promotion, and the incremental price premium they place on higher efficiency units.

During program delivery Program will regularly survey manufacturers, distributors, and contractors to assess the program’s impact on the causal pathway of a product’s journey to the end-user. By monitoring the reported reasoning behind their decision-making and assessing the program’s relative influence. The Program will use this information to evaluate logic model assumptions and adjust interventions to adapt and optimize the program approach.

For large commercial equipment, where advanced project planning has occurred, and pre-installation documentation is available Program will collect documentation on equipment selection from the manufacturer representatives who are engaged with customers and engineering firms at initial project scoping. This engagement will ensure their project meets the efficiency standard required to claim an incentive. Large equipment incentive reservations may be considered to serve as documentation of influence.

During evaluation, surveys for distributors, contractors and select end-users will be used to collect data to determine impact on decision making, influence, upselling, stocking, and pricing resulting from the program. Distributor surveys will take priority and will be focused on program effect on stocking, pricing, discounting, and manufacturing. Contractor surveys will be focused on product availability, product selection, training effectiveness and purchase decision. Customer surveys will be focused on purchase decision, product performance, overall satisfaction, and installation.

Additionally, equipment installation and savings will be verified and reviewed by the Program via post-installation field inspections. The Program has made accommodations for “contactless” inspections and can conduct real-time, virtual visual inspections through a smart phone application. This platform for conducting inspections eliminates safety risks, and provides greater opportunities for ease of scheduling and customer convenience over traditional on-site inspection practices.

During the field inspection, following all necessary information will be collected to true-up the final ex-ante savings estimates:

- Equipment manufacturer
- Equipment model number
- Equipment Type
- Equipment serial number
- Configuration of system (split, package)
- System type (heat pump, gas/elec. combo)
- Refrigerant type
- Tonnage
- Electrical phase (1, 3)
- Presence of Economizer

**29. Normalized Metered Energy Consumption (NMEC):**

Not applicable.

## Program Manuals

### 30. Eligible Measures or measure eligibility, if applicable:

Measure Name	Delivery Type	Savings Source (Workpaper)	Incentive Unit and Amount
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 1 Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 2 Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 3	Midstream	SWHC013-01	\$15 per ton (Tier 1) \$20 per ton (Tier 2) \$25 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 1 Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 2	Midstream	SWHC013-01	\$15 per ton (Tier 1) \$20 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 1 Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 2 Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 3	Midstream	SWHC014-01	\$50 per ton (Tier 1) \$75 per ton (Tier 2) \$100 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 1 Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 2 Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 3	Midstream	SWHC014-01	\$50 per ton (Tier 1) \$75 per ton (Tier 2) \$100 per ton (Tier 3)
Residential Gravity Wall Furnace Tier 1 Residential Gravity Wall Furnace Tier 2	Midstream	SWHC001-01	\$45 per unit (Tier 1) \$50 per unit (Tier 2)
Commercial Packaged Furnace with Variable Speed Motor	Midstream	SWHC011-01	\$0.30 per MBTUh (Input Rating)
Commercial Hot Water Boiler Tier 1 - Space Heating Only Commercial Hot Water Boiler Tier 2 - Space Heating Only	Midstream	SWHC004-01	\$0.25 per MBH (Input Rating) \$0.5 per MBH (Input Rating)
Commercial Steam Boiler Tier 1 - Space Heating Only Commercial Steam Boiler Tier 2 - Space Heating Only	Midstream	SWHC004-01	\$0.25 per MBH (Input Rating) \$0.5 per MBH (Input Rating)
Residential Air Conditioner Tier 1 - Split System Only Residential Air Conditioner Tier 2 - Split System Only Residential Air Conditioner Tier 3 - Split System Only	Midstream	SWHC049-01	\$50 per ton (Tier 1) \$75 per ton (Tier 2) \$100 per ton (Tier 3)
Residential Heat Pump Tier 1 - Split System Only Residential Heat Pump Tier 2 - Split System Only Residential Heat Pump Tier 3 - Split System Only Residential Heat Pump Tier 4 - Split System Only	Midstream	SWHC049-01	\$25 per ton (Tier 1) \$50 per ton (Tier 2) \$75 per ton (Tier 3) \$100 per ton (Tier 4)
Residential High Efficiency Furnace with Variable Speed Motor Tier 1 Residential High Efficiency Furnace with Variable Speed Motor Tier 2	Midstream	SWHC031-01	\$179 per household (Tier 1) \$313 per household (Tier 2)
Residential Smart Thermostat - Central AC and Gas Furnace Residential Smart Thermostat - Central Heat Pump	Midstream	SWHC039-03	\$50 per household \$50 per household
Air Cooled Constant Speed Screw Chiller Tier 1 - Space Cooling Only Air Cooled Constant Speed Screw Chiller Tier 2 - Space Cooling Only	Midstream	SWHC020-01	\$20 per ton (Tier 1) \$40 per ton (Tier 2)
Commercial Water-Cooled Centrifugal Chillers with Conventional VSD - Space Cooling Only	Midstream	SWHC005-01	\$10 per ton
Commercial Water-Cooled Screw Chillers - Space Cooling Only	Midstream	SWHC005-01	\$10 per ton

### 31. Eligibility Requirements:

**Retailers and Manufacturer Eligibility Requirements:** All Promotion Agreements between Program and a Retailer or a Manufacturer shall include the following terms and conditions:



- a. Such Retailer and Manufacturer shall keep confidential, and shall not disclose to any third-party, any confidential Customer information related to the Program (including without limitation such Customer's names, addresses, other personal information, and billing account numbers).
- b. Any use of Company's or IOU's logo, trademark, trade name, service mark by such Retailer or Manufacturer in any materials or advertisement shall be subject to Company's or such IOU's prior review and approval.
- c. Company shall have the right to verify the purchase of the applicable Measure, which verification may include auditing such Retailer's or Manufacturer's books and records related to the Program including all sales invoices, data and receipts to the extent necessary to ensure compliance with the terms of the Program and the Promotion Agreement, and such Retailer or Manufacturer shall maintain such books and records for at least seven (7) years after the expiration or earlier termination of the Program.
- d. A release and indemnification from the Retailer and Manufacturer of Company and all IOUs from and against any and all claims, suits, proceeding, losses, liabilities, damages, costs, expenses, and fines arising from (i) any negligence or wrongful act or omission of such Retailer or Manufacturer or its officers, employees, agents, representatives, subcontractors, or affiliates in connection with its participation in the Program, (ii) sale of any defective Measure under the Program by such Retailer or Manufacturer, or (iii) any violation of law or breach of the Promotion Agreement by such Retailer or Manufacturer or its officers, employees, agents, representatives, subcontractors, or affiliates in connection with its participation in the Program; and
- e. Company and each IOU shall be a third-party beneficiary under the Promotion Agreement.

**Distributor Eligibility Requirements:** Each Distributor shall execute the Promotion Agreement in substantially the same form as the sample included in the Program Manual prior to and as a condition to such Distributor participating in the Program. Such Promotion Agreement shall include, at a minimum, the following:

- a. An acknowledgment from the Distributor that the Program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC.
- b. The right of Company and the CPUC to verify the purchase and/or installation of the applicable Measure, which verification may include conducting inspections of the Distributor's site, auditing Distributor's books and records to ensure compliance with the terms of the Program and the Promotion Agreement, and/or requesting that the Distributor provide any available information, books and records related to the purchase or installation of the applicable Measure.
- c. A requirement that the Distributor keep its books and records in respect of its participation in the Program for no less than seven (7) years after the expiration or earlier termination of the Program.
- d. A requirement that such Distributor shall keep confidential, and shall not disclose to any third party, any confidential Customer information related to the Program (including without limitation such Customer's names, addresses, other personal information, and billing account numbers).
- e. A release and indemnification from the Distributor of Company and all IOUs from and against any and all claims, suits, proceeding, losses, liabilities, damages, costs, expenses, and fines arising from (i) the Distributor's participation in, and activities in connection with, the Program, (ii) sale of any defective Measure under the Program by such Distributor, or (iii) the Distributor's

violation of any applicable law or breach of its obligations under the Promotion Agreement in connection with its participation in the Program

- f. An acknowledgment and agreement by the Distributor that it will not receive any incentives or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU customers for the same Program Measures.
- g. The right of Company and each IOU to review and approve any use of Company's (or such IOU's) logo, trademark, trade name, service mark by such Distributor in any materials or advertising prior to such use.
- h. A Program Notification form must be issued to purchaser at time of sale.
- i. A requirement that all purchasers of a Measure under the Program (whether a contractor, Customer, or otherwise) from the Distributor shall (A) be provided with a copy of the Program Notification, and (B) be required to provide a copy of the Program Notification to the Customer at whose site the applicable Measure will be installed (if the purchaser is not the Customer).
- j. Company and each IOU shall be a third-party beneficiary under the Promotion Agreement.

The sample Program Notification to be attached to the Promotion Agreement for each Distributor shall state that, by purchasing a Measures under the Program, the purchaser of such Measure agrees to the following terms and conditions:

- a. The purchaser acknowledges that the Program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC.
- b. Company and the CPUC have the right to verify the purchase and/or installation of the applicable Measure, which verification may include conducting inspections at the site where the applicable Measure is installed and/or requesting that purchaser provide any available information, books and records related to the purchase or installation of the applicable Measure.
- c. The Measure must be installed no later than three (3) months following the date of purchase and shall remain installed for at least five (5) years.
- d. The purchaser consents that any information related to the purchaser's participation in the Program, purchase of the Measure or use of the Measure may be shared with Company, any IOU and the CPUC.
- e. A disclaimer of any responsibility of any IOU in connection with the selection, purchase, ownership and use of Program Measures, and a release and indemnification of Company and all IOUs from and against any claims, suits, proceedings, losses, liabilities, damages, costs, expenses, and fines arising from the purchase, ownership, installation, use, alteration, repair, replacement, or maintenance of any Program Measure; and
- f. The purchaser will not receive any discounts, incentives, or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU customers for the same Program Measures.

### **32. Contractor Eligibility Requirements:**

Not applicable. Contractors and Sub-Contractors are not direct participants nor direct recipients of Program benefits; therefore, they are not subject to any Program eligibility requirements.

**33. Participating Contractors, Manufacturers, Retailers, Distributors, and Partners:**

This is a Midstream and Upstream program offering incentives to Distributors and Retailers for qualified products. Additionally, the Program will engage with Manufacturers and Contractors to influence the Customer’s choice of equipment, and to increase the stocking and promotion of high efficiency HVAC equipment.

**34. Additional Services:**

The Program will offer training and marketing support to contractors and dealers through its Partners. The Program representatives will act as subject matter experts for Energy Efficiency and Demand Response in California. The Program outreach staff will remain up to date on current programs across the state and actively guide Partners and Trade Allies to other programs the benefit their homes and businesses.

All Distributors must complete trainings on program criteria and goals, data collection requirements and the rebate claim process. Required Program trainings are detailed in the Comfortably California Distributor Handbook Training section.

**35. Audits:**

Not applicable.

**36. Program Quality Assurance Provisions:**

Refer to Attachment 6, Quality Assurance Plan.

**37. Other Program Metrics:**

The following table lists the expected outcomes shown in the program Logic Model and associated indicators and targets. Indicators describe how the outcomes will be measured and are categorized as “market transformation” (MTx), “energy efficiency” (EE), or “program effectiveness” (PE) indicators. Since the MTx objectives will not be reached within the program period, all references to MTx indicators are “market effects” that represent progress toward MTx. Key Performance Indicator (KPI) Targets are listed. Targets for KPIs will be identified in consultation with SDG&E and CLEAResult’s Program Team. Non-key indicators will be tracked for reporting purposes but will not have targets.

Expected Outcomes	Indicators	KPI Targets	Collection (Frequency and Party)	Reporting (Frequency and Party)
Short-term				
Increased customer demand for high efficiency (HE) products via contractor recommendation	Number of measures completed (disaggregated by type) (MTx)	N/A	Distributors collect and report in the PPC database	Monthly
Distributor revenue growth attributed to increased sales of premium equipment	US\$ value of incentive checks distributed (disaggregated by incentive type) (MTx) US\$ value of additional Contractor revenue generated by Program participation (beyond incentives) (MTx)	N/A	Database will track real-time	Monthly

Expected Outcomes	Indicators	KPI Targets	Collection (Frequency and Party)	Reporting (Frequency and Party)
Sales of HE equipment increase as a proportion of overall sales	Number of measures completed (disaggregated by type) (MTx)	N/A	As requested	As requested
Reduce time distributors have to carry cost of equipment markdowns	Turnaround time from sales submission in the PPC database to check cut date (PE)	N/A	As requested	As requested
Increase in distributors participating and reporting sales to program; More distributors seek enrollment to remain competitive	Distributor enrollment (PE)	# of distributors enrolled in Program divided by # of distributors forecasted per the marketing plan	Database will track real-time	Monthly
Positive participant experience in program	% of participants surveyed who indicate being satisfied (or more than satisfied) with quality of service provided by program, disaggregated by stakeholder (MTx and PE)	Average score of satisfaction surveys (assuming a 5-point scale where 5 is highly satisfied) # of complaints divided by # of distributors and customers participating in Program	Ongoing	Quarterly
Program is cost-effective	TRC Ratio (EE and PE)	Program's TRC ratio based on measure installations and spend to date	Quarterly CET run	Quarterly
Hard-to-Reach Customers and Disadvantaged Communities are targeted and engaged	HTR/DAC Penetration (PE)	% of achieved energy savings in HTR and/or DAC markets (average of kWh, kW, therms)	Database will track customer zip codes real-time	Quarterly
Program will primarily work with Diverse Business Enterprises	Program subcontractor and suppliers are primarily with DBE providers (PE)	DBE spending as percent of total spend and DBE % commitment	Ongoing spend tracking	Quarterly
Reporting will be accurate	Low variance between forecast and actual (PE)	Average % variance between the forecasted figures and actual figures for the reporting period (energy savings, expenditures and accruals)	Various for all KPI and expenditures	Quarterly
<b>Mid-term</b>				
Distributors stock more HE equipment; More HE units available for replacement on burnout	Distributor surveys indicate increased stock of HE equipment (MTx)	N/A	TBD	TBD

Expected Outcomes	Indicators	KPI Targets	Collection (Frequency and Party)	Reporting (Frequency and Party)
Increased awareness of lower total cost of ownership and nonenergy benefits	EE indicators: Annual gross kWh saved Annual gross kW saved Annual gross therms saved Non-EE indicators: Feedback from stakeholders indicate increased awareness	% achieved of net kWh/kW/therms savings required	Database will track real-time	EECP
Customers engage in complimentary programs like QM, QI and DR	% of customers that purchase a QM Maintenance Agreement (if program available) after their initial Service Agreement ends (MTx)	N/A	N/A	Tracking is outside of program scope
HE equipment sold & installed at prices competitive with standard equipment	Incentive amount compared to total equipment cost (MTx)	N/A	TBD	TBD
Opportunities provided for disadvantaged workers	Distributor surveys indicate increased opportunities (MTx) Rebates paid for measures in DAC zip codes (PE)	N/A	Ongoing	Annual
Distributor jobs created	Number of new jobs (FTE) created within HVAC businesses (MTx)	N/A	TBD	TBD

### Attached Supporting Documents:

- Distributor Handbook v123120
- Quality Assurance Plan
- Program Measures
- Measurement & Verification
- CLEAResult Program Promotion Agreement Template – Distributor\_SWHVAC\_121720
- Contractor Survey v123020
- Distributor Survey v123020
- Customer Survey v123020



Comfortably CA

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# Comfortably California Distributor Handbook

January 2021

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**PREPARED BY** CLEAResult

**PREPARED FOR** San Diego Gas & Electric (SDG&E)

## Document Revision Detail

Revision Summary	Section	Document Version
<b>Version 1.0</b>	Entire Manual	Initial Issuance

## Table of Contents

<b>Definitions</b> .....	<b>3</b>
<b>Program Overview</b> .....	<b>5</b>
<b>Partner Eligibility</b> .....	<b>5</b>
<b>Onboarding</b> .....	<b>7</b>
<b>Training</b> .....	<b>7</b>
<b>Eligible Products &amp; Rebates</b> .....	<b>8</b>
Rebate Product Eligibility Requirements .....	9
Program Restrictions .....	10
<b>Rebate Reimbursement Requirements</b> .....	<b>10</b>
<b>Rebate Reimbursement Request</b> .....	<b>11</b>
Submitting Rebate Sales Data .....	11
Sales Data & Rebate Processing Timeline .....	12
<b>Quality Assurance &amp; Quality Control (QA/QC) Plan</b> .....	<b>13</b>
Field Inspections .....	13
Stakeholder Survey .....	14
<b>Integrated Change Control (ICC)</b> .....	<b>14</b>
<b>Communication Plan</b> .....	<b>15</b>
<b>Requesting Assistance</b> .....	<b>16</b>

## Definitions

**Comfortably California program (the “program”):** The branded name of the distributor-based statewide HVAC program.

**Contractor:** Entity that works with Distributor to specify, procure, and install program measures at Customer addresses.

**Customer:** End-user. Any person or entity that pays an electric and/or gas bill to an IOU and that is the ultimate consumer of goods and services including energy efficiency products, services, or practices.

**Eligible Address:** A zip code in the program's service territory.

**Implementor:** CLEAResult Consulting Inc. (“CLEAResult”), the contractor retained to manage and deliver the program.

**Incentive or Rebate:** As used by SDG&E's energy efficiency programs, a variable financial payment made to the Distributor or Retailer upon the purchase of a qualified energy efficiency measure.

**Inspections:** An on-site or virtual visual examination to confirm the installation of energy efficiency measure(s) installed through program.

**Integrated Change Control (ICC):** The established process for considering and implementing changes to the program.

**Manufacturer:** An entity specializing in the production of energy efficiency products for the use or sale through the program.

**Measure:** Specific Customer actions which reduce or otherwise modify energy end use patterns; a product whose installation and operation at a Customer's premises results in a reduction in the Customer's on-site energy use, compared to what would have happened otherwise; the use of a new technology to replace or supplement an existing technology to reduce energy consumption through improved energy efficiency.

**Participating Distributor, Distributor, or Retailer:** An entity that sells energy efficient products to Contractors or Customers purchased directly from the Manufacturer or Supplier.

**Participation Agreement (PA):** The terms and conditions document distributors must agree to and sign to participate in the program.

**Partner:** A Distributor, Manufacturer, or Retailer organization that participates in the program. Each Partner shall execute a Promotion Agreement with Implementer in connection with the program.

**Product or Qualifying Product (Commercial):** Subject to change. Air Cooled Constant Speed Screw Chiller - Space Cooling Only, Hot Water Boiler - Space Heating Only, Packaged Furnace with Variable Speed Motor, Steam Boiler - Space Heating Only, Unitary Air-Cooled Air Conditioner < 65 kBtuh, Unitary Air-Cooled Air Conditioner Over 65 kBtuh, Unitary Air-Cooled Heat Pumps < 65 kBtuh, Unitary Air-Cooled Heat Pumps Over 65 kBtuh, Water-Cooled Centrifugal Chillers with Conventional VSD - Space Cooling Only, Water-Cooled Screw Chillers - Space Cooling Only

**Product or Qualifying Product (Residential):** Subject to change. Air Conditioner - Split System Only, Gravity Wall Furnace, Heat Pumps - Split System Only, High Efficiency Furnace with Variable Speed Motor, Smart Thermostat - Central AC and Gas Furnace, Smart Thermostat - Central Heat Pump.

**Program Partner Central (PPC):** A web-based tool for Distributors to support Customer and product eligibility verification, sales upload and submittals, and payment tracking; and serves as a repository of related program documentation.

**Program Period:** The period beginning on [launch date] and continuing through December 31, 2021, unless ended earlier pursuant to the terms of the Participation Agreement. Only qualifying Products sold during the program Period for installation at qualifying Customers' facilities will be eligible for Rebates.

**Qualified Product List (QPL):** List of eligible products.

**Quality Assurance (QA):** The policies, procedures, rules, and processes all stakeholders are required to follow to participate in the program.

**Quality Control (QC):** The established processes for verifying or ensuring quality assurance policies are followed.

**Rebate Reimbursement:** The payment of program rebates to Participating Distributors.

**Utility:** San Diego Gas & Electric Company (SDG&E)



Dear Participating Distributor,

Thank you for being a vital part of the Comfortably California program. This program is funded by California utility Customers and administered by San Diego Gas & Electric (SDG&E) under the auspices of the California Public Utilities Commission (CPUC), through a contract awarded to CLEAResult Consulting Inc. A variety of utility programs help utility Customers reduce their energy consumption and save money. This program helps commercial and residential Customers upgrade to energy-efficient Heating, Ventilation, and Air Conditioning (HVAC) products. By increasing the availability and reducing the cost of eligible energy-efficient HVAC products, the program can help you improve profit margins, increase sales, grow your business, and enhance your reputation as a local resource for energy-saving solutions.

Program implementation is managed by CLEAResult Consulting, Inc. (“CLEAResult”), a leading energy management and sustainability firm that serves utility clients and partners with businesses and trade allies nationwide to deliver energy savings. The program team is here to help you connect your Customers with energy-efficient products.

We appreciate your participation and encourage you to share your thoughts and feedback, so we can better assist you. Please don't hesitate to contact me directly if you have any questions or concerns throughout your involvement with the program.

Thank you again for your important role in making this program a success.

Sincerely,

**David Catanese**

Comfortably CA

Senior Program Manager

CLEAResult

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(508) 282-1091

## Program Overview

### WHAT

Comfortably CA offers distributor and retailer incentives for high-efficiency products including high-efficiency commercial unitary air conditioners, commercial heat pumps, commercial chillers, commercial space heating boilers, residential air conditioners, residential heat pumps, residential gas furnaces and residential gravity wall furnaces.

### WHY

By making energy-efficient products more available in the market, it is easier and more affordable for Customers to choose to install energy-efficient products. The goals of the program are twofold: 1) Encourage partners to increase their inventory of high-efficiency products; and 2) Encourage partners to upsell those products (explaining to Customers the technical benefits and calculating the return on investment when possible).

Customers are not required to complete and return rebate applications through the midstream design. The program helps reduce administrative burdens associated with traditional downstream prescriptive program participation and helps Customers save energy and money.

### WHO

The program is offered consistently across California investor-owned utility (IOU) territories, and made available to all Distributors, Retailers and Manufacturers executing sales for installations in all IOU territories. SDG&E has been named the lead IOU responsible for the administration of the program.

### HOW

Qualified products must be purchased through a Participating Distributor. Distributors will stock qualified high-efficiency products and will help with the selection of qualified products.

## Partner Eligibility

Only distributors that meet the program's definition of a Distributor and meet the requirements in this section may participate. Once a distributor has submitted their Enrollment Form and obtains a fully executed Program Participation Agreement (PPA), the Distributor can begin participating in the program. Distributors are expected to submit at least one (1) sale per quarter.

### DISTRIBUTOR REQUIREMENTS

In addition to satisfying all other requirements of the program and this Agreement, for a Distributor to qualify and remain qualified for the program or the Rebates, a Distributor must:

- Each Distributor shall execute the PPA in substantially the same form as the sample included in the Program Manual prior to and as a condition to such Distributor participating in the program. Such PPA shall include, at a minimum, the following:
- An acknowledgment from the Distributor that the program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC.
- The right of SDG&E and the CPUC to verify the purchase and/or installation of the applicable Measure, which verification may include conducting inspections of the Distributor's site, auditing Distributor's books and records to ensure compliance with the terms of the program and the PPA, and/or requesting that the Distributor provide any available information, books and records related to the purchase or installation of the applicable Measure.
- A requirement that the Distributor keep its books and records in respect of its participation in the program for no less than seven (7) years after the expiration or earlier termination of the program.

- A requirement that such Distributor shall keep confidential, and shall not disclose to any third-party, any confidential Customer information related to the program (including without limitation such Customer's names, addresses, other personal information, and billing account numbers).
- A release and indemnification from the Distributor of SDG&E and all IOUs from and against any and all claims, suits, proceeding, losses, liabilities, damages, costs, expenses, and fines arising from (i) the Distributor's participation in, and activities in connection with, the program, (ii) sale of any defective Measure under the program by such Distributor, or (iii) the Distributor's violation of any applicable law or breach of its obligations under the PPA in connection with its participation in the program
- An acknowledgment and agreement by the Distributor that it will not receive any incentives or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU Customers for the same program Measures.
- The right of SDG&E and each IOU to review and approve any use of SDG&E's (or such IOU's) logo, trademark, trade name, service mark by such Distributor in any materials or advertising prior to such use.
- A Program Notification form must be issued to purchaser at time of sale
- A requirement that all purchasers of a Measure under the program (whether to a contractor, Customer, or otherwise) from the Distributor shall (A) be provided with a copy of the program Notification, and (B) be required to provide a copy of the Program Notification to the Customer at whose site the applicable Measure will be installed (if the purchaser is not the Customer); and
- Company and each IOU shall be a third-party beneficiary under the PPA.

The sample Program Notification to be attached to the PPA for each Distributor shall state that, by purchasing a Measures under the program, the purchaser of such Measure agrees to the following terms and conditions:

- The purchaser acknowledges that the program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC.
- SDG&E and the CPUC have the right to verify the purchase and/or installation of the applicable Measure, which verification may include conducting inspections at the site where the applicable Measure is installed and/or requesting that purchaser provide any available information, books and records related to the purchase or installation of the applicable Measure.
- The Measure must be installed no later than three (3) months following the date-of-purchase and shall remain installed for at least five (5) years.
- The purchaser consents that any information related to the purchaser's participation in the program, purchase of the Measure or use of the Measure may be shared with SDG&E, any IOU and the CPUC.
- A disclaimer of any responsibility of any IOU in connection with the selection, purchase, ownership and use of program Measures, and a release and indemnification of SDG&E and all IOUs from and against any claims, suits, proceedings, losses, liabilities, damages, costs, expenses, and fines arising from the purchase, ownership, installation, use, alteration, repair, replacement or maintenance of any program Measure; and
- The purchaser will not receive any discounts, incentives, or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU Customers for the same program Measures.

## **RETAILERS AND MANUFACTURER ELIGIBILITY REQUIREMENTS:**

All PPAs between the program and a Retailer or a Manufacturer shall include the following terms and conditions:

- Such Retailer and Manufacturer shall keep confidential, and shall not disclose to any third-party, any confidential Customer information related to the program (including without limitation such Customer's names, addresses, other personal information, and billing account numbers).

- Any use of SDG&E's or IOU's logo, trademark, trade name, service mark by such Retailer or Manufacturer in any materials or advertisement shall be subject to SDG&E's or such IOU's prior review and approval.
- SDG&E shall have the right to verify the purchase of the applicable Measure, which verification may include auditing such Retailer's or Manufacturer's books and records related to the program including all sales invoices, data and receipts to the extent necessary to ensure compliance with the terms of the program and the PPA, and such Retailer or Manufacturer shall maintain such books and records for at least seven (7) years after the expiration or earlier termination of the program.
- A release and indemnification from the Retailer and Manufacturer of Company and all IOUs from and against any and all claims, suits, proceeding, losses, liabilities, damages, costs, expenses, and fines arising from (i) any negligence or wrongful act or omission of such Retailer or Manufacturer or its officers, employees, agents, representatives, subcontractors, or affiliates in connection with its participation in the Program, (ii) sale of any defective Measure under the program by such Retailer or Manufacturer, or (iii) any violation of law or breach of the PPA by such Retailer or Manufacturer or its officers, employees, agents, representatives, subcontractors, or affiliates in connection with its participation in the program; and
- SDG&E and each IOU shall be a third-party beneficiary under the PPA.

## Onboarding

The program onboarding process requires Distributors to do the following:

- Complete orientation led by Implementor
- Receive this Program Handbook and various program forms and documents
- Complete the Enrollment Form
- Sign the Participation Agreement
- Obtain access to Program Partner Central (PPC)
- Participate in required trainings (administrative and sales staff)

## ENROLLMENT FORM

This form captures distributor business and contact information for use by the Implementor.

## PROGRAM PARTICIPATION AGREEMENT (PPA)

The PPA is a legal document formally establishing a distributor as a Participating Distributor for the program. It contains contractual language and provides the program's terms and conditions. Additional rules and process guidance are included in this document, the Distributor Handbook.

## TAX DOCUMENT REQUIREMENTS

Unless otherwise instructed by the Implementor or not applicable, Participating Distributors are required to complete and submit an IRS W-9 and California 590 form.

## Training

All employees working in the program at participating distribution locations are required to complete training delivered by the Implementor via webinar, by phone, or in-person. Trainings will include sales enablement, using the PPC Customer and product validation tools, and the process for submitting sales data, including templates for formatting data. Additional training may be required based on individual Distributor's needs and performance.

All Participating Distributors must complete trainings on program criteria and goals, data collection requirements and the rebate claim process. The Implementor will supplement this training with informational materials about the benefits of efficient products as well as detailed program processes and procedures.

Critical information emphasized during the training will include, but will not be limited to, the following:

- An overview of the program, including a review of objectives and timelines
- Qualifying products and rebate levels
- The importance of verifying Customer and product eligibility prior to applying rebates
- Product installation time frame expectations for contractors
- The importance of attributing program rebates and benefits to SDG&E when possible
- A step-by-step review of the invoice submittal process, including:
  - Submittal guidelines
  - Required data fields
  - Expected timelines for rebate processing
- Processes and timelines for incomplete or incorrect rebate claim submissions, including the issue resolution process

The Implementor will schedule a training with Distributor staff designated to submit distributor's first rebate claims and will schedule additional trainings as needed.

Trainings will cover policies and procedures and will be tailored for two (2) primary Distributor staff roles: the administrative team and the sales team.

## **ADMINISTRATIVE TRAINING**

Administrative tasks include gathering sales data for incentivized products, entering all relevant data into PPC via the correct template, and submitting that template for rebate reimbursement. Administrative staff are trained on relevant software systems and all other administrative functions. Distributors must complete this training session before using the distributor PPC to verify Customer eligibility.

## **SALES TRAINING**

Training for Distributor sales staff consists of Customer and product eligibility requirements as well as general SDG&E brand awareness.

## **PROGRAM POLICIES**

This content includes general program information and data submittal and reimbursement timelines, eligibility requirements for Distributors and Customers, rebate levels, and quality assurance/quality control activities. Distributors should ensure all staff operate in accordance with established program policies. More information on the Quality Control (QC) processes can be found in the "Quality Assurance & Quality Control Plan" section.

## **PROGRAM PROCEDURES**

This content focuses on the day-to-day tasks of Distributor participation, including an explanation of and tutorials on the Customer validation process, rebate reimbursement request, backup sales data upload file format, and invoice format.

## **TRAINING DELIVERY METHODS**

Training is delivered by the Implementor in the following formats: in-person, by phone, via webinar, and through pre-recorded content. Recorded trainings, written documentation, guides and how-to manuals are available for use at any time.

## **1:1 SESSIONS**

A personal 1:1 session may be scheduled to assist Distributors with any additional questions or issues that arise throughout program implementation. Training or assistance is available upon request.

## **Eligible Products & Rebates**

The program offers rebates on the Measures shown in the *Rebate Levels* table below. To be eligible for rebates, the product model must meet program criteria and be installed in program territory. Products listed on the AHRI qualified product listing

(QPL) that meet the program measure efficiency requirements are eligible. Product eligibility may be verified using the PPC tool. Eligible program measures and models may change over the life of the program at the discretion of SDG&E. High-efficiency products that meet program standards but are not listed on the QPL may be eligible based on an engineering review upon Distributor request and submittal of supporting documentation. Engineering review of products meeting program efficiency standards requires evaluation and approval. Upon approval, the product will be added to the program’s QPL in the PPC tool.

## REBATE PRODUCT ELIGIBILITY REQUIREMENTS

To be eligible for program rebates, a product must meet the following requirements:

- Must be new.
- Must not have any other rebates.
- Must not be provided through a contest award or insurance claim.
- Must be installed within the program territory currently defined as the combined service territories of SDG&E, SCE, SoCalGas and PG&E.

Eligible product types and criteria are as follows:

The current eligible measure and model information is shown in the *Rebate Levels* table. Any prices and product names included in this Distributor Handbook and other supporting documents are intended as references only and are not meant to replace the PPC database. Rebate levels can and will change throughout the life of the program based upon market trends, program performance or utility needs. Please contact the Implementor if you are uncertain of a product’s eligibility or rebate level.

## REBATE LEVELS

Measure Name	Incentive Unit & Amount
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 1	\$15 per ton (Tier 1)
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 2	\$20 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Over 65 kBtuh Tier 3	\$25 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 1	\$15 per ton (Tier 1)
Commercial Air-Cooled Heat Pumps Over 65 kBtuh Tier 2	\$20 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 1	\$50 per ton (Tier 1)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 2	\$75 per ton (Tier 2)
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 3	\$100 per ton (Tier 3)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 1	\$50 per ton (Tier 1)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 2	\$75 per ton (Tier 2)
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 3	\$100 per ton (Tier 3)
Residential Gravity Wall Furnace Tier 1	\$45 per unit (Tier 1)
Residential Gravity Wall Furnace Tier 2	\$50 per unit (Tier 2)
Commercial Packaged Furnace with Variable Speed Motor	\$0.30 per MBTUh (Input Rating)
Commercial Hot Water Boiler Tier 1 - Space Heating Only	\$0.25 per MBH (Input Rating)
Commercial Hot Water Boiler Tier 2 - Space Heating Only	\$0.5 per MBH (Input Rating)
Commercial Steam Boiler Tier 1 - Space Heating Only	\$0.25 per MBH (Input Rating)
Commercial Steam Boiler Tier 2 - Space Heating Only	\$0.5 per MBH (Input Rating)
Residential Air Conditioner Tier 1 - Split System Only	\$50 per ton (Tier 1)
Residential Air Conditioner Tier 2 - Split System Only	\$75 per ton (Tier 2)
Residential Air Conditioner Tier 3 - Split System Only	\$100 per ton (Tier 3)

Residential Heat Pump Tier 1 - Split System Only	\$25 per ton (Tier 1)
Residential Heat Pump Tier 2 - Split System Only	\$50 per ton (Tier 2)
Residential Heat Pump Tier 3 - Split System Only	\$75 per ton (Tier 3)
Residential Heat Pump Tier 4 - Split System Only	\$100 per ton (Tier 4)
Residential High Efficiency Furnace with Variable Speed Motor Tier 1	\$179 per household (Tier 1)
Residential High Efficiency Furnace with Variable Speed Motor Tier 2	\$313 per household (Tier 2)
Residential Smart Thermostat - Central AC and Gas Furnace	\$50 per household
Residential Smart Thermostat - Central Heat Pump	
Air Cooled Constant Speed Screw Chiller Tier 1 - Space Cooling Only	\$20 per ton (Tier 1)
Air Cooled Constant Speed Screw Chiller Tier 2 - Space Cooling Only	\$40 per ton (Tier 2)
Commercial Water-Cooled Centrifugal Chillers with Conventional VSD - Space Cooling Only	\$10 per ton
Commercial Water-Cooled Screw Chillers - Space Cooling Only	\$10 per ton

## PROGRAM RESTRICTIONS

The following program restrictions apply:

- This program is only available to participating Distributors, Retailers and Manufacturers
- Incentivized product is to be installed and operated at the eligible Customer’s facility within program service territories. Distributor will utilize the PPC Customer validation tool to confirm installation location provided by the Contractor is eligible.

If there are specific questions regarding a product's acceptability in the program or rebate amount, please contact the Implementor directly.

## Rebate Reimbursement Requirements

Distributors must follow program requirements as specified in this document to offer program rebates to Customers in program service territories. Before submitting rebate payment reimbursement requests, Distributors must complete all onboarding requirements. This section documents the policies and procedures for program rebates and receiving reimbursement through the program.

### CONFIRM CUSTOMER ELIGIBILITY

Before Distributors may offer a rebate for the sale of a qualified product, they must verify the end-use Customer’s eligibility using the Customer Validation tool in PPC. Once the Customer has been deemed eligible the distributor may proceed with the sale, apply a rebate for the qualified product(s) as a discount to the purchasing Contractor and request payment of the full rebate from the Implementor. Qualifying products must be purchased and installed at the Customer’s facility.

### CONFIRM PRODUCT ELIGIBILITY

Before a distributor may offer a rebate to a qualified Customer or claim a Distributor rebate payment, they must verify the eligibility of the product using the Product Validation tool in PPC. If a product is not listed as eligible in the PPC and meets the efficiency requirements, the Distributor may request an engineering review of the high-efficiency product to determine eligibility.

### PRODUCT STOCKING

To ensure the program does not provide rebates for Contractors purchasing products for “stock,” Distributors will not be reimbursed for program rebates for which no specific validated end-use Customer is identified.

## PRODUCT INSTALLATION REQUIREMENTS

Qualifying products must be installed and operated at the eligible end-use Customer premise within program territory and should be installed within ninety (90) days of purchase.

## REBATE REIMBURSEMENT AND DATA UPLOAD REQUIREMENTS

At a minimum, Distributors are encouraged to upload sales activity for any given calendar month by the next month's rebate reimbursement cycle. The previous calendar month of sales activity will be determined based upon the sale date. Distributors may upload sales activity at any time.

Distributors are highly encouraged to upload sales from the previous calendar month no later than the second (2<sup>nd</sup>) day of the following calendar month. Distributors will be notified via email of exceptions to sales upload timing due to holidays or other unplanned events.

## Rebate Reimbursement Request

This section documents the process for submitting sales data to receive a rebate payment/reimbursement, which must be followed in its entirety. The Implementor will provide a distributor-specific web-based tool called PPC to support this task.

### CUSTOMER VALIDATION

Regardless of the project size or specifications, each address where qualified program products are to be installed must be verified in the Customer verification page on PPC. For example, if a purchase is for installation at multiple locations, the eligibility of each individual location must be verified and reported.

## SUBMITTING REBATE SALES DATA

The PPC also enables distributors to upload sales data and includes detailed instructions and data upload templates. Prior to submitting sales data for reimbursement, a distributor must have a PPA on file with the Implementor.

### SALES DATA SPREADSHEET

For each qualified sale during the month, a Distributor must enter required data in the provided spreadsheet (.xls or .xlsx file). If a Distributor has a Customer relationship management (CRM) tool that can export a report containing this information, they are encouraged to use that option.

Once this spreadsheet has been completed, the sales data upload process via the PPC may begin. The spreadsheet includes the following required data fields:

Field Name	Required?	Data Type	Notes
Distributor ID	Yes	Character	Assigned by the Implementation Contractor for each participating branch/store location
Residential Building Type	Yes	Picklist	Single Family, Multi Family, Mobile Homes; only required for residential measure
Product Type/Measure Name	Yes	Picklist	Required



Product ID	Yes	Character	Required;  AHRI Number for Commercial Boilers, Residential Furnace, Unitary Large Equipment, Air Conditioners and Air Conditions Coils, Heat Pump and Heat Pump Coil, Air Cooled Chillers, Water Cooled Chillers, Direct Heating Equipment; Must match product validation result  Energy Star Number for Smart Thermostat; Must match product validation result
Model Number	Yes	Character	Required; Must match product validation result
Serial Number	Yes	Character	Required
Invoice/PO Number	Yes	Character	Required
Sales Date	Yes	Date	Required; Date Format MM/DD/YYYY
Retail Price	No	Numeric	Sale price of equipment
Incentive Amount	No	Character	Must match product validation incentive when not blank
Customer Business Name	No	Character	
Customer First Name	No	Character	
Customer Last Name	No	Character	
Customer Installation Address	No	Character	Street Address of Product Installation Location
Customer Installation City	No	Character	City of Product Installation Location
Customer Installation Zip	Yes	Numeric	Required; 5-digit format; Zip code of Product Installation Location
Installation Contractor Business Name	Yes	Character	Required; Installation Contractor
Contractor Address	No	Character	
Contractor City	No	Character	
Contractor Zip	No	Numeric	
Installation Date	No	Date	Date Format MM/DD/YYYY
Comments	No	Character	Optional

## PRODUCT RETURNS

Product returns must be tracked using the same methodology as sales data with the rebate displayed as a negative amount. Customer returns must be credited back to the program within thirty (30) days of the return to the Distributor.

## SALES DATA & REBATE PROCESSING TIMELINE

Sales data should be collected during the month in which the sales are made and then submitted to the Implementor no later than the second (2<sup>nd</sup>) day of the following calendar month. For example, January 1 – January 31 sales data should be uploaded to PPC by February 2. Sales data is uploaded through the distributor PPC, as detailed in the Rebate Reimbursement Request section. Corrections to this data must occur before the sales are batched and submitted for payment.

Corrected rebate reimbursement requests must be submitted by the fifth (5<sup>th</sup>) day of the following calendar month. Distributors will receive payment approximately ten (10) calendar days from the day of the invoice upload.

## Quality Assurance & Quality Control (QA/QC) Plan

The defined protocols and policies in this document, along with any respective metrics and key performance indicators (KPI), will serve as a quality assurance mechanism and ensure that program goals are met. The Quality Control Plan includes the following processes:

### SALES DATA REVIEW

Data integrity is critical to the success and effective evaluation of the program. The Implementor will ensure all sales data is thoroughly reviewed to identify discrepancies. The Implementor's data management platform includes a variety of automated controls and audit devices to ensure data accuracy. The platform prevents duplicate entries and entries that are outside of program dates listed for a participating distributor.

### DATA SYSTEM QUALITY CONTROL

The PPC platform flags suspect sales, alerting the Implementor to request further information from the participating distributor. The platform requires data to be submitted in a specified format that allows automatic validation. If the data does not match eligible parameters, the participating distributor will receive an error message when attempting to submit the sales data.

### VALIDATION OF SALES DATA

The PPC platform will automatically verify whether the submitted sales data matches the distributor's invoice specifications, that all products sold are included on the program's qualifying product list, and that the products' installation addresses are within the applicable program service territory (validated with the zip code on PPC). If any information is missing or found to be incorrect, the distributor will receive an immediate error message and be prompted to resubmit the data with corrected information, providing an immediate quality assurance check. Sales that do not meet the eligibility requirements are not accepted.

If the participating distributor receives an error message, the Implementor can help resolve the issue. For example, if a product submitted for a rebate is not on the QPL, the distributor must provide the appropriate information and request an engineering review to determine if the product qualifies. If the product is proven to meet program requirements per an engineering review, the Implementor will manually add the product to its database.

The PPC data system also flags duplicate sales with the same serial number. If duplicate transactions are found, and the distributor confirms that the repeat sale is legitimate, the Implementor may require documentation from the distributor about the repeat purchase and proof of deliveries to document the second claim. The Implementor will maintain an error log of problems with participating distributor data and their resolutions.

At its sole discretion, SDG&E reserves the right to suspend Distributors from the program. Reasons for a suspension may include, without limitation, the submission of incorrect or inaccurate PPA information, program inactivity, failed installation verifications or product inspections, breach of the PPA, or violating the program policies and procedures, product or customer eligibility rules, or the program's terms and conditions. Distributor may apply for reinstatement to the program after ninety (90) Calendar Days of such suspension. During the suspension period, the program reserves the right to disqualify all of the Distributor's product sales from the date of suspension to the date of reinstatement. The foregoing does not in any way limit SDG&E's remedies available to SDG&E under law or in equity.

## FIELD INSPECTIONS

As part of the program's Quality Control and Quality Assurance Plan, the program reserves the right to perform onsite inspections. The results will help determine the overall success of the program and gauge the Customers' experiences with purchasing high efficiency product.

## ON-SITE INSPECTION SAMPLING RATE

The program is required to visually inspect a minimum 10% of all projects submitted by each distributor, which will be selected at random.

## INVOICE VERIFICATION

The Implementor may verify that sales data matches the original sales invoice as provided by the distributor.

## PROBLEM RESOLUTION AND ESCALATION

The Implementor will make every effort to resolve any issues that occur in the implementation of the program. Distributor issues related to contractor interactions or lack of product sales will be handled by the program teams, who will provide additional training and support as needed to help the distributor improve practices. Distributors will be reminded of the importance of Customer satisfaction and clearly communicating the value of eligible products.

## QC RESULTS AND CRITERIA

Rebate payment will be inspected for compliance with program policies and consistency with the sales data uploaded during the rebate reimbursement process. Critical rebate reimbursement data elements that indicate non-compliance will require correction by the distributor.

## STAKEHOLDER SURVEY

The program will perform Customer satisfaction surveys to assess stakeholder awareness of and satisfaction with the program and to inform continuous program improvement. Program participants are required to participate in these surveys.

## STAKEHOLDER POOL

The program may reach out to the following stakeholders: manufacturers, participating distributors, contractors, and/or end-users.

## FREQUENCY

The program may reach out to the stakeholder pool up to four (4) times per year, or once per quarter.

## CONTENT

The program may collect information including but not limited to program participation, program activity, levels of satisfaction, areas for improvement, program challenges, program preferences, business size and/or business type.

## Integrated Change Control (ICC)

All changes, no matter how small, have impacts. The impacts of a change when not properly planned lead to disruptions, delays, and possibly the failure of the change to achieve its intended result. Program modifications may occur as temporary promotions or as permanent updates to the program. These changes will typically impact the following:

- Rebate levels
- Eligible program products

## NOTICE OF CHANGE

SDG&E reserves the right to make changes to the program in its sole discretion and set the date which the change(s) will take effect. SDG&E reserves the right in its sole discretion to modify the program's basis for energy efficiency savings and rebates.

As to the changes related to energy efficiency savings and rebates, the program will communicate to the participants the rationale for the change, the new terms, the impact on rebates (if any), and the date the change(s) will take effect.

## Communication Plan

The program seeks to maintain open communication with all parties involved in program delivery.

### **DISTRIBUTOR ENGAGEMENT**

Distributor communications should be directed to the Implementor. The Implementor is the point of contact for the program. The distributor should provide key points of contact to the Implementor at the branch and corporate level as appropriate.

### **REQUEST FOR INFORMATION (RFI)**

If Distributors require program response in less than 24 hours, distributors should make a phone call directly to the appropriate Implementor staff. These urgent requests will be handled in an expedited fashion to the extent possible.

Information will always be provided as quickly as possible. The standard process for addressing RFIs is as follows:

- Emails, phone calls, or text messages will be acknowledged as received within 24 hours.
- An estimated deliverable date and any requests for clarification on the RFI will be proposed within 48 hours.
- Requested information will be delivered by the agreed-upon due date.

### **COMMUNICATION CHANNELS**

The following methods will be used to communicate information to Distributors:

- Webinars
- Roundtables
- In-person visits
- Newsletters
- PPC web portal homepage
- Email announcements
- Implementor meetings

## Requesting Assistance

Contact the following program representatives as appropriate if you need assistance, including collecting sales data or uploading information to PPC:

### **PROGRAM HOTLINE**

(855) 700-4651

### **PROGRAM EMAIL**

[info@ComfortablyCA.com](mailto:info@ComfortablyCA.com)

## **QUALITY ASSURANCE PLAN**

### Distributor Partner Eligibility

Only distributors that meet the Program's definition of a distributor and meet the requirements in this section may participate. Once a distributor has submitted their Enrollment Form and obtains a fully executed Participation Agreement (PA), the distributor can begin participating in the Program.

### Distributor Requirements

In addition to satisfying all other requirements of the Program and this Agreement, for Distributor to qualify and remain qualified for the Program or the Rebates, Distributor must:

- Purchase Products directly from the manufacturer and sell such Products to be installed at the Qualifying Customer's facility or residence. If Distributor is also the manufacturer of the product, Distributor may qualify with the requirements of this program.
- Be approved to participate in the Program by the Implementation Contractor.
- Have a license to sell product in the state of California.
- Provide an IRS W-9 and California 590.
- Agree to display program-approved or program-provided promotional materials at point of purchase locations in accordance with SDG&E policies and guidelines.
- Be able to collect and report all required program data.
- Confirm that the Qualifying Product sold is for installation in a qualified residential or commercial site located in the program territory
- Be able to provide Point-of-Sale Discounts for Qualifying Product.
- If POS discounts are provided, include on all sales invoices for Qualifying Products a line item stating, "Comfortably California Rebate" and the amount discounted, serial number of the product and indication that the balance has been paid in full or clear payment terms.
- Be able to implement the Point-of-Sale Discount for the entire Program Period and notify CLEAResult within three (3) calendar days if Distributor becomes aware of issues or circumstances (including, without limitation, availability of Product) that may prevent Distributor from implementing the Program for all or part of the Program Period.

## Onboarding

The Program onboarding process requires Distributors to do the following:

- Complete orientation led by Implementation Contractor
- Receive this Program Handbook and Program forms and documents as outlined in the , Policies and Procedures Manual.
- Complete the Enrollment Form(s)
- Sign the Participation Agreement
- Obtain access to Program Partner Central (PPC)
- Participate in required training(s) (administrative and sales staff)

### Enrollment Form

This form captures distributor business and contact information for use by the Implementation Contractor.

### Participation/Promotion Agreement (PA)

The PA is a legal document formally establishing a Participating Distributor for the Program. It contains contractual language and provides the Program's terms and conditions.

### Tax Document Requirements

Unless otherwise instructed by the Implementation Contractor or not applicable, Participating Distributors are required to complete and submit an IRS W-9 and California 590 form.

### Other Document Requirements

Additional documentation may be requested depending on varying program requirements.

## Training

All employees working in the Program at participating distribution locations are required to complete training delivered by the Implementation Contractor via webinar, by phone, or in-person. Trainings will include sales enablement, using the PPC customer and product validation tools, and the process for submitting sales data, including templates for formatting data.

Additional training may be required based on individual Distributor's needs and performance.

All Participating Distributors must complete trainings on Program criteria and goals, data collection requirements and the rebate claim process. The Implementation Contractor will supplement this training with informational materials about the benefits of efficient HVAC products as well as detailed Program processes and procedures.

Critical information emphasized during the training will include, but will not be limited to, the following:

- An overview of the Program, including a review of objectives and timelines
- Qualifying products and rebate levels
- The importance of verifying customer and product eligibility prior to applying rebates
- Product installation time frame expectations for contractors
- The importance of attributing Program rebates and benefits to the program as applicable
- A step-by-step review of the invoice submittal process, including:
  - Submittal guidelines



- Required data fields including address and product serial number
- Expected timelines for rebate processing
- Processes and timelines for incomplete or incorrect rebate claim submissions, including the issue resolution process

The Implementation Contractor will schedule a training with Distributor staff designated to submit distributor's first rebate claims and will schedule additional trainings as needed. Trainings will cover policies and procedures and will be tailored for two (2) primary Distributor staff roles: the administrative team and the sales team.

#### Administrative Training

Administrative tasks include gathering sales data for incentivized products, entering all relevant data into Program Partner Central (PPC) via the correct template, and submitting that template for rebate reimbursement. Administrative staff are trained on relevant software systems and all other administrative functions. Distributors must complete this training session before using the distributor PPC to verify Customer eligibility.

#### Sales Training

Training for Distributor sales staff consists of Customer and product eligibility requirements as well as general program brand awareness.

#### Program Policies

This content includes general Program information and data submittal and reimbursement timelines, eligibility requirements for Distributors and Distributor Customers, rebate levels, and quality assurance/quality control activities. Distributors should ensure all staff operate in accordance with established Program policies.

#### Program Procedures

This content focuses on the day-to-day tasks of Distributor participation, including an explanation of and tutorials on the customer validation process, rebate reimbursement request, backup sales data upload file format, and invoice format.

#### Training Delivery Methods

Training is delivered by the Implementation Contractor in the following formats: in-person, by phone, via webinar, and through pre-recorded content. Recorded trainings, written documentation, guides and how-to manuals are available for use at any time.

#### 1:1 Sessions

A personal 1:1 session may be scheduled to assist Distributors with any additional questions or issues that arise throughout Program implementation. Training or assistance is available upon request.

## Eligible Products and Rebates

The Program offers rebates on the HVAC measures as currently listed in **Program Measures**. To be eligible for rebates, the product model must meet Program criteria and be installed in Program territory. Product eligibility may be verified using the PPC tool. Eligible Program measures and models may change over the life of the Program at the discretion of CLEAResult and SDG&E. High-efficiency products that meet program standards but are not listed on the qualified product list may be eligible based on an engineering review upon Distributor request and submittal of supporting documentation. Engineering review of products meeting program efficiency standards requires fifteen (15) business days for evaluation and approval. Upon

approval the product will be added to the program's list of qualified products in the PPC tool.

## Rebate Reimbursement Requirements

Distributors must follow Program requirements as specified in this document to offer program rebates. Before submitting rebate payment reimbursement requests, distributors must complete all onboarding requirements. This section documents the policies and procedures for program rebates and receiving reimbursement through the Program.

### Confirm Customer Eligibility

Before distributors may offer a rebate for the sale of a qualified product, they must verify the end-use customer's site eligibility using the Customer Validation tool in Program Partner Central (PPC). Customer eligibility will be based upon zip code according to IOU service territories. Once the customer has been deemed eligible the distributor may proceed with the sale, may apply a rebate for the qualified product(s) as a discount to the purchasing Contractor and request payment of the full rebate from the Implementation Contractor. Qualifying products must be purchased and installed at the customer's facility.

### Confirm Product Eligibility

Before a distributor may offer a rebate to a qualified customer or claim a Distributor rebate payment, they must verify the eligibility of the product using the Program Partner Central (PPC) Product Validator. If a product is not listed as eligible in PPC and meets the efficiency requirements, the distributor may request an engineering review of the high-efficiency product to determine eligibility.

### Distributor Invoice

Distributors should keep a copy of the related sales invoices as they may be requested to verify rebate data.

### Product Installation Requirements

Qualifying products must be installed and operational at the eligible end-use customer premise within program territories.

### Rebate Reimbursement and Data Upload Requirements

Distributors are required to upload sales activity for any given calendar month no later than the 5<sup>th</sup> day of the following calendar month. The previous calendar month of sales activity will be determined based upon the sale date. Distributors may upload sales activity at any time.

Distributors are highly encouraged to upload sales from the previous calendar month no later than the second day of the following calendar month. Distributors will be notified via email of exceptions to sales upload timing due to holidays or other unplanned events.

## Rebate Reimbursement Request

This section documents the process for submitting sales data to receive a rebate payment/reimbursement, which must be followed in its entirety. The Implementation Contractor will provide a distributor-specific web-based tool called Program Partner Central (PPC) to support this task.

## Customer Validation

Regardless of the project size or specifications, each address at which qualified program products are to be installed must be verified in the customer verification page on PPC. For example, if a purchase is for installation at multiple locations, the eligibility of each individual location must be verified and reported. Customer eligibility will be geographic, based upon zip code according to published IOU service territories. Implementer will review eligible zip codes on a monthly basis in order to regularly update PPC.

## Submitting Rebate Sales Data

PPC enables distributors to upload sales data and includes detailed instructions and data upload templates. Prior to submitting sales data for reimbursement, a distributor must have a PA on file with the Implementation Contractor.

### Sales Data Spreadsheet

For each qualified sale during the month, a Distributor must enter required data in program provided spreadsheet (.xls or .xlsx file). If a Distributor has a customer relationship management (CRM) tool that can export a report containing the required data fields, we will accept that data. Once this spreadsheet has been completed, the sales data upload process via PPC may begin. All data collected needs to be populated in the COMPANY system. This can be achieved by API, Hand entering or spreadsheet uploads. The information collected must contain all data fields necessary to report and validate all claims as indicated by COMPANY.

It is important to note that the required data fields and information collection requirements may change based on CPUC reporting requirements and Company requirements. COMPANY will work with Implementer to ensure that data requirements are updated and acknowledged as they become know.

## Product Returns

Product returns must be tracked using the same methodology as sales data with the rebate displayed as a negative amount. Customer returns must be credited back to the Program within thirty (30) days of the return to the distributor.

## Sales Data and Rebate Processing Timeline

Sales data will be collected during the month in which the sales are made and then submitted to the Implementation Contractor no later than the fifth (5th day of the following calendar month. For example, October 1 – November 1 sales data must be uploaded by November 5. Sales data is uploaded through the distributor Program Partner Central (PPC), as detailed in the Rebate Reimbursement Request section. Corrections to this data must occur before the sales are batched and uploaded to EECF or invoiced by the Implementer.

Corrected rebate reimbursement requests must be submitted by the tenth (10<sup>th</sup>) day of the following calendar month. Distributors will receive payment approximately 7-10 days from the day submittal. It is encouraged that all sales within a calendar month be submitted by the next upload date to ensure timely rebate reimbursement.

Distributors may submit sales to the program through the PPC as frequently as they like and will be encouraged to submit sales bi-monthly. Submittals received after the fifth of the month for the prior month will not be rejected due to tardiness.

## Quality Assurance and Quality Control Plan

The defined protocols and policies in this document, along with any respective metrics and key performance indicators (KPI), will serve as a quality assurance mechanism and ensure that Program goals are met. The Quality Control Plan includes the following processes:

### Sales Data Review

Data integrity is critical to the success and effective evaluation of the Program. The Implementation Contractor will ensure all sales data is thoroughly reviewed to identify discrepancies. The Implementation Contractor's data management platform includes a variety of automated controls and audit devices to ensure data accuracy. The platform prevents duplicate entries and entries that are outside of Program dates listed for a participating distributor. In addition, the program will perform a detailed quality assurance review of 100% of applications submitted to the program.

### Data System Quality Control

The PPC platform flags suspect sales, alerting the Implementation Contractor to request further information from the participating distributor. The platform requires data to be submitted in a specified format that allows automatic validation. If the data does not match eligible parameters, the participating distributor will receive an error message when attempting to submit the invoice.

### Validation of Sales Data

The PPC platform will automatically verify that all products sold are included on the Program's qualifying product list, and that the products' installation zip code is within the applicable

service territory (validated through the zip code verification on Program Partner Central). If any information is missing or found to be incorrect, the distributor will receive an immediate error message and be prompted to resubmit the data with corrected information, providing an immediate quality assurance check. Sales that do not meet the eligibility requirements are not accepted.

If the participating distributor receives an error message, the Implementation Contractor can help resolve the issue. For example, if a product submitted for a rebate is not on the QPL, the distributor must provide the appropriate information and request an engineering review to determine if the product qualifies. If the product is proven to meet Program requirements per an engineering review, the Implementation Contractor will manually add the product to its database. The PPC data system also flags duplicate sales with the same serial number. If duplicate transactions are found, and the distributor confirms that the repeat sale is legitimate, the Implementation Contractor may require documentation from the distributor about the repeat purchase and proof of deliveries to document the second claim. The Implementation Contractor will maintain an error log of problems with participating distributor data and their resolutions. At its sole discretion, CLEAResult reserves the right to suspend Distributors from the Program. Reasons for a suspension may include, without limitation, the submission of incorrect or inaccurate Application information, Program inactivity, failed installation verifications or Product inspections, breach of this Agreement, or violating Program policies and procedures, Product or customer eligibility rules, or the Program's terms and conditions. Distributor may apply for reinstatement to the Program after ninety (90) Calendar Days of such suspension. During the suspension period, CLEAResult reserves the right to disqualify all of the Distributor's Product sales from the date of suspension to the date of reinstatement.

## **Field Inspections**

As part of the Program's Quality Control and Quality Assurance Plan, the Program will perform onsite inspections. The results will help determine the overall success of the Program and gauge the customers' experiences with purchasing high efficiency product.

### **On-Site Inspection Sampling Rate**

For each Partner, CLEAResult will inspect no less than 10% of the sites at which Program Measures purchased from such Partner were installed (or intended to be installed), which sites shall be selected at random.

- Begin by following safety procedures. (See Safety Section for more details)
- Identify the new units listed on the Crew Report by serial #
- Complete the inspection by identifying and verifying all the elements for Equipment inspection listed on the Crew Report:
  - Equipment manufacturer
  - Equipment model number
  - Equipment serial number
  - Configuration of system (split, package)
  - System type (heat pump, gas/elec. combo)

- Refrigerant type
- Tonnage
- Electrical phase
- Presence of Economizer
- The inspection will not require the equipment to be powered down or operated.
- Note any discrepancies, missing units or other issues as found.

Upon completion, do a final walk around to be sure that all the units are as found and all else is in order. CLEAResult will provide COMPANY the outcome of inspections in Implementer's Quality Assurance report.

#### Problem Resolution and Escalation

The Implementation Contractor will make every effort to resolve any issues that occur in the implementation of the Program. Distributor issues related to contractor interactions or lack of product sales will be handled by the Program teams, who will provide additional training and support as needed to help the distributor improve its practices. Distributors will be reminded of the importance of customer satisfaction and clearly communicating the value of eligible products.

### **Safety Procedures, Guidelines and Equipment**

- If the inspector detects any condition that may pose a risk of harm to themselves or others, she/he is to contact the Field Manager before continuing with the inspection.
- Roof top inspections will not be performed during inclement conditions including, but not limited to:
  - Rain
  - Intrusive winds
  - Impending thunderstorms
- Either a "fall protection" area must be established on the roof or the inspector must wear a tethering harness to conduct verifications.
- Items above must conform to OSHA and CalOSHA guidelines.
- When using a "portable" extension ladder for roof access, the ladder must be tethered (tied) to the building to avoid both side-slippage and the legs "walking" away from the structure.
- Use "three-point rule" when using portable extension ladders.
- When initially setting up the extension ladder, the slope will be determined by the 4 to 1 rule.

- When working on commercial roof tops, the inspector is **required** to wear the following Personal Protection Equipment (PPE).
- Hard hat – either a cap liner or hard plastic with brim
- Gloves
- Steel-toed boots or shoes
- Goggles or Safety glasses
- Tethering harness (if required)

The above procedures, guidelines, and equipment represent an overview of items that the inspector will be required to be aware of on commercial rooftops. There is a complete listing in the Program Safety Handbook. The inspector is also required to conform to all safety ordinances, including local, CalOSHA, and OSHA.

### QC Results and Criteria

Distributors' rebate reimbursement requests will be inspected for compliance with Program policies and consistency with the sales data uploaded during the rebate reimbursement process. Critical rebate reimbursement data elements that indicate non-compliance will require correction by the distributor.

## Stakeholder Survey

The program will perform satisfaction surveys to assess stakeholder awareness of and satisfaction with the program and to inform continuous program improvement. Program participants are required to participate in these surveys.

### Stakeholder Pool

The Program may reach out to the following stakeholders: manufacturers, participating distributors, contractors, and/or end-users.

### Frequency

The Program may reach out to the stakeholder pool up to four (4) times per year, or once per quarter.

### Content

The Program may collect information including but not limited to program participation, program activity, levels of satisfaction, areas for improvement, program challenges, program preferences, business size and/or business type.

## Communication Plan

The Program seeks to maintain open communication with all parties involved in Program delivery.

### Distributor Engagement

Distributor communications should be directed to the Implementation Contractor. The Implementation Contractor Program Managers will be the point of contact for the Program. The distributor should provide key points of contact to the Implementation Contractor Program Manager at the branch and corporate level as appropriate.



### Request for Information (RFI)

If Distributors require additional program information in less than 24 hours, distributors should make a phone call directly to the appropriate Implementation Contractor Program Manager. These urgent requests will be handled in an expedited fashion to the extent possible. Information will always be provided as quickly as possible. The standard process for addressing RFIs is as follows:

- Emails, phone calls, or text messages will be acknowledged as received within 24 hours.
- An estimated deliverable date and any requests for clarification on the RFI will be proposed within 48 hours.
- Requested information will be delivered by the agreed-upon due date.

### Communication Channels

The following methods will be used to communicate information to Distributors:

- Webinars
- Roundtables
- In-person visits
- Newsletters
- Email announcements
- Implementation Contractor Meetings

## **Company Verification and Inspection**

Implementer acknowledges and understands that Company may take all reasonable steps to verify any or all of Implementer's energy savings claims for the Program, which steps may include requesting information, books and records from Partners, conducting inspections of Customer sites or interviews with Partners and Customers to ensure that Program products have been purchased and installed and are in compliance with the requirements of the Program and this Agreement. Implementer further acknowledges and understands that the results of such Company verifications may have an effect upon Implementer's compensation under this Agreement, as further described below.

### Notification of Access

Implementer shall be responsible for notifying all Customers participating in the Program through a Distributor of Company's requirements for access to such Customers' sites to perform inspections or audits of the participating Customer sites to verify the purchase and installation of a Program product and compliance with the requirements of the Program.

### Customer Information

Implementer shall provide all available information to Company regarding the purchase and installation of Program products that is necessary for Implementer to inspect and verify such purchase and installation at the Customer's facility, which information shall include customer names, contact information, addresses, product purchased and installed at such address, and applicable IOU account numbers and service territory.



### Verification Variance Event

If Company's efforts to inspect or verify the purchase and installation of a Program product at a Customer site results in a variance in the energy savings claimed by Implementer for such purchase and installation (for example, due to inability to access the Customer sites at which Implementer conducted its on-site inspections, inaccurate or insufficient records to evidence the purchase or installation of qualifying product, the installation of a non-qualifying product, the installation of a different product, or any non-installation of qualifying product) (a "Verification Variance Event"), then Company shall notify Implementer of such Verification Variance Event, and Implementer shall have a reasonable opportunity (not to exceed 30 calendar days) to remedy the cause of such Verification Variance Event. If Implementer is unable to correct such Verification Variance Event, any energy savings claimed or reported by Implementer that includes energy savings from any purchase and installation of qualifying product that is subject to a Verification Variance Event shall account for the results of such Verification Variance Event (and to the extent such energy savings were previously claimed or reported by Implementer, such claim or report shall be modified to account for the results of such Verification Variance Event). To the extent Implementer received any compensation under this Agreement on the basis of reported or claimed energy savings that resulted in a Verification Variance Event that was not corrected by Implementer in accordance with the foregoing, such compensation shall be true-up to reflect the revised energy savings based on such Verification Variance Event, which true-up may result in either a refund of compensation already paid or a credit against future payments to Implementer under this Agreement.







































































# **Measurement & Verification(M&V)**

Evaluation begins with enrollment, continues through program delivery and ongoing evaluation. There are three main areas of program influence that need to be measured to verify increased efficient equipment uptake. The three areas include upselling, stocking, and price.

During the enrollment phase the Implementer will survey each participating distributor regarding their business practices, with a focus on how they stock, promote and price equipment. Implementer will use this information to establish a baseline for the percentage of qualifying equipment stock, past sales activity, current product promotion, and the incremental price premium they place on higher efficiency units.

Enrollment example survey questions may include, but are not limited to:

1. In recent years have your sales of high efficiency [product] lines
  - a. Grown
  - b. Remained the same
  - c. Decreased
2. How much lift in [product] sales do you expect to see as a result of this program? Please provide a % increase
3. Please confirm that you currently stock and sell a comparable non-efficient [product] in addition to program-qualified [product] lines
4. Approximate unit price of program qualified [product]
5. Approximate unit price of comparable non-efficient [product]

Implementer will work with SDG&E to finalize the survey questions prior to implementation.

During program delivery Implementer will regularly survey manufacturers, distributors, and contractors to assess the program's impact on the causal pathway of a product's journey to the end-user. By monitoring the reported reasoning behind their decision-making and assessing the program's relative influence, Implementer will use this information to evaluate logic model assumptions and adjust interventions to adapt and optimize the program approach.

Analysis during program will include reviewing:

1. Retail price of program-qualified [product]
2. Discount applied to [product] at point of sale
3. Marketing materials requested & in-house materials developed
4. Events & training sessions conducted for contractors & counter staff

For some residential and small commercial equipment, Implementer will analyze Heating, Air-conditioning & Refrigeration Distributors International (HARDI) and similar sales data to track macro-trends on the ratio of equipment sold in California segmented by efficiency rating. Implementer will compare those trends to similar markets and historical examples to show program influence on the California market share for high-efficiency HVAC equipment.

For large commercial equipment, where advanced project planning has occurred, and pre-installation documentation is available Implementer will collect documentation on equipment selection from the manufacturer representatives who are engaged with customers and engineering firms at initial project scoping. This engagement will ensure their project meets the efficiency standard required to claim an incentive. Large equipment incentive reservations may be considered to serve as documentation of influence.

During evaluation, surveys for distributors, contractors and select end-users should be used to collect data to determine impact on decision making, influence, upselling, stocking, and pricing resulting from the program. Distributor surveys will take priority and will be focused on program effect on stocking, pricing, discounting and manufacturing. Contractor surveys will be focused on product availability, product selection, training effectiveness and purchase decision. Customer surveys will be focused on purchase decision, product performance, overall satisfaction and installation.

Evaluation example survey questions may include, but are not limited to:

Distributor:

1. In [previous non program year] approximately what percentage of your stock of [product] would have been program-qualified?
2. Currently, approximately what percentage of your stock of [product] is program qualified?
3. To what extent have the program incentives influenced these changes in stock of [product]? Please give a detailed narrative and detailed facts answer, as well as an answer scored from 0 (no influence) to 10 (strong influence).
4. How often do you reduce the price of program qualified [products] for your customers?
  - a. Never
  - b. Rarely
  - c. Occasionally
  - d. Often
  - e. Always
5. By approximately what percentage of the sale price do you discount the price of program qualified [products] for your customers?

Contractor:

1. To what extent did the discount influence your decision to purchase the product] in the current year from [participating Distributor]?
2. To what extent did the included DR capable thermostat influence your decision to purchase this product?
3. Have you attended any program specific trainings provided by your Distributor?
4. To what extent did the program provided sales training and support affect your ability to promote qualifying products?

Customer:

1. Why did you purchase new HVAC equipment?
2. Did your contractor review the benefits of High-Efficiency HVAC equipment?
3. What was the main factor in choosing to purchase this equipment for your home/business? E.g. ROI, emergency replacement, discounts.
4. To what extent did your installing HVAC Contractor influence your decision to select this equipment?
5. Were you informed on the use of your smart thermostat?
6. Did your contractor speak to you about Demand Response?
7. Did you use financing to purchase your unit?

Implementer will work with SDG&E to finalize the survey design prior to implementation.

Additionally, equipment installation and savings will be verified and reviewed by the Implementer via post-installation field inspections. During field inspection following all necessary information, example list below, will be collected to true-up the final ex-ante savings estimates:

- Equipment manufacturer
- Equipment model number
- Equipment Type
- Equipment serial number
- Configuration of system (split, package)
- System type (heat pump, gas/elec. combo)
- Refrigerant type
- Tonnage
- Electrical phase (1, 3)
- Presence of Economizer

<http://www.calmac.org/startDownload.asp?Name=Year2%5FCPUC%5FGroup%5FA%5FHVAC%5FReport%5FFinal%5FCALMAC%5F20200420%2Epdf&Size=4410KB>

Implementer will provide a sample design of Implementer's field inspection verification process (e.g. random sample, onsite survey, phone verification, etc.) prior to implementation.

Implementer will work with SDG&E to finalize the field inspection verification process prior to implementation.

The Implementer's Distributer Sales Allocation Tool (DSAT) assumptions will also be verified to ensure savings realizations. Key elements of the model will need to be verified as the program proceeds based on market and program data to ensure it aligns with most current trends regarding type of product being purchased, building stock, population, customer preferences for green products, and utility service territories.

## PROGRAM PROMOTION AGREEMENT

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THIS PROGRAM PROMOTION AGREEMENT (this "Agreement") is entered into by and between, legal entity name, description of distributor, e.g. an Oregon corporation, a Texas limited liability company ("Distributor"), and CLEAResult Consulting Inc., a Texas corporation ("CLEAResult"). For purposes of this Agreement, Distributor and CLEAResult may be referred to collectively as the "Parties" or individually as a "Party."

1. Purpose. This Agreement sets forth the terms and conditions under which the Parties will engage one another to promote the sale of energy efficient products (each, a "Product") through energy efficiency programs (each, a "Program") sponsored by name of client sponsor ("Sponsor").
2. Term. The term of this Agreement is from Month day, year, through Month day, year, unless otherwise terminated as provided in this Agreement (the "Term").
3. Schedules. The attached Schedule A and each schedule issued subsequent to the execution of this Agreement (each, a "Schedule") are incorporated into this Agreement by this reference. The Parties acknowledge that from time to time it may be necessary to revise a Schedule. CLEAResult may amend a Schedule to modify Products, pricing, incentive budget, and store listing upon notice to Distributor. Distributor may request amendments to a Schedule by submitting a request in writing to CLEAResult. Such requests will be subject to the approval of CLEAResult. Nothing in a Schedule may conflict with and a Schedule shall not supersede the terms and conditions of this Agreement. Distributor must comply with any amended Schedule within thirty (30) days of the date of such Schedule. Any Product sold out of compliance with an amended Schedule after that date will be disqualified, and Distributor will not receive payment for sales of such Product or any associated fees.
4. Distributor Obligations.
  - a. Distributor agrees that all Products sold shall (i) be listed in a Schedule; (ii) be sold at a location listed in a Schedule.
  - b. Distributor must maintain eligibility requirements as stated in the Program documentation.
  - c. Distributor must provide a current W-9 within five (5) days of request from CLEAResult.
  - d. Distributor will submit to CLEAResult invoices and detailed sales data reports per the requirements in the Schedule (each, a "Sales Data Report") no later than the fifteenth (7th) of each month for the previous month's sales. Sales data reports must be in electronic Microsoft Excel compatible files and in accordance with CLEAResult's requirements and be submitted through the program website, as applicable. No other source of sales data report will be accepted unless permitted to do so in writing by CLEAResult. If Distributor fails to submit an accurate sales data report or invoice within the timeframes set forth in this section, then CLEAResult or Sponsor may delay or deny payment for any sales data report or invoiced.
  - e. Distributor shall report any returns of Product for refund or credit and associated reimbursement amounts shall be credited against pending reimbursement requests.
  - f. In each purchaser invoice, if incentives are shared, Distributor shall identify Sponsor as the source of the incentive.
  - g. Distributor is responsible to: ensure the purchaser acknowledges that the Program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC and that the CPUC and SDG&E have the right to verify the purchase and/or installation of the applicable measure, which verification may include conducting inspections at the site where the applicable measure is installed and/or requesting that purchaser provide any and all available information, books and records related to the purchase or installation of the applicable measure; the measure must be installed no later than three (3) months following the date of purchase and shall remain installed for at least five (5) years; ensure the

purchaser consents that any information related to the purchaser's participation in the Program, purchase of the measure or use of the measure may be shared with Company, any IOU and the CPUC; A disclaimer of any responsibility of any IOU in connection with the selection, purchase, ownership and use of Program measures, and a release and indemnification of Company and all IOUs from and against any and all claims, suits, proceedings, losses, liabilities, damages, costs, expenses, and fines arising from the purchase, ownership, installation, use, alteration, repair, replacement or maintenance of any Program measure; and the purchaser will not receive any discounts, incentives or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU customers for the same Program measures.

h. Distributor must take part in a Program surveys conducted by CLEARResult or by an independent third party.

5. CLEARResult Obligations.

a. CLEARResult will pay Distributor within ten (10) days from invoice approval date, provided the corresponding and accurate sales data report is attached to the invoice, Distributor is in compliance with all requirements contained in this Agreement, and CLEARResult has received payment from Sponsor. CLEARResult reserves the right to refuse payment for any Product sold outside of the Schedule requirements or in excess of the budget per the Schedule. CLEARResult will send payment to the address listed in the Schedule. CLEARResult will only pay Distributor for incentives for products sold to eligible customers and otherwise meeting all requirements of this Agreement and any Program handbook, as applicable.

b. CLEARResult will provide field representatives to support to Distributor, which may include sales training, performance reviews, and assistance with placement of POP materials in Distributor's locations, each as applicable.

6. Termination. Either Party may terminate this Agreement or any Schedule, with or without cause, by providing thirty (30) days' prior written notice to the other Party, except that CLEARResult may terminate a Schedule at the direction of Sponsor by providing seven (7) days' prior written notice to Distributor unless Sponsor may terminate a Promotion or Program by providing less than seven (7) days' notice to CLEARResult, in which case CLEARResult may terminate the corresponding Schedule immediately.

7. Evaluations. CLEARResult reserves the right to perform evaluations at all locations, including customer properties, upon providing five (5) business days prior written notice to Distributor to confirm compliance with the terms and conditions of this Agreement. CLEARResult reserves the right to request sale documentation in the form of Product reports by stock keeping unit or other supporting documentation from Distributor at any time. Distributor must maintain all documentation for six (6) years following the end of the Term.

8. Confidential Information. The Parties will not use any Confidential Information (as defined below) for any purpose other than as needed to perform their respective obligations under this Agreement. Each Party agrees to hold all Confidential Information in strict confidence and to not disclose any Confidential Information, without the prior written consent of the other Party, to any person other than to Sponsor or to that Party's employees and independent contractors who: (i) have a "need to know;" (ii) have been advised of the confidential and proprietary nature of the Confidential Information; and (iii) have signed a written Agreement that is as protective of the Confidential Information as that set forth in this section; except as compelled by court order or otherwise required by law. If the receiving Party is required by law to disclose Confidential Information, that Party will immediately notify the disclosing Party and cooperate with the disclosing Party to narrow the scope of disclosure and obtain a protective order or other appropriate remedy to maintain the confidentiality of the information. At any other time upon request from the Party disclosing the Confidential Information, the Party receiving the Confidential Information will destroy all Confidential Information in tangible form that is in their possession. The term "Confidential Information" means all sensitive Program information and all information and materials relating to a Party's business, including but not limited to all of a Party's non-public proprietary information, in whatever form or medium, disclosed to or received by the receiving Party, whether visually, by perception, orally, or in writing, whether disclosed before or after the Term of this Agreement commences, and whether or not specifically marked or otherwise identified as "Confidential" or "Proprietary," including all summaries and notes prepared by or on behalf of the other Party, except that "Confidential Information" does not include any information that the receiving Party demonstrates: (w) was disclosed pursuant to a legally enforceable

requirement, provided that the receiving Party discloses no more of the Confidential Information than is required by such requirement, notifies the disclosing Party of such obligation as soon as reasonably practicable, and cooperates with the disclosing Party in seeking any available protections for the Confidential Information; (x) has become generally available to the public without breach of this Agreement; (y) was later received from another person who did not violate any duty of confidentiality; or (z) that was developed without use of any Confidential Information by persons who were not exposed to the Confidential Information.

9. **Indemnification.** Each Party (the “**Indemnifying Party**”) shall indemnify, hold harmless, and defend Sponsor, the other Party, and any of their officers, employees, agents, representatives, and affiliates (each, an “**Indemnified Party**”) against any and all losses, liabilities, damages, claims, suits, proceedings, judgments, assessments, costs, and expenses (including interest and penalties), and including reasonable and documented attorney fees and expenses, incurred by an Indemnified Party as a result of a third-party claim or allegation arising from: (a) negligent or wrongful acts or omissions of the Indemnifying Party or its officers, employees, agents, representatives, subcontractors, or affiliates in connection with this Agreement, including but not limited to the offer or sale of a defective Product; or (b) breach of this Agreement by the Indemnifying Party or its officers, employees, agents, representatives, subcontractors, or affiliates. If a claim is asserted against an Indemnified Party for which it may be entitled to indemnification under this Agreement, the Indemnified Party shall notify the Indemnifying Party promptly of the claim and permit the Indemnifying Party to defend or settle the claim and to select counsel for such defense. The Indemnifying Party shall pay the costs of such defense and any judgment or settlement resulting therefrom, except that the Indemnifying Party shall have no liability for claims not timely turned over to it for defense, settled without its prior written consent, or to the extent claims result from an Indemnified Party’s negligence or willful misconduct. The Indemnified Party shall provide all reasonable assistance to the Indemnifying Party for the defense or settlement of all such claims. The Parties acknowledge and agree that each Sponsor is an intended third-party beneficiary of this section.
10. **LIMIT ON LIABILITY.** NONE OF THE PARTIES WILL BE LIABLE TO ANOTHER PARTY FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOSS OF ANTICIPATED REVENUE, PROFITS, OR GOODWILL, WHETHER ARISING IN NEGLIGENCE, BREACH OF CONTRACT, OR UNDER STATUTE OR RULE.
11. **Independent Contractor Relationship.** This Agreement shall not create the relationship of employer and employee, a partnership, or a joint venture. Each Party agrees that it is solely responsible for, and will pay all costs of conducting its independent business, including but not limited to the expense and responsibility for obtaining any applicable insurance and any city, county, state or federal licenses, permits or related assessments or taxes of any kind.
12. **Miscellaneous.**
  - a. **Attorney’s Fees.** In the event an action is brought to enforce any provision of or declare a breach of this Agreement, the prevailing Party will be entitled to recover, in addition to any other amounts awarded, reasonable legal costs including attorney’s fees incurred.
  - b. **Notices.** Except as otherwise provided in the Agreement, all notices or other communications under this Agreement must be in writing and delivered to the addresses, including e-mail addresses, as stated in the signature blocks. Such addresses may be changed by notice given by such Party to the other Parties pursuant to this Section or by other form of notice agreed to by the Parties.
  - c. **Assignment.** No Party may assign, voluntarily, by operation of law, or otherwise, any rights or delegate any duties under this Agreement without the prior written consent of all other Parties to this Agreement, which shall not be unreasonably withheld, except that any Party may assign this Agreement or any of its rights hereunder, in whole or in part, without the other Party’s consent: (a) to any affiliate; or (b) with at least thirty (30) days’ prior written notice to the other Party, or to an acquirer or successor-in-interest to such Party or to a surviving entity in the case of a merger, acquisition, divestiture, consolidation or corporate reorganization (whether or not such Party is the surviving entity). Any attempt to do so without such consent will be void.

- d. Entire Agreement; Counterparts. This Agreement contains the entire Agreement of the Parties regarding the subject matter described in the Agreement, and all other promises, representations, understandings, arrangements, and prior Agreements related to this Agreement are merged and superseded by this Agreement. The terms of this Agreement may not be amended, except by an Agreement in writing signed by the Party against whom enforcement of any amendment is sought. This Agreement may be executed in two (2) or more counterparts, all of which will constitute but one and the same instrument.
- e. Governing Law; Jurisdiction and Venue. This Agreement will be interpreted under, and any disputes arising out of this Agreement will be governed by, the laws of the State of Texas, without reference to its conflicts of law principles. The Parties irrevocably consent to the exclusive jurisdiction of the state and federal courts located in the Travis County, Texas, in connection with all actions arising out of or in connection with this Agreement, and waives any objections that venue is an inconvenient forum.
- f. Severability; Waiver. Should any provision of this Agreement be held by a tribunal of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement will remain in full force and effect. The failure of any Party to enforce strict performance by the other of any term of this Agreement, or to exercise any right available to a Party under this Agreement, will not be construed as a waiver of such Party's right to enforce strict performance in the same or any other instance.
- g. Force Majeure. Each Party shall be excused from performance under this Agreement and shall have no liability to the other Party for any period it is prevented from performing any of its obligations, in whole or in part, as a result of material delay caused by the other Party or by an act of God, war, terrorism, civil disturbance, court order, or natural disaster or other action beyond the reasonable control of a Party.

Distributor:

CLEARResult:

legal entity name

CLEARResult Consulting Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name:

Title: \_\_\_\_\_

Title: Director)

Notice Address:

Notice Address:

legal entity name

CLEARResult Consulting Inc.

Attn: \_\_\_\_\_

Attn: Legal Department

100 SW Main Street, Suite 1500

Portland, OR 97204

Email: legal@cleareresult.com

Phone: 503.248.4636

Email: \_\_\_\_\_

Phone: \_\_\_\_\_



SCHEDULE A

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THIS SCHEDULE is effective as of February 9, 2021 (the "Effective Date"), pursuant to the terms and conditions of that certain Promotion Agreement, dated Month day, year (the "Agreement"), by and between Legal Name of Distributor and CLEAResult Consulting Inc. Capitalized terms not defined in this SOW are as defined in the Agreement.

1. Budget. The amount allocated to Distributor for this Promotion is \$budget amount.
2. Program Requirements. Distributor shall provide the following Program requirements to each purchaser in writing:

By purchasing a Measures under the Program, the purchaser of such Measure agrees to the following terms and conditions

The purchaser acknowledges that the Program is being funded by California utility ratepayers and administered by the IOUs under the auspices of the CPUC; Company and the CPUC have the right to verify the purchase and/or installation of the applicable Measure, which verification may include conducting inspections at the site where the applicable Measure is installed and/or requesting that purchaser provide any and all available information, books and records related to the purchase or installation of the applicable Measure; The Measure must be installed no later than three (3) months following the date of purchase and shall remain installed for at least five (5) years; The purchaser consents that any information related to the purchaser's participation in the Program, purchase of the Measure or use of the Measure may be shared with Company, any IOU and the CPUC; A disclaimer of any responsibility of any IOU in connection with the selection, purchase, ownership and use of Program Measures, and a release and indemnification of Company and all IOUs from and against any and all claims, suits, proceedings, losses, liabilities, damages, costs, expenses, and fines arising from the purchase, ownership, installation, use, alteration, repair, replacement or maintenance of any Program Measure; and The purchaser will not receive any discounts, incentives or rebates from another governmental, utility, public agency, or IOU program funded in whole or in part by IOU customers for the same Program Measures.

3. Locations. Products shall be sold at the following locations:

<b>Location ID</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>
NA	NA	NA	NA	NA

4. Eligible Products: The following Products shall be eligible for the following incentive discounts:

Product Type	Product Requirements	Minimum Customer Contribution	Incentive Amount
Commercial Air-Cooled Air Conditioners Under 65 kBtuh Tier 1, 2, 3	Must be installed in qualifying zip code within three (3) months of sale.	None	\$50-\$100/ton
Commercial Air-Cooled Heat Pumps Under 65 kBtuh Tier 1, 2, 3	Must be installed in qualifying zip code within three (3) months of sale.	None	\$50-\$100/ton
Commercial Air-Cooled Air Conditioners Over 65kBtuh Tier 1, 2, 3	Must be installed in qualifying zip code within three (3) months of sale.	None	\$15-\$25/ton
Commercial Air-Cooled Heat Pumps Over 65kBtuh Tier 1, 2	Must be installed in qualifying zip code within three (3) months of sale.	None	\$15-\$20/ton
Commercial Packaged Furnaces with Variable Speed Motor	Must be installed in qualifying zip code within three (3) months of sale.	None	\$0.30/MBTU h (Input Rating)
Commercial Hot Water Boiler Tier 1, 2 - Space Heating Only	Must be installed in qualifying zip code within three (3) months of sale.	None	\$0.25 - \$0.50 per MBH (Input Rating)
Commercial Steam Boiler Tier 1, 2 - Space Heating Only	Must be installed in qualifying zip code within three (3) months of sale.	None	\$0.25 - \$0.50 per MBH (Input Rating)
Residential Gravity Wall Furnace Tier 1, 2	Must be installed in qualifying zip code within three (3) months of sale.	None	\$45/unit

5. Sales Data Report. Each Sales Data Report must contain the following:

Field Name	Req?	Data Type	Notes
Distributor ID	Y	Character	Assigned by the Implementation Contractor for each participating branch/store location
Residential Building Type	Y	Picklist	Single Family, Multi Family, Mobile Homes; only required for residential measure
Product Type/Measure Name	Y	Picklist	Required
Product ID	Y	Character	Required: AHRI Number for Commercial Boilers, Residential Furnace, Unitary Large Equipment, Air Conditioners and Air Conditions Coils, Heat Pump and Heat Pump Coil, Air Cooled Chillers, Water Cooled Chillers, Direct Heating Equipment; Must match product validation result. Energy Star Number for Smart Thermostat; Must match product validation result.
Model Number	Y	Character	Required; Must match product validation result.
Serial Number	Y	Character	Required; Must match product validation result.
Invoice/PO Number	Y	Character	Required
Sales Date	Y	Date	Required; Date Format MM/DD/YYYY
Retail Price	N	Numeric	Sale price of equipment
Incentive Amount	N	Character	Must match product validation incentive *when not blank
Customer Business Name	N	Character	
Customer First Name	N	Character	
Customer Last Name	N	Character	
Customer Installation Address	N	Character	Street Address of Product Installation Location
Customer Installation City	N	Character	City of Product Installation Location
Customer Installation Zip	Y	Numeric	Required; 5-digit format; Zip code of Product Installation

			Location
Installation Contractor Business Name	Y	Character	Required; Installation Contractor
Contractor Address	N	Character	Street Address of Product Installation Location
Contractor City	N	Character	City of Product Installation Location
Contractor Zip	N	Numeric	
Installation Date	N	Date	Date Format MM/DD/YYYY
Comments	N	Character	Optional



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## Contractor Survey

### Survey Method

During program delivery, CLEAResult will regularly survey contractors to assess the program's impact on the causal pathway of a product's journey to the end-user. By monitoring the reported reasoning behind decision-making and assessing the program's relative influence, CLEAResult will use this information to evaluate logic model assumptions and adjust interventions to adapt and optimize the program approach.

Analysis during program will include reviewing:

1. Retail price of program-qualified product
2. Discount applied to product at point of sale
3. Marketing materials requested & in-house materials developed
4. Events & training sessions conducted for contractors

### Questions

Contractor surveys will be focused on product availability, product selection, training effectiveness and purchase decision.

These questions may include, but are not limited to:

1. To what extent did the discount influence your decision to purchase the product] in the current year from [participating Distributor]?
2. To what extent did the included DR capable thermostat influence your decision to purchase this product?
3. Have you attended any program specific trainings provided by your Distributor?
4. To what extent did the program provided sales training and support affect your ability to promote qualifying products?



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## Distributor Survey

### Survey Method

During program delivery, CLEAResult will regularly survey distributors to assess the program's impact on the causal pathway of a product's journey to the end-user. By monitoring the reported reasoning behind decision-making and assessing the program's relative influence, CLEAResult will use this information to evaluate logic model assumptions and adjust interventions to adapt and optimize the program approach.

Analysis during program will include reviewing:

1. Retail price of program-qualified product
2. Discount applied to product at point of sale
3. Marketing materials requested & in-house materials developed
4. Events & training sessions conducted for counter staff

During evaluation, surveys for distributors will be used to collect data to determine impact on decision making, influence, upselling, stocking, and pricing resulting from the program.

### Questions

Distributor surveys will be focused on program effect on stocking, pricing, discounting, and manufacturing.

These questions may include, but are not limited to:

1. In [previous non program year] approximately what percentage of your stock of [product] would have been program-qualified?
2. Currently, approximately what percentage of your stock of [product] is program qualified?
3. To what extent have the program incentives influenced these changes in stock of [product]? Please give a detailed narrative and detailed facts answer, as well as an answer scored from 0 (no influence) to 10 (strong influence).
4. How often do you reduce the price of program qualified [products] for your customers?
  - a. Never
  - b. Rarely
  - c. Occasionally
  - d. Often
  - e. Always



5. By approximately what percentage of the sale price do you discount the price of program qualified [products] for your customers?



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## Customer Survey

### Survey Method

During program delivery, CLEAResult will regularly survey customers to assess the program's impact on the causal pathway of a product's journey to the end-user. By monitoring the reported reasoning behind decision-making and assessing the program's relative influence, CLEAResult will use this information to evaluate logic model assumptions and adjust interventions to adapt and optimize the program approach.

### Questions

Customer surveys will be focused on purchase decision, product performance, overall satisfaction, and installation.

These questions may include, but are not limited to:

1. Why did you purchase new HVAC equipment?
2. Did your contractor review the benefits of High-Efficiency HVAC equipment?
3. What was the main factor in choosing to purchase this equipment for your home/business? e.g., ROI, emergency replacement, discounts.
4. To what extent did your installing HVAC Contractor influence your decision to select this equipment?
5. Were you informed on the use of your smart thermostat?
6. Did your contractor speak to you about Demand Response?
7. Did you use financing to purchase your unit?