

2020

Integrated Design Solutions Incentive Program Procedures Manual

Sacramento Municipal Utility District
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1.0 Introduction

The 2020 Integrated Design Solutions Incentive Program's (IDS Program) primary role is to provide design assistance to optimize non-residential projects for energy efficiency and electrification. In addition, the IDS Program provides incentives supporting the installation of qualifying energy efficiency and electrification equipment at non-residential sites. Financial incentives help cover the incremental cost difference between efficient and standard equipment. Depending on conditions being met, a design team incentive may also be available to support the design effort for innovative and cutting-edge energy efficient and electric technologies.

Please note that changes to incentives and the program rules may occur between revisions of the procedures manual. Please visit www.smud.org/IDS to ensure your version of the procedures manual and applications are the most current.

2.0 Program Overview

- 1) The IDS Program uses a paper application available upon request at IntegratedDesign@smud.org, or call 916-732-5095.
- 2) The IDS Program offers two participation paths:
 - a) **Modeled:** The design team uses energy modeling software to compare baseline (generally code minimum) energy performance to the performance of the proposed project. SMUD will calculate a customized incentive value based on the reduced consumption of the proposed design. This approach can be used for whole building design or process loads. The modeled approach has the potential for higher incentive values and offers a 1/3 design team incentive for innovative designs that move the market. The modeled approach is best suited to complex and/or large buildings.
 - b) **Equipment Menu:** A simple, prescriptive approach that offers a dollar value for certain equipment and design decisions. The application process is much more streamlined than the modeled approach and the incentives are lower. The equipment menu approach is best suited to small or mid-sized buildings, such as the ground floor of a mixed-use building.
- 3) For the owner's incentive using the modeled approach, a Letter of Interest and Owner's Incentive Application is required before 100% design development documents are completed for program participation.
- 4) For the design team incentive using the modeled approach, SMUD attendance of at least one design team meeting prior to completion of 50% schematic design, the signed Design Team Incentive Application received prior to 100% schematic design, and implementation of at least one electrification measure are minimum requirements.
- 5) For the owner's incentive using the equipment menu, an Owner's Incentive Application is required before 100% construction documents are completed for program participation.

3.0 Definitions

Applicant – The party who signs the terms and conditions on the Letter of Interest is the applicant.

Customer – The “customer of record” who receives a SMUD bill and will be the beneficiary of any energy efficiency and electrification improvements.

Design Team – The design team selected by the customer to complete the building design.

Payee – The payee (customer and/or design team) accepts the IDS Program Terms & Conditions and will receive the incentive payment. The payee can be either the customer or design team. In all cases, the customer and/or design team must agree to the Terms & Conditions and be aware of potential incentives.

Project – The scope of work contained within a customer’s building permit set at a single site.

4.0 How to Apply

Request a copy of the IDS Program **Owner Incentive Forms and Instructions** (Form SMUD-3696a) at IntegratedDesign@smud.org or call 916-732-5095.

The Owner Incentive Forms and Instructions consists of the following:

- 1) **Letter of Interest** – The IDS Program Letter of Interest (LOI) is the first step in the process, providing SMUD with background on the project, the design team members, and an attestation of the intent to participate.
- 2) **Owners Application** – Once SMUD has received appropriate documentation and estimated the incentive, the applicant submits the Owner Incentive Application. SMUD will reserve funds for the specified period and return an approved application.
- 3) **Terms & Conditions** – The check recipient, typically the customer, agrees to the program terms.
- 4) **Multi-Year Agreement Progress Report** – To reserve funds beyond the calendar year, SMUD requires an annual update.
- 5) **Notice of Project Completion** – Upon completion of the project, the Applicant submits the Notice of Project Completion (Payment Request) to SMUD.

4.1 Modeled approach

For projects in the pre-schematic design phase, the applicant and/or design team should contact SMUD who can provide an incentive estimate to the applicant after receiving the following information:

- 1) A completed Letter of Interest (Form SMUD-3696a, page 2), preferably completed electronically as opposed to handwritten.
 - a) Print the completed Letter of Interest, sign and date where indicated in ink, and then email a scanned copy. An alternative is to use a digital signature.
 - i) Photographs of the signed applications will not be accepted.
- 2) Submit design drawings and an energy model for the design using software approved by the CA Energy Commission.
 - a) Additional information may be required to support the analysis, such as equipment cut sheets, purchase orders, or contracts, as relevant.
 - b) For the Modeled Approach, the project is 10% below the applicable California Energy Code. This can be pursued in either of two ways, using a decoupled model:
 - i) Time Dependent Valuation (TDV) basis
 - (1) Exclude Receptacle, Process, and Process Lighting from determining the TDV
 - ii) Modeled kWh_{ELEC} basis

When site improvements for construction begin:

- 1) SMUD will confirm the reserved incentive amount and will email a copy of the application to the applicant (Form SMUD-3696a, page 3 and 4).
- 2) Complete the Owner's Incentive Application (Form SMUD-3696a, page 3) electronically for owner and project information. Applicant agrees to the terms and conditions (Form SMUD-3696a, page 3), prints and then ink sign pages 3 and 4 of the application. An alternative is to use a digital signature.
- 3) Applicant emails signed copies of pages 3 and 4 back to SMUD at IntegratedDesign@smud.org (Form SMUD-3696a, page 3 and 4).
- 4) When received, SMUD will ink sign or digitally sign and return pages 3 and 4 to reserve funds for the project, establishing the approval to proceed.
 - a. Incentives are not reserved until the application is countersigned by SMUD.
- 5) Projects with long development cycles must meet the requirements of the Multi-Year Agreement Progress Report in the incentive application (Form SMUD-3696a, page 4 and 5).

Prior to the owner incentive payment, SMUD requires the following:

- 1) A final walkthrough of the project to verify energy efficient and electrification systems are installed and operational.
- 2) Signed Notice of Project Completion from the applicant (Form SMUD-3696a, page 6).
- 3) Current drawings as PDFs, and where applicable, final invoices.
- 4) Final building simulation model that is updated for current installed construction and systems.

4.2 Equipment menu

Prior to 100% construction documents, a customer can participate in the equipment menu as follows:

- 1) Obtain an Owners Incentive Application by emailing IntegratedDesign@smud.org.
- 2) Complete the incentive application (Form SMUD-3696a, page 3 and 4) electronically for owner, project information, and terms and conditions, print the form, and sign/date the application in ink. Scan and email the form to IntegratedDesign@smud.org. An alternative is to use a digital signature.
- 3) SMUD will review the application and reply via email with a Letter of Acceptance with the incentive amount, which holds incentive funds for the projects no longer than 18 months from the date of issuance. The Letter of Acceptance also includes instructions on how to receive payment from SMUD.

For the final application submittal, prior to an incentive payment, SMUD requires the applicant to submit a final signed Notice of Project Completion (Form SMUD-3696a, page 6). In addition, project costs need to be submitted, using the following protocols:

Acceptable methods of demonstrating project cost:

- 1) All invoices, receipts, etc. must include adequate detail of the new equipment/measures.
- 2) Copy of the contractor's final invoice indicating overall contract value.
- 3) Copy of the contractor's partial payment invoice indicating both the overall contract cost as well as reflecting enough invoiced payments to cover all the project incentive caps.
- 4) SMUD may require additional documentation in cases where invoicing is unclear, or deficient in some way.

Eligible components of project cost:

- 1) Allowable project costs may include: engineering, construction, equipment, materials, removal, recycling, overhead, tax, shipping, and labor.
- 2) When an efficiency project is a component of a larger project, SMUD reserves the right to request documentation verifying the value of only the tasks related to the efficiency project. For example, a customer replaces a swimming pool and associated equipment, and is eligible for a rebate on the pump upgrade. SMUD may request the material and labor costs of the pump installation only.
- 3) Project cost may not include: spare parts, maintenance supplies, maintenance contracts, standby/backup equipment, or other equipment that does not contribute to the realization of energy savings. Project cost may not include any costs incurred in advance of an executed contract or order such as sales, marketing, audits, or assessments.

5.0 Eligibility for Participation

5.1 Project eligibility

To be eligible for the IDS Program, projects must be:

- 1) Located in SMUD service territory.
- 2) Be either new construction or extensive renovation and comply with the non-residential requirements of the CA Energy Code.
- 3) Planning to receive electricity under a non-residential rate with annual energy purchases (kWh) exceeding the proposed savings claimed by the energy efficiency project as shown by historical usage or energy modeling.
- 4) At a point where the customer can be influenced by the program's offerings and incentives to implement energy efficient and all-electric design alternatives in place of current or status-quo designs.

Multi-family buildings may use the IDS Program for areas served by a commercial "house" meter. This usually includes common areas, sport courts, landscape lighting, roadway lighting, and parking. Areas controlled by individual residents are not eligible for the IDS Program, but rebates are available through other programs, such as Smart Homes (<https://www.smud.org/en/Going-Green/Smart-Homes>).

With prior approval from SMUD, manufacturing facilities, cannabis, and industrial processes may be eligible for an electrification incentive. An industry standard baseline using natural gas and is less expensive to implement needs to be established for the project.

For extensive renovation projects that were previously all electric, pre-approval from SMUD is required to be eligible for the electrification incentive.

In addition to the above requirements, a project is deemed eligible if the following conditions are met:

- 1) All applicable permits must be pulled and closed.
- 2) All products are UL, CSA, ETL, or Design Lights Consortium (DLC) listed. SMUD may request confirmation that products are listed.
 - a. The CE mark (Conformité Européenne) is not an accepted substitute.
- 3) New equipment meets all applicable codes the project is permitted under, including the State of California Title 24 part 6 and Title 20.
- 4) Applicant must be willing to participate in SMUD's future review of the Project's performance for the purpose of determining the IDS Program's performance. Applicant may be requested to answer questions regarding the installed measures performance and agrees to the release of billing data to SMUD or its consultant. In the event the modification does not perform as well as expected, SMUD will not seek the return of incentives paid for projects negotiated in good faith.
- 5) Applicant, design team, and payee have not been suspended from participating in the IDS Program.

5.3 Design team eligibility

The design team incentive will be available only for the Modeled Approach. The design team may be eligible to receive a design team incentive, which will be calculated to be 1/3 of the owner's incentive, if the following conditions are all met:

- 1) The completed Design Team Incentive Application is received and approved by SMUD prior to 100% schematic design documents (Form SMUD-3696, page 2 and 3).
- 2) SMUD staff participate in at least one design team meeting with the owner prior to 50% schematic design.
- 3) The project owner/developer has a Letter of Interest on file with SMUD.
- 4) At least one electrification measure is designed into the project.
 - a. Examples of such measures would be: air to air heat pumps, air to water heat pumps, water to water heat pumps, water to air heat pumps, heat pump water heaters, or heat recovery chillers.
 - b. Examples that will not be considered are electric resistance technologies such that the primary source of heating is from electric resistance (domestic hot water or space heating systems).

If the design team incentive is greater than \$10,000, the design team may request that 50% of the design team incentive is issued at building permit, and up to the remaining 50% of the design team incentive is issued upon project completion.

Prior to the final design team incentive payment, SMUD requires the following:

- 1) A final walkthrough of the project to verify energy efficient and electrification systems are installed and operational.
- 2) Signed Design Team Incentive Application Payment Request form (Form SMUD-3696, page 4).
- 3) Current drawings as PDFs, and where applicable, final invoices.
- 4) Final building simulation model that is updated for current installed construction and systems.

6.0 Qualifying Energy Efficiency and Electrification Measures

Requirements of technologies applying for IDS Program include:

- 1) **Cannot overlap other incentive/rebate programs** – Any measures included in the application cannot apply for multiple California energy efficiency incentives or rebate programs.
 - a. SMUD, at its sole discretion and with preapproval, may make exceptions for projects using special SMUD PowerDirect® or R&D programs. Cost caps will need to be observed when utilizing multiple programs.
- 2) **Fuel substitution measures** – SMUD can pay incentives on projects that switch from a fossil fuel to an electric energy supply, also known as electrification.
 - a. Fuel substitution measures require additional approvals and confirmation that they simultaneously reduce energy consumption on a net-kWh basis and reduce source CO₂ generation.
 - b. Exceptions that will not receive an electrification incentive are electric resistance technologies, such as those used for primary domestic hot water or space heating.
- 3) **Savings must not be reliant on behavioral changes** – Projects are required to have permanent energy efficient modifications and/or automated controls. See the Appendices for exceptions.

7.0 Projects That Increase Load

Refer to potential opportunities with the SMUD Custom Incentive Program (smud.org/Custom).

8.0 Modeled Approach – Standard Building

Incentives are calculated by determining the difference in annual energy consumption between the proposed efficient system and a baseline system that meets the applicable Title 24 code, to which we refer as the standard building. SMUD accepts building simulation software approved by the California Energy Commission including CBECC-Com, EnergyPro, and Integrated Environmental Solutions (IES). With prior approval from SMUD, software not listed with the California Energy Commission may be used to model systems not able to be modeled with CEC-approved software, such as underfloor air distribution, thermal mass, natural ventilation, radiant cooling & heating or other innovative strategies.

When modeling the standard building, the design team may submit a separate building model representing the standard building. The standard building will be modeled with the identical layout, orientation, and internal loadings as the proposed building, however the systems will meet the minimum current energy code requirements for efficiency and performance. Unless there is prior approval from SMUD, the standard building systems will follow those described in the permitted code year CA Energy Code Alternative Calculation Methods Manual.

Buildings employing heat pump water heating, heat pump space heating or other technologies to avoid gas use for water heating or space heating will use the mixed fuel, CA Energy Code compliant model as the baseline. Refer to Appendix A for modeling methodology on converting electric space heating to equivalent natural gas energy.

9.0 Peak Period

Some non-lighting retrofits include a peak demand reduction incentive. The demand (kW) reduction incentive will be paid only for projects that reduce electrical demand for at least one hour daily between 4PM and 7PM on summer weekdays (peak).

10.0 Program Alternatives

For existing buildings that are replacing common lighting, HVAC, refrigeration, and food service energy efficiency upgrades are likely eligible for the Express Energy Solutions program (EES, www.smud.org/EES). There are several other program offerings through SMUD, such as Greenergy®, SolarShares®, PowerDirect®, and EV Charging. Check www.smud.org and reach out to your Strategic Account Advisor for the most current program offerings.

Large projects that exceed the project incentive cap and realize extraordinary utility benefits may be eligible for special incentives, at SMUD's sole discretion.

11.0 Incentive Payments

11.1 First come, First served

Program funds are available on a first-come, first-served basis. Incentive budgets are finite and could potentially be exhausted. Only projects receiving a SMUD approved application are guaranteed an incentive if the project is completed within the stated timeframe.

11.2 Incentives/rebates from other programs

Once an application is submitted to one of SMUD's energy efficiency programs, an application may not be resubmitted to a different program – even if the terms of the second program are more favorable.

11.3 Customer project incentive rates and caps

Incentive Rates and Caps are subject to change:

- 1) Modeled Approach (Refer to Appendix A)
- 2) Equipment Menu (Refer to Appendix B)
- 3) Electrification (Refer to Appendix C)

Incentive Caps are per program year (the current calendar year) and incentive payments are cumulative when compared to caps. A project cannot be divided to receive multiple project caps unless the two phases are separately permitted and have separate construction documents.

The IDS Program Project Incentive Cap is applied “per customer site per year”. The customer site reflects all buildings on a parcel or contiguous parcels that have a common customer of record. The Custom Program is not able to combine incentives from multiple non-contiguous sites. Contiguous sites (a campus) that are included in a single construction contract can be permitted, but each account number must be identified.

11.4 Multi-year projects

To assist customers with large projects having extensive development periods, SMUD can reserve funds past the current calendar year. Special SMUD approvals are required and can add additional processing time. Multi-year projects also have special requirements including:

- 1) Project schedule prior to application approval.
- 2) Potential incentive reduction for delays beyond the anticipated calendar year.
- 3) Demonstration of substantial work prior to advancing incentive into following calendar year.

These and other additional terms will be confirmed upon with the approved Owners Incentive Application.

11.5 Changes to project scope

If the project scope changes significantly between the approved application and the post-installation inspection, SMUD reserves the right to reduce the incentive. If scope changes are brought to SMUD's attention prior to installation, SMUD will evaluate the change for potential incentive increases or reductions.

11.6. Incentive payments

Provided the project has been installed, the payee indicated on the approved application can expect to receive a single incentive payment, by check, within 30 days of submission of all required signed applications, technical data sheets, and other documentation. Failure to provide these documents within 60 days of project completion may forfeit the incentive for the project.

12.0 Installation Deadline and Delays

The approved Owners Incentive Application will include an installation window. Unless negotiated in advance, the installation window is the expected project completion date, or the end of the program year, whichever is sooner. Incentives for projects delayed beyond the installation window are not guaranteed unless using a Multi-Year Agreement Progress Report.

Projects delayed beyond the installation window stated in the Reservation of Funds/Approval to Proceed can still receive an incentive provided funds are still available and it is the current program year.

Applications for projects delayed beyond the agreed end date will be cancelled. If the program continues to exist, a new application for the new program year can be submitted, and all existing preapprovals will be honored. The program incentive rates and caps are subject to change, and the most recent program rates and rules will be applied to the new application.

13.0 Post-Installation Inspection

IDS Program Projects will be subject to a post-installation inspection.

14.0 Application Termination

14.1 Application expiration

Applications that do not result with an approved Owners Incentive Application will expire without notice one year after the original application date. Expired applications can be restored at any time to the current program rules provided the program still exists and the project is still eligible.

14.2 Agreement termination conditions

SMUD values all customers who endeavor, in good faith, to participate in SMUD's programs and will make every effort to renegotiate completion dates or incentives *prior* to the expiration or termination of agreements, however agreements (projects receiving notice to proceed) may be terminated (cancelled) at SMUD's discretion, under the following conditions:

- 1) SMUD determines that significant information was purposely withheld or falsely stated in the Application.
- 2) Installation commences prior to the approved Owners Incentive Application.
- 3) The project fails to be installed, fully commissioned, or fully operational prior to the installation deadline.
- 4) The applicant formally requests to withdraw from the program.
- 5) Applicant is unable to provide appropriate and complete documentation (technical data sheets, signed contracts, etc.) prior to the approved Owners Incentive Application.
- 6) Applicant fails to provide complete documentation (payment request, technical data sheets, invoices, etc.) within 90 days of project completion or prior to the close of the current program year, whichever comes first.
- 7) The agreement is a duplicate.

14.3 Appeal of termination

Prior to terminating or cancelling an agreement, SMUD will email a notice to the payee at the email address on the application. The payee has seven (7) days to provide a written appeal to the program manager at IntegratedDesign@smud.org with reasoning for an extension request. Note that failure to complete the project or provide the required documentation does not constitute a valid reason for extension.

After the seven (7) day appeal period, the agreement will be cancelled.

15.0 Payee Suspension

Should SMUD determine that a payee has acted in a manner to indicate an intent to defraud SMUD, SMUD will restrict participation in its programs. Any project installed during the suspension period is ineligible for incentives or rebates.

SMUD will ask the party being suspended to acknowledge the suspension. Regardless of the acknowledgement, the suspension period begins on the date of the notice of suspension. Legitimate incentives for projects found to be erroneous will be forfeit in all cases except those warranting a warning letter.

SMUD may apply suspensions to individuals, businesses, customers, equipment distributors, and vendors.

Infractions are removed one year from the notice of suspension. The following table contains guidelines. SMUD reserves the right to accelerate or lengthen the suspension period in clear cases of fraud.

	Example of issue (not a comprehensive list)	Suspension period
Carelessness or unintentional variance	<ul style="list-style-type: none"> Minor error in fixture count Minor error in determining fixture wattage 	<ul style="list-style-type: none"> First infraction: Warning Letter Second infraction: 90 Days Third infraction: 180 Days
Deliberate miscalculation	<ul style="list-style-type: none"> Substantially overstating wattage/horsepower/tonnage of existing equipment (ex: claiming 250W HID as 400W HID, 3 lamp fixtures as 4 lamp fixtures, claiming T8 fixtures as T12 fixtures, etc.) Major overstatement of fixture count (>10%) Improperly claiming project completion 	<ul style="list-style-type: none"> First infraction: 90 Days Second infraction: 1 Year (12 months)
Fraud	<ul style="list-style-type: none"> Doctoring manufacturers data sheets Claiming already completed projects as new retrofits Doctoring project cost documentation (invoices) Submitting different invoices to SMUD and the customer. Submitting multiple applications for same project 	<ul style="list-style-type: none"> First infraction: 1 Year (12 Months) Second infraction: Permanent prohibition from participation.

16.0 Contact Information

A representative of the Integrated Design Solutions Program team can be reached at: IntegratedDesign@smud.org or (916) 732-5095.

Appendix A: Modeled Incentive Rates, Caps, and Modeling Methodology

Energy Efficiency Incentive:

- 1) \$0.10 / kWh_{ELEC} incentive for electrical energy efficiency.
- 2) \$150 / kW_{ELEC} incentive for electrical peak demand savings between 4PM – 7PM.

Electrification Incentive:

- 1) \$0.30 / kWh_{EQUIVALENT} for electrification efforts to switch from natural gas to electric.
- 2) \$1 / sqft, up to \$25,000 for qualifying all-electric projects. Refer to Appendix C for requirements.

Modeled Incentive Caps:

- 1) Owner's total incentive, the lesser of the following, per project plan set:
 - a. Up to \$150,000 per project for both energy efficiency and electrification incentives combined.
 - b. Up to 100% of the incremental project cost.
- 2) Design Team Incentive, per project plan set:
 - a. One-third of the Owner's Incentive.

Modeling Methodology for converting kWh_{ELEC} (Electric) Heating in a Standard Building to kWh_{EQUIVALENT} (Gas) Heating:

The standard building, per the 2019 Alternative Calculation Method Manual, uses natural gas for heating. Some software tools may generate a standard building that uses electricity as the fuel source for space heating if the proposed building is all electric.

The following corrective methodology creates an equivalent standard building that uses natural gas as it's primary heating source.

- 1) Multiply kWh_{ELEC} by 3 COP (for average heat pump efficiency) and divide by 0.8 TE (for average gas furnace efficiency)
 - a. $kWh_{EQUIVALENT} = kWh_{ELEC} * 3 \text{ COP} / 0.8 \text{ TE}$
- 2) To convert natural gas (therms) to kWh_{EQUIVALENT}, multiply the therms by 29.3 kWh_{ELEC}/therm.
 - a. $kWh_{EQUIVALENT} = \text{Therms} * 29.3 \text{ kWh}_{ELEC} / \text{Therm}$
- 3) To determine the overall kWh_{EQUIVALENT} savings for space heating, the calculated kWh_{EQUIVALENT} for the proposed building will be subtracted from the standard building kWh_{EQUIVALENT}.
 - a. $\text{Savings_kWh}_{EQUIV} = \text{Standard_kWh}_{EQUIV} - \text{Proposed_kWh}_{EQUIV}$

The above methodology only applies to space heating to sites that have access to natural gas.

Appendix B: Equipment Menu Incentive Options

Energy Efficiency Incentive:

- 1) Respective incentives from the tables below.

Electrification Incentive:

- 1) \$1 / sqft, up to \$25,000 for qualifying all-electric projects. Refer to Appendix C for requirements.

Equipment Menu Incentive Caps:

- 1) Owner's total incentive, the lesser of the following per project plan set:
 - a. Up to \$50,000 per project for both energy efficiency and electrification incentives combined.
 - b. Up to 100% of the incremental project cost.

Heat Pump Water Heaters – Commercial Applications	
Residential-style storage hot water heater <ul style="list-style-type: none"> • 50 - 80 Gallons • Intermittent use • Less than 10 kBtu/hr in “efficiency” mode (heat pump operating without electric elements) • Must appear on SMUD’s qualified products list 	\$1,500 Residential-style heat pump water heater – gas to electric heat pump conversion
Commercial Duty Storage hot water heater <ul style="list-style-type: none"> • 80 - 120 Gallons • Minimum 30 kBtu/hr input in “efficiency” mode (heat pump operating without electric resistance elements) • Minimum 3.0 COP at 67°F ambient / 120°F tank 	\$4,000 Commercial-style heat pump water heater – gas to electric heat pump conversion
Split system water heater <ul style="list-style-type: none"> • 80 - 120 Gallon Storage • Minimum 12 kBtu/hr input in heat pump mode operating without electric resistance elements 	\$3,000 Split system heat pump water heater
Custom Engineered Systems <ul style="list-style-type: none"> • Heat recovery • Chillers • Hybrid Systems 	Incentive based on approved calculations using incentive rates in Appendix A

Commercial Electrification Solutions	
Single zone and multi-zone mini split heat pumps	
<i>No supplemental heat</i>	
Cooling Capacity 12,000- 18,000 Btu/h: 17 SEER	Incentive \$300 Single Zone, \$400 Multi Zone
24,000 – 30,000 Btu/h: 17 SEER	\$600 Single Zone, \$800 Multi Zone
36,000 – 42,000 Btu/h: 17 SEER	\$900 Single Zone, \$1200 Multi Zone
Must serve spaces previously served by gas heat	
Packaged and split system heat pumps	
<i>Electric or gas supplemental heat</i>	
Cooling Capacity < 65,000 Btu/h	Incentive 14 SEER, 8.2 HSPF: \$500/Ton 16 SEER, 8.5 HSPF: \$550/Ton
= 65,000 - < 135,000	11 EER, 12.2 IEER, 3.3 COP: \$500/Ton 12 EER, 13 IEER, 3.4 COP: \$550/Ton
= 135,000 - < 240,000	10.6 EER, 11.6 IEER, 3.3 COP: \$500/T 12 EER, 13 IEER, 3.4 COP: \$550/T
>= 240,000	9.5 EER, 10.6 IEER, 3.3 COP: \$500/T 10.8 EER, 11.5 IEER, 3.3 COP: \$550/T
COP Rating at 47 °F Retrofit projects must serve spaces previously served with gas heat	
Whole Building Air-Source Solutions	
Variable Refrigerant Flow	
Cooling Capacity = 65,000 - < 135,000	Incentive 11 EER, 14.6 IEER, 3.3 COP: \$500/Ton 11 EER, 23 IEER, 3.5 COP*: \$1,000/Ton*
= 135,000 - < 240,000	10.6 EER, 13.9 IEER, 3.2 COP: \$500/Ton 10.6 EER, 21 IEER, 3.5 COP: \$1,000/Ton*
>= 240,000	9.5 EER, 12.7 IEER, 3.2 COP: \$500/Ton 9.5 EER, 20 IEER, 3.5 COP: \$1,000/Ton*
* Units capable of simultaneous heating and cooling through heat recovery. Retrofits must serve spaces previously served with gas heat.	
Other Heat Pump and Energy Recovery Technologies	
<ul style="list-style-type: none"> • Water Source Heat Pumps • Water Source VRF Heat Pumps • Heat Recovery Chillers • Custom Solutions for Converting Gas to Electric End Uses 	Incentive based on approved calculations using incentive rates in Appendix A
Commercial Induction Range	
Requirements: <ul style="list-style-type: none"> • 2 Hobs minimum (burners) • Food service only – primary business is preparing food • 208 V - single phase minimum • 3.5 kW/hob minimum 	\$450/hob

Appendix C: Electrification Bonus

For both the modeled and equipment menu incentive options, projects are eligible for an electrification bonus if the project solely relies on electricity to fuel its operations and meets the following conditions.

The electrification bonus requires the following conditions:

- 1) There are no gas end uses within the project.
- 2) The gas meter is removed and the gas line to the building is capped and locked by the gas utility company.
- 3) Electric resistance technologies are not used as the primary source of heating for domestic hot water or space heating.