

# **2011 Hard-to-Reach Standard Offer Program**

October 20, 2010



# Where in Texas?

AEP is offering the Hard-to-Reach Standard Offer Program (HTR SOP) through its Texas distribution companies which include AEP Texas Central Company (TCC), AEP Texas North Company (TNC) and Southwestern Electric Power Company (SWEPCO)



# 2011 HTR SOP Summary

- Incentives Paid for kW and kWh savings
- Internet Application and Reporting
- HCA, Income Eligibility Form and Customer Education Material
- Small Projects
  - No minimum project size
  - Reserve funds for 30 days
- Multi-Family
  - Work Schedule required

# 2011 KEY CHANGES

- Underserved Counties for TNC have been revised, listed in 2011 HTR Manual
- Deemed Savings have been revised for 2011
- Multi-Family projects are still allowed but Incentive Rate has changed
- All installations must be submitted on an Invoice Report within 45 days of the installation
- All host customers must be supplied approved customer education material

# 2011 KEY CHANGES (continued)

- Residential dwellings built (completed) after January 1, 2009 do not qualify for the Program
- All ceiling insulation installations must affirm that an insulation installation certificate was permanently affixed near the attic opening
- A new duct tool spreadsheet has been added to the database
- Failure to complete prescriptive requirements will result in a total Measure failure regardless of the CFM reading
- Revised application forms

# HTR SOP INCENTIVE BUDGETS

	<u>Budget</u>	<u>Limit per PS</u>
➤ TCC	\$1,640,984	\$125,000
➤ TNC	\$ 241,871	\$ 50,000
➤ SWEPCO	\$ 525,000	\$100,000

# How Do I Participate?

- Review Program Manual
- Review SOP Agreement
- Complete and review on-line application
- Submit application via internet
- If applicable, send testing procedures within 24 hours of submitting application

# What Happens Next?

- Applications will be reviewed based on receipt of all required information
- Once eligibility has been verified and application pre-approved, enter into a contract with AEP to install eligible Measures
- Refer to Program Manual for additional information

# Project Sponsor Requirements

## A Project Sponsor must have:

- Adequate insurance (mailed or e-mailed directly to appropriate Program Administrator by insurance agency)
- All appropriate licenses
- References
- Evidence of technical and managerial capabilities and experience
- AEP approved customer education material to be distributed to all host customers

# Incentive Payments & Example

# Incentive Payment Structure

- 4 Levels, to encourage Project Sponsors:
  - Installing Standard Single-Family dwelling Measures
  - Installing Standard Multi-Family dwelling Measures
  - Installing certain historically Underserved Measures
  - Installing Measures in certain historically Underserved Counties

	<b>kW</b>	<b>kWh</b>
Standard Single-Family	\$360	\$0.11
Standard Multi-Family	\$325	\$0.10
Underserved Measures	\$400	\$0.13
Underserved Counties	\$440	\$0.15

# Underserved Measures

- **TCC**                    HVAC Measures
- **TNC**                    HVAC and Insulation Measures
- **SWEPCO**            HVAC and Insulation Measures

# Underserved Counties

- Incentives paid at Underserved Rate until budget for Underserved Counties depleted, then paid at Standard Rate or Underserved Measures Rate
- Underserved Budget:
  - TCC                      \$ 600,000
  - TNC                      \$ 25,000
  - SWEPCO                \$ 210,000

# Underserved Counties - TCC

ATASCOSA	EDWARDS	LA SALLE	VAL VERDE
BEE	FRIO	LIVE OAK	WHARTON
BROOKS	GOLIAD	MAVERICK	WILSON
CALDWELL	GONZALES	MCMULLEN	ZAPATA
COLORADO	GUADALUPE	MEDINA	ZAVALA
DE WITT	JACKSON	REAL	
DIMMIT	KENEDY	REFUGIO	
DUVAL	KINNEY	UVALDE	

# Underserved Counties - TNC

BRISCOE	FOARD	KNOX
CALLAHAN	HALL	MOTLEY
CHILDRESS	HARDEMAN	NOLAN
COTTLE	HASKELL	SHACKELFORD
DICKENS	JONES	STONEWALL
EASTLAND	KENT	THROCKMORTON
FISHER	KING	WILBARGER

# Underserved Counties - SWEPCO

CHILDRESS	PANOLA	UPSHUR
COLLINGSWORTH	RED RIVER	VAN ZANDT
DONLEY	SHELBY	WHEELER
HALL	SMITH	WOOD
HOPKINS	TITUS	

# Incentive Payment Example

Install HVAC Measures resulting in savings of:

25 kW      55,000 kWh

Incentive Payment:

\$400/kW      \$0.13/kWh

Total Incentive:      \$17,150

*before any limits*

# Incentive Payment Limits

## Load Factor Caps:

- For all combined kW and kWh incentive payments, incentive is limited to:

**\$920 per kW**

# Application Process



# Create Application

- Register on Program website
- Complete Project Sponsor Details
  - Sponsor Profile
  - Subcontractor Information
  - Project Description
  - Qualification Documents
  - Insurance Information

# Application Schedule

- 1<sup>st</sup> Day to register
  - October 21, 2010
- Submit applications
  - December 1, 2010
- Implementation begins
  - February 9, 2011
  - Must have approved application status
  - Must have 2011 HCA's
  - Must have a budget reservation

# Multi-Family Projects

- Site
- Measures
- Work Schedule
- Duct Description
- Individually-metered
- \$25,000 Budget Reservation
  - Program Administrator can increase reservations for completion of project per funding availability

# Identify Project Opportunities

- Verify customer eligibility
- Original customer signature and date on Income Eligibility Form
- Original customer signature and date on Host Customer Agreement & Acknowledgement form

# Install Measures

- Reserve funds via internet
- Install Measures
- Original customer signature and date on Host Customer Agreement & Acknowledgement Form to verify completion
- Provide customer with Approved Educational Materials

# Reporting and Invoicing

- Monthly reporting via internet
  - Inaccurate reporting results in failures
- Un-submitted Measure installations over 45 days old will lock out reservations feature
- AEP will process inspection-adjusted invoice within 45 days in normal circumstances

# Installation Inspections

- Random sample of Measure installations
- Verify that number of installed Measures equals number of reported Measures
- Verify Measure is installed and capable of performing its intended function (10 yr measure life expectancy)
- Verify that Measures qualify and that installation standards were followed



# Photo Examples of Failed Measures

Duct Efficiency, Infiltration, and Insulation



# Duct Efficiency



# Duct Efficiency (cont.)



# Infiltration



# Infiltration (cont.)



# Insulation



# 2010 Program Issues

- Accurate reporting - Measures reported but not found
- HCA's and Installations done prior to application approval
- Home square footage errors (tax records not always reliable)
- Customer signatures and dates on HCA's and Income Eligibility Forms
- Duplicate Measures on invoices (review before submitting)
- Multi-Family/Single-Family reservations (only one open at a time)

# 2010 Program Issues (continued)

- Customer educational material not being supplied
- Must inform customer of inspection possibility
  - Provide best daytime contact phone #'s
- Measures installed should provide an expected life of at least 10 yrs with the exception of CFLs. The following are deemed unacceptable
  - Taping attic access doors and filter access panels
  - Plumbing penetrations not covered effectively or with plastic/non-rigid material
  - Supply registers not removed to be sealed nor serviced from attic space
  - Caulking reported but not found in rooms specified (door frames, baseboards, windows)

# Program Website

Refer to [www.aepHTRsop.com](http://www.aepHTRsop.com) for:

- SOP schedule
- Latest program announcements
- Available funding
- FAQ's
- Program Manual
- Program contact information

# AEP Contact Information

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Comments and Questions.....