

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve additional funds for the **Sale of Discounted Heat Pump Water Heaters (HPWH) to EWEB Customers with General Pacific.**

Board Meeting Date: July 9, 2024
Project Name/Contract #: Heat Pump Water Heater Promotion / 19-179-MOU
Manager: Anna Wade Ext. 7401
Executive Officer: Julie McGaughey Ext. 7066

Contract Amount:

Original Contract Amount: \$150,000 (Not previously approved by Board)
Additional \$ Previously Approved: \$700,000 (\$150,000 not previously approved; \$250,000 approved on 1/7/20; \$300,000 approved on 8/3/21)
Spend over last approval: \$5,511
Amount this Request: \$250,000
% Increase over last approval: 35.7%
Resulting Cumulative Total: **\$950,000 (over 6 years)**

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Sole Source (SS-393)
Term of Agreement: 6 years (November 19, 2019 – December 31, 2025)
Option to Renew? No
Approval for purchases “as needed”: Yes No
Proposals/Bids Received (Range): NA
Selection Basis: NA
Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve increased funding of \$250,000 to the previously approved \$700,000 for providing discounted heat pump water heaters (HPWH) to EWEB residential customers through an ongoing partnership since 2019 with General Pacific, Inc (GP). The program allows EWEB residential customers to purchase a HPWH and receive an \$800 rebate at the time of sale instead of needing to go through the standard rebate process. Board approval would extend funding for the partnership with GP through December 31, 2025.

Heat pump water heaters can bring up to 50% energy savings in water heating costs for users. This aligns with EWEB’s Strategic Plan to “Foster Customer Confidence” and “Create Consumption Flexibility” by helping customers reduce their energy burden and provide them with a cost-effective, accessible, and efficient option to manage their energy consumption. Additionally, the HPWH models sold through this effort come ready with a CTA2045 communication port (“EcoPort”) that can be leveraged in the future for EWEB demand response efforts.

This partnership with GP is a component of energy efficiency program options, which are funded through EWEB’s existing Conservation Measures and Incentives budget. HPWH units purchased through this promotion qualify for Bonneville Power Administration (BPA) energy efficiency reimbursement for the full rebate amount of \$800 under the BPA “Retail (Utility Run)” measure.

Several BPA customer utilities have similar partnerships with GP, including Emerald People’s Utility District, Springfield Utility Board, Lane Electric Cooperative, and Consumers Power Inc.

Contracted Goods or Services

Through this partnership, qualified EWEB electric residential customers can directly purchase a discounted HPWH from GP. HPWH discounts vary depending on funding source and promotional timelines, including those from manufacturers and the Northwest Energy Efficiency Alliance.

The following are the services provided by GP under this partnership and contract:

- Maintain an online store portal (<https://eweb1.gpfulfillment.com/>) with EWEB branding.
- Answer customer HPWH technical, installation, warranty, and product questions.
- Work with EWEB to verify customer participation qualification.
- Extend EWEB’s residential—and BPA reimbursable—\$800 HPWH rebate at the point of approved sale without the need for the customer to submit a standard application and go through the traditional rebate process.
- Ship purchased HPWH units directly to the customer at no additional cost.
- Accept valid warranty returns and provide replacement parts/products pursuant to the product manufacturer’s stated warranty.
- Invoice EWEB on a monthly basis for applicable rebate payments.
- Provide EWEB thirty (30) days’ written notice for any HPWH pricing changes.

There is no additional payment given to GP for provision of the above services through this partnership; EWEB simply passes through its standard HPWH rebate of \$800 per unit to GP. With EWEB’s current rebate of \$800, the additional funding of \$250,000 would support over 310 HPWH units for residential customers.

Purchasing Process

Sole Source

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)
19-179	Sale of discounted HPWH to EWEB customers	1/7/20 & 8/3/21	Nov 2019 – Dec 2025	\$150,000	\$700,000

Since the GP partnership started in late 2019, over 875 EWEB residential customers have gone through this program; an average of over 170 customers per year. For comparison, EWEB had an average participation of 55 HPWH projects per year prior to this partnership. The ease and instant rebate access for residential EWEB customers to purchase a HPWH through GP has been a critical factor in the increase in participation.

ACTION REQUESTED:

Management requests the Board approve an increase to the contract with General Pacific, Inc. for the sale of discounted heat pump water heaters to EWEB customers. Approximately \$100,000 was planned for these services in the Department 243/Customer Solutions Division 2024 energy conservation budget of \$3.65 million. The additional \$150,000 would come from the Department 243/Customer Solutions Division 2025 energy conservation budget. Variances will be managed within the budget process and Board policy.