California’s State Energy Efficient Appliance Rebate Program

Staff Workshop
November 19, 2009
Sacramento, CA

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Agenda

- SEEARP Overview
- California’s SEEARP Guidelines
  - Program structure
  - Rebates and Eligibility Criteria
- Environmental Review Results
- Schedule for Program Role Out
- Next Steps
- Public Questions and Comments
Energy Commission ARRA Efforts

- Energy Efficiency and Conservation Block Grant Program - $49.6 million
- State Energy Program - $226.1 million
- State Energy Efficient Appliance Rebate Program - $35.2 million
- For more information:
  - http://www.energy.ca.gov/recovery/index.html
Overarching Goals for ARRA Program Priorities

- **Stimulate the economy, reduce energy use, attract or retain energy industries, and create jobs in California.**
- **Expend money efficiently**, with administrative **accountability and efficiency**, including augmenting or leveraging existing state, federal, local and private programs.
- **Develop long-term, self-sustaining energy programs and leverage public and private funding.**
Overarching Goals for ARRA Program Priorities (cont.)


- **Meet California’s energy policy goals** as defined by the Integrated Energy Policy Reports, ARB Scoping Plan, and Energy Action Plan, the Bioenergy Action Plan, energy legislation, and other relevant policy documents.
Objectives of SEEARP

• Save energy by encouraging appliance replacement through consumer rebates.
• Make rebates available to residential consumers for energy efficient appliances.
• Leverage SEEARP funds with existing rebate programs and partnerships.
• Keep administrative costs low while adhering to federal monitoring and evaluation requirements.
• Promote state and national rebate tracking and accountability.
SEEARP Guidelines

- Provide background on the program.
- Explain the SEEARP structure and processes.
- Specify SEEARP eligibility rules.
- Outline the rebate claim process.
- Provide program targeted schedule.
SEEARP Background

- Created as part of the Federal Energy Policy Act of 2005
  - Energy efficient appliance rebates to residential consumers to replace inefficient appliances
  - Supplement, but not supplant, other offers
  - States to define appliances to be rebated and rebate amounts

- Funded by the American Recovery and Reinvestment Act of 2009 (ARRA)
  - Formula-based allocation
  - $300 million nationally; $35.2 million for the California
SEEARP Background (cont)

- Administered by Department of Energy (DOE)
  - Must be made available to all residential consumers in state; rebates cannot be given to owners of commercial properties
  - 10 categories of appliances to choose from
  - Must provide 50 percent of administrative costs
  - Regular reporting and documentation
  - Must verify old appliances are “replaced”
SEEARP Background (cont)

- Program award process
  - Initial application due August 15, 2009
  - States must define comprehensive program plan and submit for approval by October 15, 2009
  - Funds awarded by November 30, 2009
  - All award funds for rebates and rebate program activities by February 17, 2012
  - Regular reporting and documentation
California’s Program Structure

- Defined and overseen by the California Energy Commission
- Partners to help meet 50% match requirement
  - Official Partners may include: utilities, appliance retailers, appliance manufacturers, recyclers, and marketers and buyers
  - Services may include website support, marketing, form and promotional design assistance, document reproduction, public service announcements, training, sales support, reporting
- Contract for rebate processing services
Eligible Consumers

- Must be a California resident
- Must make purchase during specified period from a California retailer
- Must purchase a qualifying new appliance model to replace the same type
- Must recycle the replaced appliance
- Must submit a completed rebate application and supporting documentation within 30 days of purchase
Eligible Appliances

• Chosen appliance categories:
  – Clothes Washers
  – Refrigerators
  – Room Air Conditions

• By December 15, 2009, must be
  – Certified to the California Energy Commission
  – Energy Star® listed
  – CEE’s Super-efficient Home Appliance Initiative compliant
    • Clothes Washers: Tier 2 or greater - modified energy factor >= 2.0, water factor <= 6.0
    • Refrigerators: Tier 2 or greater - efficiency levels 25 percent or more above the federal standard

• Complete list of models will be published by January 1, 2010
Appliance Selection

• Availability and market share
• Costs and cost differentials
• Current rebate offerings
• Support through other ARRA programs
• Benefits of recycling and early retirement
• Distribution and demands through the state
Recycling Appliances

- EPAct 2005 requires that the rebated appliance REPLACES the same type
- EPA’s Responsible Appliance Disposal Program – voluntary
  - Many utility partners (IOUs, SMUD, Palo Alto, Burbank)
  - To date, SEARS is only certified retailer
- California Appliance Recycling Program - law requires appliances be properly handled
  - Extensive list of certified recyclers throughout California
- Coordinating with partners, DTSC and IWMB
Program Restrictions

- Funds are limited – rebates given on **FIRST COME, FIRST SERVE BASIS.**
- Rebates limited to one appliance of each category per valid California residential address.
- Appliance must be installed.
- Purchases outside offer period will be disqualified.
- Purchaser must allow access to possible inspection.
Rebate Claims

• Proof of Purchase and Recycling
  – Completed rebate application
  – Completed proof of recycling form
  – Copy of original receipt or an original rebate receipt
  – Purchaser’s utility bill
  – UPC label or its equivalent
Rebate Process

- Submit proof of purchase and recycling to rebate processing firm
- Rebate processing firm will record, track and verify claims
- Valid claims will be paid by contractor or State Controller’s Office
- Processes will be put in place to assist consumers track claims, availability of funds, and obtain answers/information
Environmental Benefits

- No Significant Adverse Impact
- Energy Demand Reduction
  - 31.9 GWh per year
- Emission Reductions
  - 0.015 MMTCO2 per year
  - 10.43 MMT Criteria Pollutants (Nox, Sox, PM 10, PM 2.5 and CO) per year
- Reduced Water Demand
  - 943 million gallons per year
- Appliances Recycled per State and Federal Requirements
SEEARP Duration

- All award funds for rebates and rebate program activities must be done by **February 17, 2012**
- California rebate offer period targeted for **Spring of 2010**
- One or more periods, or a single period can be extended.
- Example:
  - Purchase Period: March 17, 2010 to April 22, 2010
  - Rebate Claim Period: March 17, 2010 to May 22, 2010
Schedule

- Nov. 19 - Public Meeting on Negative Declaration & Guidelines
- Dec. 16 - CEC adoption of Negative Declaration & Guidelines
- Dec. 16 - Issue RFP for Rebate Services
- Jan. 6, 2010 - deadline for bids
- Feb. 10 - approve contract for services
- Feb. 28 - contract exacted and work begins
- **TENTATIVE**: March 17, 2010 - rebates available
Next Steps

• Review staff workshop-related comments and public input
• Receive approval from DOE on Program Plan and obtain funds (November 30, 2009)
• Approve Environmental Determination (December 16, 2009)
• Approve California’s SEEARP Guidelines (December 16, 2009)
• Complete solicitation materials and issue RFP for rebate services (December 16, 2009)
• Finalize rebate claim and payment process
Written Feedback

- 5 p.m. on December 11, 2009
- Docket Number (09-OII-1)
- Indicate **ARRA SEEARP** in the subject line or first paragraph of your comments
- Please hand-deliver or mail an original to:

  California Energy Commission  
  Dockets Office, MS-4  
  Re: Docket No. 09-OII-1  
  1516 Ninth Street  
  Sacramento, CA 95814-5512
For More Information

- Energy Commission’s Website:
  - www.energy.ca.gov/recovery/energystar.html
  - www.energy.ca.gov/recovery
  - *Sign up for List Service to receive timely announcements*
- Appliance Recycling:
  - www.dtsc.ca.gov/HazardousWaste/Mercury/Certified_Appliance_Recycler.cfm
  - http://www.ciwmb.ca.gov/WPIE/Appliances/
- Federal Energy Website:
  - www.energy.gov/recovery
- General SEEARP information:
  - Appliances@energy.state.ca.us
Questions?

Public Comments