



MEMORANDUM

TO: Thurston Climate Mitigation Collaborative Community Advisory Workgroup

FROM: Thurston Climate Mitigation Collaborative Staff Team:
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DATE: October 1, 2024

SUBJECT: “Energize Thurston” Campaign Development Update

Requested Action

Receive a briefing from the Staff Team about the current status of planning for the 2025 Energize Thurston Campaign. The CAW will be asked to review and discuss the same questions that were discussed at the February 2024 CAW meeting, regarding perceived benefits and drawbacks of home electrification, and how to target campaign outreach to Thurston County households.

Purpose of this Action

- The TCMC Staff Team presented the “Energy Efficiency & Electrification Campaign” Phase I Project Plan to the CAW on February 6, 2024. The CAW’s suggestions are summarized in the Jamboard from that meeting (see Attachment A).
- Staff have now completed background research and made preliminary recommendations for campaign design and structure. This memo summarizes these recommendations.
- If interested, CAW members may *optionally* review the Campaign Background Research Report (see Attachment B), specifically these sections:
 - Recommendations from Market Research on pp. 18-20
 - Recommendations from Incentive Program Research on pp. 31-35
- CAW members will be asked to provide feedback on the proposed Energize Thurston campaign at the October 1 CAW meeting.

Background

The Thurston Climate Mitigation Collaborative (TCMC) prioritized development of a Residential Energy Efficiency and Electrification Campaign as one of its 2024 regional initiatives. The TCMC Staff Team presented a Phase I Project Plan to the Executive Committee and Community Advisory Workgroup

(CAW) in January – February 2024. The Staff Team has now completed key tasks in the Phase I plan including a Market Assessment and Program and Incentive Research (see Attachment A – Campaign Background Research Report). We have named the forthcoming campaign “Energize Thurston” and are moving forward with developing an implementation plan.

Energize Thurston will provide outreach and financial incentives to accelerate residential building decarbonization and reduce energy costs for households throughout the county. The campaign will provide turnkey, subsidized installations of heat pumps and heat pump water heaters for income-qualified participants. It will also provide access to equipment discounts, streamlined installations, guidance, and customer support for all participants regardless of income.

Energize Thurston builds on the foundation of existing local and regional campaigns:

- City of Olympia’s [Energize Olympia](#) campaign, which has provided discounted and subsidized ductless heat pumps to City residents in 2023-2024
- [The Switch Is On](#) web platform, which provides education about electric home appliances and location-based tools to find incentives and vetted contractors.

Currently, the Staff Team is applying recommendations from the Background Research Report to make programmatic decisions about specific elements of the Energize Thurston campaign. We are now contracting with Confluence Communications to conduct stakeholder engagement to inform campaign design and development. Confluence’s scope of work includes conducting interviews with key stakeholders and conducting a [Home Energy & Electrification Survey](#) of Thurston residents. Results will be used to finalize campaign decisions and develop the Energize Thurston Launch & Implementation Plan.

This memo summarizes current staff recommendations for Energize Thurston across five categories: Types of Incentives, Participant Pathways, Campaign Partners, Campaign Structure & Administration, and Outreach & Marketing.

Types of Incentives

Energize Thurston will expand on Energize Olympia to provide electrification incentives for residents throughout Thurston County. The campaign will focus on space conditioning heat pumps because our background research found space heating to be the largest overall consumer of energy for households across all fuel types. However, Energize Thurston will extend beyond the Olympia campaign to offer ducted as well as ductless heat pumps, in order to reach a broader population of homeowners. The campaign will also incentivize heat pump water heaters (HPWH) as recommended in the Background Research Report. The campaign will cover costs of electric panel upgrades necessary to enable heat pump upgrades.

Campaign partner South Puget Sound Habitat for Humanity (SPSHFH) will continue to provide limited weatherization services when need is critical, as they have for Energize Olympia. Based on funding and partner capacity, Energize Thurston may offer a more robust list of weatherization upgrades including

duct sealing (for ducted heat pumps only), attic floor insulation, foundation wall & rim joist insulation, and/or other general air sealing such as single pane window replacements, caulking, and replacing weatherstripping at penetrations.

Participant Pathways

Energize Thurston will again follow Olympia’s model by offering two main participant pathways based on income qualification:

- **LMI Pathway:** will provide subsidized equipment and services for low-to moderate income (LMI) households. Campaign partner SPSHFH will administer this pathway by contracting directly with installer(s) and subcontractors to coordinate subsidized installations for LMI participants along with site assessments, integrated critical home repair and weatherization services. Staff are working to determine specific subsidy amounts for low-income qualifications (<80% area median income; AMI) and moderate-income qualifications (80-120% AMI).
- **Self-Funded Pathway:** will provide a group purchase discount to any homeowner in Thurston County regardless of income. The exact discount rate will be negotiated with installers during the contracting process. Additional participant incentives that may be included (at no to low cost to the Energize Thurston Campaign) include free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support. TCMC staff members will support this pathway through case management and installer oversight.

Campaign Partners

Thurston Climate Mitigation Collaborative (TCMC): The TCMC is an ongoing partnership among **Thurston County** and the cities of **Lacey**, **Olympia**, and **Tumwater** to identify and implement regional climate mitigation initiatives including the 2024 initiative Energize Thurston. These jurisdictions along with the city of **Tenino** received funding from the State Home Electrification and Appliance Rebates (HEAR) program to support the Campaign. Thurston County, Olympia, and Lacey also received federal Energy Efficiency & Conservation Block Grant (EECBG) funding to support the Campaign. Tumwater and Tenino do not meet the population threshold to qualify for this EECBG formula funding.

Lead Jurisdiction: One TCMC jurisdiction (TBD) will hold the contracts with installation partners, which sets the group purchase rate for all participants. The Lead Jurisdiction will have primary ownership of the campaign’s execution and administration, and will staff the campaign with support from other TCMC Staff Team members and a potential program administrator (consultant) if needed.

Installation Partners: Installers will be selected through a competitive Request for Proposals process evaluating qualifications, experience, pricing, alignment with campaign goals and commitment to customer support. Installation partners will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates and execute installations for the campaign.

Habitat for Humanity: South Puget Sound Habitat for Humanity (SPSHFH) will provide integrated critical home repair and weatherization services in coordination with installations for LMI participants, including

site assessments and management of subcontracts. Additionally, Habitat for Humanity will support campaign promotion, grant funding for LMI installations, participant recruitment, marketing and outreach efforts.

Puget Sound Energy (PSE): PSE is the local electric and natural gas utility and provides rebates for energy efficiency retrofits including DHP installations. This includes increased rebates amounts for households up to 90% AMI through the Efficiency Boost Rebate Program (EBR). This incentive helps reduce the cost of installations and will allow Energize Thurston to provide subsidized installations to a greater quantity of households.

Program Administrator (TBD): The TCMC is considering augmenting staff capacity by contracting with a third-party consultant to assist with customer support, case management, outreach, and education.

Campaign Structure and Administration

Energize Thurston will follow a similar structure and administrative process that Energize Olympia has developed. The campaign will be hosted on the TCMC's website and will provide a single point of contact for application and eligibility questions. To minimize any potential confusion in this multijurisdictional campaign, it is important to have a clear, singular source of information for participants to learn about what incentives are being offered, whom to contact for customer support, and how to participate. Customer support and case management will be provided by TCMC staff and/or a program administrator with support from campaign partners as needed.

Energize Thurston will follow the "installer model" for group purchase used by Energize Olympia, in which staff select vetted installers by evaluating price and qualifications through a competitive bidding process. A group purchase discount is negotiated directly with the installers for both pathways as a time of sale discount for specific equipment. Many participants in Energize Olympia appreciated having streamlined access to site assessments and bids from pre-vetted contractors.

All participants will progress through the campaign as follows:

- Sign up for and attend a campaign workshop.
- Submit a general campaign application and specify whether they are applying for the LMI Pathway or Self-Funded Pathway.
- Campaign staff will verify site eligibility and request income eligibility information from LMI Pathway applicants.
- Campaign staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.
- LMI Pathway:
 - The installer will work with Habitat for Humanity and the Participant to schedule a site assessment and provide a quote. If the participant chooses to move forward, the installer will contract with Habitat for Humanity to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing.

- Self-Funded Pathway:
 - The installer will contact the Participant to schedule a site assessment and provide a quote. If the participant chooses to move forward, the installer will contract directly with the participant to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing.

Outreach and Marketing

Energize Thurston will save on design costs by building on the existing “Energize Olympia” brand for marketing materials. The [TCMC website](#) will serve as the landing page for the campaign. Residents will also be able to find out about the campaign incentives, and general information about electrification, on the existing wa.SwitchIsOn.org website.

Energize Thurston will include a free educational workshop series that will be presented and organized by TCMC staff, South Puget Sound Habitat for Humanity, and campaign installers. The workshops will be available both in-person and on-demand and will provide information on the benefits of heat pumps and other electric appliances, an overview of the campaign pathways, and a description of the installation process. The on-demand workshop will be provided with Spanish translations, and TCMC will budget for interpretation services as required throughout the duration of the campaign.

In addition to the workshop series, TCMC jurisdictions and campaign partners will conduct outreach through targeted radio and streaming advertising, tabling at community events, sharing marketing materials and flyers throughout the county, and informational meetings with various community groups.

Marketing materials will deliver messaging to rural areas in the county in addition to urban areas and will emphasize the environmental, health, and safety benefits of electric appliances, specifically heat pumps and heat pump water heaters. Outreach will also include messaging on the increased energy efficiency of qualified equipment along with the reliability of service of heat pumps in the summer and winter.

TCMC staff in partnership with Confluence Communications are in the process of conducting stakeholder interviews, including with community-based organizations to discuss potential outreach partnerships. Energize Thurston aims to leverage trusted community partners to engage members within their target communities, ensuring that the campaign marketing and benefits reach low-income households. TCMC staff is reviewing the potential roles of community volunteers to build greater awareness of the campaign.

Attachments

- Attachment A: CAW 2.6.24 Jamboard
- Attachment B: Campaign Background Research Report