

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve additional funding for a Memorandum of Understanding to continue working with **General Pacific Inc.** for the sale of discounted heat pump water heaters to EWEB customers.

Board Meeting Date: 8/3/2021

Project Name/Contract #: Heat Pump Water Heater Promotion through General Pacific, Inc./19-179-MOU

Primary Contact: Julie McGaughey Ext.7066

### **Contract Amount:**

Original Contract Amount: \$150,000 until December 31, 2020

Additional \$ Previously Approved: \$250,000

Invoices over last approval: \$0

Percentage over last approval: 0%

Amount this Request: \$300,000

**Resulting Cumulative Total:** \$700,000 through Dec 31, 2022

### **Contracting Method:**

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: Sole Source

Term of Agreement: November 19, 2019 – December 31, 2021

Option to Renew? Yes

Approval for purchases “as needed” for the life of the Contract Yes ☒ No ☐

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

### **Narrative:**

#### Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve increased funding of \$300,000 to the previously approved \$400,000 for providing discounted heat pump water heaters (HPWH). The program provides Rheem HPWH at a reduced cost to EWEB customers, starting at \$400. (regular price is \$1,460). Board approval would extend the partnership with GP through December 31<sup>st</sup>, 2022.

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. This effort is a component of our current energy efficiency measures, which are funded through EWEB’s existing Conservation Measures and Incentives budget. HPWH units purchased through this promotion qualify for Bonneville Power Administration energy efficiency reimbursement under the “Retail (Utility Run)” measure.

#### Contracted Goods or Services

Through this partnership, qualified EWEB electric customers can directly purchase a discounted HPWH from GP. To facilitate this, GP provides the following:

- Maintain an online store portal ([www.gpconservation.com/eweb/](http://www.gpconservation.com/eweb/)) with EWEB branding.
- Answer customer HPWH technical, installation, warranty, and product questions.
- Work with EWEB to verify customer participation qualification.
- Extend EWEB’s \$800 HPWH rebate at the point of approved sale without the need for the customer to submit a standard application.
- 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.

- Monthly Invoice EWEB 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 providing the above services through this partnership; EWEB simply passes through its standard HPWH rebate of \$800 per unit to GP. HPWH prices offered to customers range from \$400-\$1,750. With EWEB's current rebate of \$800, the additional funding of \$300,000 would support 375 HPWH units.

#### Prior Contract Activities

The current partnership with GP offering HPWH units to our customers began in November 2019. As of the end of June 2021, over 500 qualified EWEB customers have participated in this promotion. In contrast, EWEB's HPWH program had an average previous participation of 55 projects per year. The agreed verification and invoicing process between EWEB and GP has consistently met all expectations and requirements by both parties.

#### Purchasing Process

In 2019 Q3, GP in partnership with Rheem and the Northwest Energy Efficiency Alliance (NEEA) approached EWEB on an effort to provide Rheem HPWH at a reduced cost to EWEB customers; NEEA's participation ended at the end of 2019. The partnership with GP is considered sole-source and findings are on file to support an exemption from solicitation.

#### Bidder/Proposer Information

General Pacific Inc.

#### Bidder/Proposer Location

Fairview, Oregon

#### Competitive Fair Price (If less than 3 responses received)

N/A

#### **ACTION REQUESTED:**

Management requests the Board approve increasing spending for the heat pump water heater program offered through General Pacific Inc. for the sale of discounted heat pump water heaters to EWEB customers. For 2021, approximately \$400,000 was budgeted for this project from the \$2,600,000 Conservation Measures and Incentives budget. Variances will be managed within the budget process and Board policy.