



RESOLUTION NO. U-11630

1 A RESOLUTION relating to the Department of Public Utilities, Light Division;
2 approving the acceptance of a grant funding award from Washington
3 State Department of Commerce Climate Commitment Act funds for
4 electrification.

5 WHEREAS the Department of Public Utilities, Light Division ("Tacoma
6 Power") applied for grant funds from the State Home Electrification and
7 Appliance Rebates ("HEAR") Program (the "Program"), and

8 WHEREAS the Program is supported with funding from Washington's
9 Climate Commitment Act ("CCA"), and

10 WHEREAS the CCA supports Washington's climate action efforts by
11 putting cap-and-interest dollars to work reducing climate pollution, creating jobs,
12 and improving public health, and

13 WHEREAS the Washington State Legislature created the Program for
14 the Commerce Department to administer grants to eligible third-party
15 administrators for heat pump and other high-efficiency equipment rebates, with
16 a focus on low and moderate income households, and also small businesses,
17 and
18

19 WHEREAS State incentives and rebates for installation of high efficiency
20 electric equipment, including electrical panel upgrades, provide a benefit to the
21 public consistent with the state's energy strategy and climate mandates by
22 reducing greenhouse gas emissions from the build environment, and

23 WHEREAS Commerce issued a Request for Applications ("RFA") and in
24 2024, the City was awarded HEAR grant funds of \$1.9 million to administer heat
25
26



1 pump and other high-efficiency electric equipment rebates for low- and
2 moderate-income households, and

3 WHEREAS Tacoma Power partnered with the City to implement the
4 program on the City's behalf leveraging our established trade ally network and
5 conservation incentive platform, and

6 WHEREAS in 2025, Commerce issued another RFA for a second round
7 of HEAR funds to provide grants to administer heat pump and other high-
8 efficiency electric equipment rebates for low to moderate income households,
9 small businesses, and adult family homes, and

10 WHEREAS Tacoma Power applied and Commerce awarded Tacoma
11 Power \$637,000 from the State HEAR funds for this work, earmarking \$212,000
12 specifically to replace non-electric heat in Adult Family Homes with heat pumps,
13 and
14

15 WHEREAS Tacoma Power now requests that the Public Utility Board
16 approve acceptance of said funding award; Now, therefore,

17 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

18 That Tacoma Power's request to accept the grant funding award from
19 the State Home Electrification and Appliance Rebates Program to provide
20 eligible third-party administrators for heat pump and other high-efficiency
21 electric rebates, with a focus on low and moderate income households, and
22 small businesses, with a collective total in the amount of \$637,000, and
23 earmarking \$212,000 specifically to replace non-electric heat in Adult Family
24 Homes with heat pumps, is hereby approved and the City Council is requested
25
26



to approve and authorize the same acceptance of such funding award, and then
1 authorize the proper officers of the City to execute the acceptance of said
2 Award, substantially in the form on file with the Clerk, with the final form to be
3 approved by the City Attorney's Office.
4

5 Approved as to form:

Chair

6
7 /s/
Chief Deputy City Attorney

Secretary

8
9 Clerk

Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Ray Johnson, Section Manager, Power Utility
MEETING DATE: October 14, 2026
DATE: 9/22/26

GUIDING PRINCIPLE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Guiding Principle(s) is supported by this action.

- ☒ Customer and Community
- ☐ Resource Sustainability and Stewardship
- ☐ Employees and Culture

SUMMARY: The resolution seeks approval to accept \$637,000 in grant funds from the State Home Electrification and Appliance Rebates (HEAR) Program.

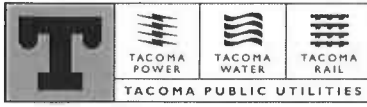
BACKGROUND: The State Home Electrification and Appliance Rebates Program (Program) is supported with funding from Washington's Climate Commitment Act (CCA). The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

The Washington State Legislature created the Program to for the Commerce Department to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low/moderate income households and small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment.

Commerce issued a Request for Applications and in 2024 the City of Tacoma (COT) was awarded HEAR grant funds of \$1.9m to administer heat pump and other high-efficiency electric equipment rebates for low- and moderate-income households. Tacoma Power partnered with the COT to implement the program on the City's behalf leveraging our established trade ally network and conservation incentive platform. Seventy-one customers participated in the program.

In 2025, Commerce issued another RFA for a second round of HEAR funds to provide grants to administer heat pump and other high-efficiency electric equipment rebates for low- and moderate-income households, small businesses, and adult family homes.

Tacoma Power applied and Commerce awarded Tacoma Power \$637,000 from the State HEAR funds for this work, earmarking \$212,000 specifically to replace non-electric heat in Adult Family Homes with heat pumps.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

These are grant funds that cover all costs associated with the HEAR program.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS: Interagency Agreement with City of Tacoma through State Home Electrification and Appliance Rebates Program.

CONTACT:

Primary Contact: Lis Saunders, Manager, Residential Customer Energy Programs, 253.502.8313

Supervisor's Name: Brittany Broyles, Assistant Section Manager, Power Utility

Presenter (if different from primary contact)



City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, City Manager
FROM: Lis Saunders, Manager, Residential Customer Energy Solutions
Chris Robinson, Superintendent, Tacoma Power
COPY: City Council and City Clerk
SUBJECT: Resolution to accept State Home Electrification and Appliance Rebate Grant Funds, October 27, 2026
DATE: September 29, 2026

Initial
LS

DS
CR

SUMMARY AND PURPOSE:

The resolution seeks approval to accept grant funds from the State Home Electrification and Appliance Rebates (HEAR) Program in the amount of \$637,000 from September 1, 2026 – June 30, 2027.

BACKGROUND:

This Department's Recommendation is Based on: a grant award from Washington State Department of Commerce Climate Commitment Act funds.

The Climate Commitment Act supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. The Washington State Legislature created the HEAR Program for the Commerce Department to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low/moderate income households and small businesses, and adult family homes. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment.

The grant will be used to replace non-electric heat and/or water heat with efficient heat pumps and/or heat pump water heaters in low- and moderate-income households in energy burdened communities in Tacoma Power's service territory. \$212,000 of the grant is earmarked to replace non-electric heat with efficient heat pumps in Adult Family Homes.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The customers potentially affected by this proposal are low- and moderate-income Tacoma Power customers and eligible Adult Family Homes within Tacoma Power's service territory, particularly those located in communities identified as overburdened or disproportionately impacted. Tacoma Power will implement the HEAR Program using the grant funding provided by the Washington State Department of Commerce. The program's focus on low- and moderate-income customers and overburdened communities is intended to address financial and other barriers that can make it difficult for customers to replace existing heating and water-heating equipment with more efficient electric technologies. The program builds on Tacoma Power's existing experience delivering customer energy-efficiency, electrification, and customer assistance programs. Tacoma Power will engage eligible customers during program implementation. Outreach and customer support will be used to help identify eligible participants, communicate program requirements, and reduce barriers to participation.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

A condition of the grant is that grant funds be used to serve eligible low- and moderate-income customers and communities identified through applicable state equity criteria, including the Overburdened Communities of Washington Map. These requirements align with the low- and very-low equity index areas within Tacoma Power's service territory and help direct program resources toward customers who may face greater financial barriers to electrification. Providing financial assistance for high-efficiency electric equipment can help reduce the upfront cost of electrification for eligible customers. The program therefore supports equitable access to energy-efficiency and electrification investments while providing customers with an opportunity to improve the efficiency of their homes and potentially reduce energy costs.

Livability: Equity Index Score: High Opportunity

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents.

The HEAR Program will support the replacement of non-electric space and water heating equipment with high-efficiency electric heat pumps and heat pump water heaters. Because Tacoma Power's electric system is supplied primarily by carbon-free resources, replacing fossil-fuel equipment with efficient electric technologies can reduce greenhouse gas emissions associated with building energy use. Electrification can also reduce the use of on-site combustion equipment, which can reduce combustion-related indoor air pollutants.

Explain how your legislation will affect the selected indicator(s).

The grant will allow households with non-electric heat to switch to efficient heat pumps resulting in improved indoor air quality and reduced carbon emissions.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1.City Council could decide not to accept grant funds.	None.	Tacoma Power would forgo \$637,000 in available state funding. Eligible customers would not have access to the HEAR incentives funded through this grant, reducing available financial assistance for qualifying electrification improvements during the grant period.



EVALUATION AND FOLLOW UP:

Tacoma Power will administer the HEAR Program and monitor program performance throughout the grant period. Tacoma Power will track the number and type of qualifying projects completed, including heat pump and heat pump water heater installations, as well as the use of grant funds.

Tacoma Power will report program activities, expenditures, and results to the Washington State Department of Commerce as required by the grant agreement. Program evaluation will provide information on the number of customers served, types of equipment installed, grant funds distributed, and other applicable program outcomes. This information will be used to demonstrate compliance with grant requirements and inform Tacoma Power's ongoing customer energy-efficiency and electrification efforts.

STAFF/SPONSOR RECOMMENDATION:

Tacoma Power recommends City Council approve acceptance of the grant award at the Council meeting on October 27, 2026.

FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Fund 4700 Tacoma Power	PWR-01275	5421000	\$ 63,700
Fund 4700 Tacoma Power	PWR-01291	5421000	\$ 573,300
TOTAL			\$ 637,000

What Funding is being used to support the expense? Grant funds.

Are the expenditures and revenues planned and budgeted in this biennium's current budget? Yes

NO, PLEASE EXPLAIN BELOW

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

[Click or tap here to enter text.](#)

ATTACHMENTS:

- Interagency Agreement with City of Tacoma through State Home Electrification and Appliance Rebates Program.



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Interagency Agreement with

City of Tacoma

through

State Home Electrification and Appliance Rebates Program

Contract Number:
26-95701-138

For

State HEAR – City of Tacoma Electrification and Appliance Rebates
Program

Dated: Saturday, August 1, 2026



Face Sheet

Contract Number: 26-95701-138

Washington State Department of Commerce Energy Division
Clean Buildings Unit
State Home Electrification and Appliance Rebates Program

1. Contractor City of Tacoma 3628 South 35 th Street Tacoma, WA 98409-3192		2. Contractor Doing Business As (as applicable)	
3. Contractor Representative Lis Saunders Residential Manager, Customer Energy Solutions 253-306-2150 Lsaunders1@tacoma.gov		4. COMMERCE Representative Ury Warren Program Manager (564) 669-8045 Ury.warren@commerce.wa.gov PO Box 42525 1500 Jefferson St SE Olympia, WA 98501	
5. Contract Amount \$637,000	6. Funding Source Federal: ☐ State: ☒ Other: ☐ N/A: ☐	7. Start Date 8/1/2026	8. End Date 6/30/2027
9. Federal Funds (as applicable) N/A		Federal Agency: N/A ALN: N/A	
10. Tax ID # 91-6001283	11. SWV # SWV0000318-68	12. UBI # 278-012-338	13. UEI # YUWKM2N6N4G4
14. Award Method ☐ Non-Competitive ☒ Competitive		NOFO/RFX # HEAR2025 Proviso # SSB 5195 Sec. 1012	
15. Contract Purpose To administer a program that provides rebates and incentives to LMI households, and adult family homes in the Tacoma Power service territory to install high-efficiency electric equipment and heat pumps. COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget, Attachment "C" – Program Work Plan			
FOR CONTRACTOR Jackie Flowers, Director of Utilities Date Approved as to Form by City Attorney Date Andrew Cherullo, Director of Finance Date		FOR COMMERCE Jennifer Grove, Assistant Director, Energy Division Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	



Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington's Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

"The State Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov."

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;
- C. Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D. Any equipment purchased with CCA funding through a generally visible decal.

3. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

4. COMPENSATION

COMMERCE shall pay an amount not to exceed \$637,000 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. Grantee's compensation shall be based on the terms of the Scope of Work and Budget.

5. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Grantee upon acceptance of deliverables or services provided and receipt of properly completed invoices, which shall be submitted to COMMERCE via the Contracts Management System (CMS).

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and any expenses to be reimbursed. The invoice shall include Grant Number 26-95701-138.

If applicable, Grantee must also include attachments that describe and document, to COMMERCE's satisfaction, a detailed description of the work performed, progress of the project, and/or receipts or other proof of payment. Except for approved indirect costs, if any, or as otherwise authorized by COMMERCE in writing, a receipt must accompany every expense in the amount of \$50.00 or more to receive reimbursement. COMMERCE may request additional documentation at any time.

Any expense reimbursed under this Grant which is later determined to be unallowable must be repaid according to the terms COMMERCE provides.



Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be made electronically utilizing Grantee's Statewide Vendor (SWV) number.

COMMERCE may, in its sole discretion, terminate this Grant or withhold payments if the Grantee fails to satisfactorily comply with any term or condition of this Grant.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE. No payments in advance of or in anticipation of any expense reimbursable under this Grant shall be made by COMMERCE.

If subgranting and/or subcontracting is authorized by COMMERCE, all Subgrantee/Subcontractor payments are reimbursable expenses within the meaning of this Agreement. Grantee must have, and may be required to demonstrate, the means to pay each and every Subgrantee/Subcontractor. Failure to pay Subgrantees/Subcontractors as agreed may result in suspension or termination of this Grant.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Grantee must invoice for all expenses from the beginning of the Grant through June 30, regardless of the Grant start and end date.

Duplication of Billed Costs

The Grantee shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Grantee, if the Grantee is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Grantee is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subgrantees.

Unless otherwise authorized by COMMERCE in writing, reimbursable payroll costs shall not include employee overtime nor bonus pay.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

6. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

7. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program and shall be responsible for losses for which it is found liable.

8. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.



9. OWNERSHIP (This section supersedes General Term and Condition #20 Treatment of Assets.)

The parties agree that the Grantee owns the property and assets purchased under this Contract.

10. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Program Work Plan

General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
 - iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.

- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.



9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this Contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release



or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this Contract in a timely manner, COMMERCE has the right to suspend or terminate this Contract. Before suspending or terminating the Contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the Contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the Contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the Contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default, or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this Contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this Contract, COMMERCE, in addition to any other rights provided in this Contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this Contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this Contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:



- A. Stop work under the Contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the Contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative, and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this Contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS (This section is superseded by Special Term and Condition #9 Ownership.)

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this Contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this Contract, or (ii) commencement of use of such property in the performance of this Contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this Contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this Contract.
- E. All reference to the Contractor under this clause shall also include Contractor's employees, agents or subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.



Attachment A: Scope of Work

Purpose

Substitute Senate Bill 5195 Section 1012 Subsection 1 states:

Home Electrification and Appliance Rebates (HEAR) Program

For the department (Commerce) to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low and moderate-income households, renters, nonprofit organizations, and small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment. The department shall administer the grant program in a manner that seeks to maximize greenhouse gas emissions reductions.

- (a) \$25,000,000 of the climate commitment account-state appropriation is provided solely for the department to administer ESSB 5200.PL grants to low/moderate income households and small businesses.
- (b) \$5,000,000 of the appropriation is provided solely for the department to administer grants to third-party administrators for heat pumps for adult family homes.

Commerce shall implement a statewide high efficiency electric equipment program consistent with the following:

- (a) Aid the transition of residential and commercial buildings away from fossil fuels by providing education and outreach resources for the installation of high-efficiency electric heat pumps and other high-efficiency electric equipment;
- (b) Provide grants, coordination, and technical assistance to eligible third-party administrators to promote the adoption of high efficiency electric heat pump equipment for space and water heating; and
- (c) Develop strategies to ensure that the program serves low-income households, vulnerable populations, and overburdened communities, including dedicating at least 40 percent of the program funding for this purpose.

Tasks and Deliverables

Task 1: Funding Priorities

Third-party administrators that receive funding through State HEAR, must meet the following funding priorities:

- 1. Provide rebates and incentives that serve the following populations:
 - a. Low-income single- and multifamily households with household income of 80% or less of Area Median Income.
 - b. Moderate-income single- and multifamily households with household income between 80% and 150% of Area Median Income.
 - c. Small businesses with fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22), including non-profit organizations
 - d. Adult family homes that meet the definition of RCW 70.128.010, and licensed by the Washington State Department of Social and Health Services (DSHS)
- 2. Rebates and incentives must be for the purchase or installation of permanent or semi-permanent high-efficiency electric equipment, including:

Table 1: Eligible high-efficiency electric equipment for eligible households and small businesses

Upgrade Type	Eligible Equipment
Appliance	Electric Heat Pump Water Heater
	Electric air-source or ground source, ducted, ductless, or package terminal heat pump for space conditioning
	Induction cooking appliances, induction ranges, or radiant electric ranges
	Electric Heat Pump Clothes Dryer, All-in-one heat pump dryer and clothes washer, Electric clothes washer and heat pump dryer sets
Electric Service necessary for the installation of high-efficiency electric equipment	Electrical Service and Panel Upgrade Electric Wiring

Table 2: Eligible high-efficiency electric equipment for eligible adult family homes

Upgrade Type	Eligible Equipment
Appliance	Electric air-source or ground source, ducted, ductless, or package terminal heat pump for space conditioning
Electric Service necessary for the installation of high-efficiency electric equipment	Electrical Service and Panel Upgrade Electric Wiring

(a) All equipment must meet the following requirements:

- o Remove all fossil fuel equipment where technically and economically feasible.
- o All equipment must be ENERGY STAR or AHRI CEE certified, or meet equivalent technical criteria.
- o All residential air-source heat pumps may be listed on the Northeast Energy Efficiency Partnership's (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List, or rated ENERGY STAR Cold Climate. All commercial air-source heat pumps may meet the most recent ENERGY STAR Cold Climate product criteria for light commercial, or, if feasible, the cold climate requirements of NEEP or ENERGY STAR for residential air-source heat pumps.
- o All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).

(b) Mechanical, electrical, and plumbing (MEP) equipment may be eligible if necessary for the installation of eligible high-efficiency electric equipment listed in Table 1 and Table 2.

(c) Program administration costs, including education and outreach, not to exceed 15 percent of grant funds.

- o Program administration costs are limited to those costs necessary to implement the rebate program funded under this contract, including staff time, local (WA state) travel, supplies, and services subcontracts
- o Prior to payment authorization, third-party administrators are to verify that the goods and services received comply with the specifications or scope of work of this contract. Authorized personnel receiving the goods and services are to indicate the actual quantities received, services provided, deliverable submitted, etc. Refer to Chapter 20 of the [State Administrative and Accounting Manual](#) for guidance related to internal control procedures.

3. Rebates and incentives for projects may be combined with rebates and incentives from federal, utility, and state sources, including other State HEAR administrators, but the total amount of rebates and incentives must not exceed 100% of the total project cost
4. Third-party administrators must follow all guidelines set forth by Commerce, which Commerce may update on a periodic basis, made available at [State HEAR Guidelines \(Box.com\)](#).

Task 2: Program Work Plan and Outcomes

Grantees must provide a work plan to COMMERCE. Work plans must address the following:

1. High-level description of the program, including goals and outcomes.
2. Description of the jurisdiction that the program will serve, including the area median income as determined by the U.S. Department of Housing and Urban Development [income limits](#). This may also include information on rural status and population demographics.
3. Total funding for the program – Commerce grant funds plus matching funds – and an anticipated budget that must include at a minimum:
 - a. Costs for rebates and incentives for eligible high-efficiency electric equipment
 - i. Costs should be categorized into the funding allocated to specific recipient types and subsequently by the eligible equipment rebates and incentives the program is providing (as described in Task 1).
 - b. Program administration costs, as defined in Task 1.
4. Grantees must ensure that their program only provides rebates and incentives to the eligible rebate recipients listed in Task 1.
 - a. What populations or subsets of the listed eligible rebate recipients does this program primarily serve? How will your jurisdiction prioritize the populations that will receive rebates and incentives?
 - b. How will the program qualify eligible rebate recipients to receive rebates or incentives? Possible methods for verifying eligibility may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc.), tenancy in income-qualified housing units, tax records, or other methods, which verify income against the thresholds described in Task 1.
5. Describe how your jurisdiction, and any partners or subcontractors, will provide outreach and education about the program, and resources for the installation of high efficiency electric equipment.
 - a. What strategies will this program use to reach low-income households, vulnerable populations, and overburdened communities?
 - b. How will your organization communicate the requirements of the program to potential rebate recipients, partners, and subcontractors?
 - c. How and where will your organization, and any partners or subcontractors, communicate that your program is funded by Washington's Climate Commitment Act?
6. Describe the process for distributing rebates and incentives, including any application process that rebate recipients or contractors must follow, and the final recipient of the rebate funds
 - a. Describe the process your organization will use to audit rebate recipients and verify they meet the eligibility thresholds listed in Task 1, including the frequency that your organization will conduct audits.
7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.

Task 3: Expenditure Reporting

1. GRANTEES must provide COMMERCE with a completed expenditure report/ledger template provided by COMMERCE and invoice documentation detailing all paid expenditures eligible for reimbursement

- a. Grantees must provide COMMERCE with backup documentation for administrative costs defined in Task 1 of this scope of work, if claiming grant funds for program administration.
 - b. Claims for contractor/subcontractor expenses must include the full invoice submitted by the contractor/subcontractor detailing work completed and associated costs including:
 - i. Date of work, hours, and rates of labor cost
 - ii. Direct expenses, including travel, if applicable
 - iii. Detailed subcontractor expenses
 - c. Documentation must include details about expenses incurred by the GRANTEE and must include any one or more of the following:
 - i. Zero-balance subcontractor invoice identifying work completed and itemized associated costs
 - ii. Itemized receipts
 - iii. Copy of cleared check(s)
 - iv. Bank wire remittance statement(s)
2. A-19 invoice vouchers/warrants must be submitted to the COMMERCE CMS system with all supporting documentation.
3. All Grantees are required to submit Project and Expenditure Reports
- a. Grantees must provide COMMERCE quarterly reports in a form provided by COMMERCE for the entire performance period of the grant. The quarterly report must include:
 - i. Number of households, small businesses, and adult family homes that were provided rebates and incentives to purchase or install high-efficiency electric equipment and appliances
 - ii. Site information for households, small businesses, and adult family homes that received rebates and incentives:
 1. Address, city, and zip code
 - a. DSHS license number (for adult family homes only)
 - b. Identify that the address falls within an OFM designated overburdened community
 2. Date rebate or incentive claimed or issued
 3. Method of rebate recipient eligibility verification
 4. Pre-rebate fuel type of the eligible rebate recipient's building
 5. Technical specifications of the equipment or appliances purchased or installed through the program, including, but not limited to the equipment brand, certifications, efficiency (SEER/HSPF/EER/COP, UEF, etc.), and cost
 6. Amount of the rebate or incentive claimed or issued, and the total project cost
 7. Applicable building and electrical permit numbers where feasible
4. Grantees must use an acceptable method of income qualification, which may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc.), tenancy in income-qualified housing units, tax records, or other methods, which verify income and eligibility against the thresholds described in Task 1. Grantees must conduct regular audits and provide COMMERCE with a report demonstrating that at least 10 percent of rebate recipients were audited and meet the thresholds described in Task 1.
- a. COMMERCE will schedule virtual monitoring visits to review income qualification documentation and verification process.
5. Grantees must provide COMMERCE an official final/close out expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.

6. Grantees shall also provide information for any subawards, contracts, transfers, and direct payments made using funding from the program, including:
- a. List of subcontractors performing work on the project, including the following for each subcontractor:
 - i. Subcontractor name
 - ii. Unified Business Identifier (UBI) number
 - iii. Minority-, Women-, or Veteran-owned business status
 - iv. Verification that subcontractor has no open claims against them by the Washington State Department of Labor and Industries
7. COMMERCE will withhold 5% of the total reimbursable amount for each item listed in Attachment B. Budget until the Grantee provides the official report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.

Task 4: Participation

1. Grantees will participate in meetings regularly scheduled by COMMERCE on at least a yearly basis, and not more frequent than a quarterly basis.

Attachment B: Budget

Item	Description	Amount
1	Rebates and incentives issued for completed high-efficiency electric equipment and appliance purchases or installation projects	\$361,300
2	Rebates and incentives issued for completed high-efficiency electric equipment and appliance purchases or installation projects in adult family homes	\$212,000
3	Program administration and outreach costs, which includes reporting of Tasks 1 thru 4 of Attachment A – Scope of Work	\$ 31,850
4	Administration expenses payable upon submission of the final closeout report as described in Task 3 of Attachment A – Scope of Work, and completion of all contract requirements	\$ 31,850
Total Grant Amount		\$637,000

Up to 10% of the funds available for each task may be transferred among the above listed tasks, except for funds for Task 3, without the need for a formal contract amendment.

Attachment C: Program Work Plan

Task 2: Program Work Plan and Outcomes

1. Program Description

In support of the City of Tacoma's Climate Action Plan, Tacoma Power supports equitable electrification to reduce energy use and greenhouse gas emissions and improve indoor air quality by installing heat pumps and heat pump water heaters. The City of Tacoma/Tacoma Power's Program (Program) will provide electrification rebates and direct installation services for households with income at or below 80% AMI for single-family and multifamily households (1-4 units) for:

- Heat pump water heaters
- Heat pump space conditioning
- Electrical service, wiring, and panel upgrades, when necessary for the installation of the above equipment.

In addition, Tacoma Power will provide electrification rebates and direct installation services for Adult Family Homes (AFHs) to install:

- Heat pump space conditioning
- Electrical service, wiring and panel upgrades, when necessary for the installation of the above equipment.

Program installations will cover 100% of the cost of equipment, installation and necessary electrical upgrades. Whenever feasible fossil fuel equipment will be removed.

The goal of the program is to support comprehensive, equitable electrification services in Tacoma Power's service territory, with an anticipated outcome of supporting the electrification of:

- 15 single family (up to 4 unit) households with the installation of a heat pump and/or a heat pump water heater
- 10 adult family homes with the installation of a heat pump

And will include necessary associated electrical upgrades.

2. Jurisdiction Service Description

The program will serve the Tacoma Power service territory. Tacoma Power serves over 170,000 residential customers with roughly 55% located within the Tacoma city limits and the remaining in Pierce County spanning suburban and rural areas. The median family income is \$127,300 in 2026, and the median age is 36.5 years. 53% of the population is white, 8% is black/African American, 10% is Asian and 18% is Hispanic/Latino.

The City of Tacoma/Tacoma Power uses an Equity Index to identify, track and close disparities, and prioritize investments based on where and who has access to opportunity, for example opportunity to earn a living wage job, opportunity to access healthy food and opportunity to have safe and health environmental interactions.

The Equity Index is a data-driven tool to see where your projects, policies, programs or services can have the largest impact on addressing inequity and where investment can provide the biggest improvement in factors that impact life outcomes. There are 32 indicators, which are used to assess community strengths and disparities and help identify how Tacoma can make investments to increase resources and interrupt inequity. [Home Page - Tacoma Equity Map](#).



3. Total funding for the program

Total program funding is \$637,000. The anticipated budget for HEAR funds is shown below:

Anticipated Program Budget	
Rebates and Incentives SF up to 4 units	\$ 361,300.00
Incentives for Adult Family Homes	\$ 212,000.00
Administrative (10%)	\$ 63,700.00
TOTAL	\$ 637,000.00

Following are the estimated number of projects and anticipated budget costs for each:

EQUIPMENT	Adult Family Homes	SF up to 4 units	Cost per unit	Total
Heat Pumps	10	15	\$ 20,000.00	\$ 500,000.00
Hybrid Water Heaters		5	\$ 6,000.00	\$ 30,000.00
Electric Panel Repairs	3	4	\$ 6,000.00	\$ 42,000.00
Admin fees				\$ 63,700.00
TOTAL				\$ 635,700.00

4. Qualification and Verification

The program will serve:

- Single-family households (1-4 units) with non-electric heat, including rental households, with household income at or below 80% area median income (AMI)
- Adult Family Homes with non-electric heat that meet the definition of RCW 70.128.010 and are licensed by the Washington State Department of Social and Health Services (DSHS).

Applications will be reviewed sequentially based on date received. Applicants in SF (1-4 units) homes will be required to sign a self-attestation of income. Applications will be checked against utility assistance program information to confirm participation and qualified applicants not participating in utility assistance programs will be enrolled. For applicants not already enrolled in utility assistance, the Program will verify income on 20% of customers through one of the following methods:

- a. Households will be asked to provide registration information from another program with income requirements equal to or less than Program AMI requirements, including:
 - i. Tacoma Power's Utility Assistance Programs and other forms of verification based on household circumstances such as LIHEAP, SNAP and WIC benefits.
- b. Households send income information for independent income verification, including but not limited to the option of providing one of the following:
 - i. Pay stubs covering the most recent three months of employment
 - ii. Most recent tax return, which also covers those that are self-employed
 - iii. An income and expenses worksheet.

We will retain the right to randomly select individuals to require income verification, to enable the Program to meet the income verification target.

Adult Family Homes will be required to provide a copy of their license with Washington State DSHS for participation.



5. Outreach/Education Strategies and Partnerships

Tacoma Power will leverage existing partnerships with community-based organizations including Metropolitan Development Council and Pierce County Human Services and King County Energize, to help recruit participants and communicate program requirements. We will also use consumption data to identify customers with non-electric heat in low to very low opportunity index areas using our equity index map and invite them via direct mail to apply for the Program by visiting our website or contacting us by phone. Direct mailings will inform participants of program requirements.

Similarly for Adult Family Homes (AFHs), we have identified State licensed AFHs in our service territory in low to very low opportunity index areas on the equity index map, with non-electric heat and will contact them by direct mail with information about the Program and how to apply.

We will provide qualified applicants with a list of vetted contractors from our network that have agreed to participate in the Program and meet equipment requirements and pre-determined price caps.

All communication materials related to this Program will include the statement:

"The Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov."

6. Rebate/Incentive Distribution Process

Customer completes an application for the program either online or hard copy. Income self-attestation will be included as part of the application process.

Applications will be reviewed sequentially based on application date. A budget reservation system will be employed to monitor and predict spending rates. In the event there is uncertainty concerning available funding, applications will be placed on a waitlist.

Before the applicant is qualified, income and space/water heat fuel source are verified. Utility staff will verify income qualifications according to the process outlined in Section 4a and 4b. Electric meter data and in person inspections are used to confirm space and water heat fuel source. Once qualified, customer selects a contractor from the vetted contractor list.

Contractor submits bid to install qualifying heat pump equipment within pre-determined price caps. Tacoma Power approves bid and issues a Notice to Proceed. After installation contractor submits required documents along with photos of installed equipment, placement of CCA funding decal, and invoice to Tacoma Power for approval and payment. Tacoma Power will conduct onsite/virtual inspections for ten percent of projects. Payment will be issued to the contractor.

7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.

We will leverage existing partnerships with MDC, Pierce County Human Services, and King County Energize for outreach and engagement. No formal subcontracts for installation or program administration are planned beyond our existing vetted contractor network.