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FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

RATES AND CHARGES

DSM - Heat Pump Retrofit Program

Purpose

The Heat Pump Retrofit Program provides incentives for residential members to replace their existing resistance heat source with a heat pump.

Availability

This program is available to residential members served by Farmers Rural Electric Cooperative Corporation ("Farmers RECC").

Eligibility

This program is targeted to members who currently heat their home with a resistance heat source; this program is targeted to site built homes, manufactured homes, and multi-family dwellings. Eligibility requirements are

- Incentive only applies when homeowner's primary source of heat is an electric resistance heat furnace, ceiling cable heat, baseboard heat, electric thermal storage.
- Existing heat source must be at least 2 years old.
- New manufactured homes are eligible for the incentive.
- Two (2) maximum incentive payments per location, per lifetime for centrally ducted systems.
- Ducted and Ductless mini-splits applying for the incentive will be incentivized at a rate of \$250 per indoor head unit up to a maximum of three head units per location, per lifetime.
- Participants in the Heat Pump Retrofit Program are not eligible for participation in the ENERGY STAR Manufactured Home Program.

Incentives

Homeowners replacing their existing resistance heat source with a heat pump will qualify for the following incentive based on the equipment type:

| Equipment Type | | Rebate |
|---------------------------|--|--------|
| Centrally Ducted Systems: | | |
| | Current Energy Conservation Standard established | \$500 |
| | by the Federal Department of Energy "DOE" | |
| | Current ENERGY STAR level equipment or greater | \$750 |
| Mini Split Systems: | | |
| • | Ducted or Ductless Mini-Splits ENERGY STAR | \$250 |
| | Level equipment or greater | |

Term - The program is an ongoing program.

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TITLE: President & Chief Executive Officer

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KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson Executive Director

Steven R. Pinner

EFFECTIVE

3/2/2019

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