

April 7, 2017

### Changes to wattsmart Homes Program

Due to low participation and high cost per kilowatt hour saved, wall and floor insulation incentives are being retired. Attic/ceiling insulation incentives will continue to be provided, but are being reduced due to market saturation and other conditions for residences with electric heat. These changes are outlined in the table below and will become effective June 1, 2017.

Measure Type	Sub-Category	Equipment Type	Minimum Efficiency Requirement	Current Offered Incentive		Proposed Incentive	
				Customer/Mid-Market Incentive "up to"		Customer/Mid-Market Incentive "up to"	
				Non-Self Install	Self-Install	Non-Self Install	Self-Install
Insulation	Residences with Electric Heat	Attic/Ceiling Insulation	Existing R-20 or less, final R-38 or greater	\$0.65/square foot	\$0.40/square foot	\$0.10/square foot	\$0.10/square foot
		Wall Insulation	Existing R-10 or less, add R-13	\$0.65/square foot	\$0.45/square foot	\$0.00/square foot	\$0.00/square foot
		Floor Insulation	Existing R-18 or less, Final R-30 or greater	\$0.65/square foot	\$0.25/square foot	\$0.00/square foot	\$0.00/square foot
	Residences with Electric Cooling	Attic/Ceiling Insulation	Existing R-20 or less, final R-38 or greater	\$0.10/square foot	\$0.10/square foot	\$0.10/square foot	\$0.10/square foot
		Wall Insulation	Existing R-10 or less, add R-13	\$0.25/square foot	\$0.20/square foot	\$0.00/square foot	\$0.00/square foot

It's the Company's intent to make ongoing adjustments to incentives for certain measures in response to market conditions (changes in materials costs, product availability, price competition, etc.), and stay in alignment with the Company's defined savings targets, incentive budget, and cost-effectiveness requirements.