

**RESIDENTIAL NEW CONSTRUCTION PROGRAM****PURPOSE**

The purpose of this Program is to provide incentives to encourage residential construction that meets or exceeds the whole house standards of the current Energy Conservation Code High Energy Residential Option (HERO).

**AVAILABILITY**

This Program is available to builders of single and multi-family residential dwellings (three (3) stories or less) that meet or exceed the current HERO standards and are served on a residential retail schedule. Details of the HERO and HERO-Plus standard requirements are available on the Company website, [www.duke-energy.com](http://www.duke-energy.com).

Dwellings that do not fall within the current HERO standard are not eligible for whole house incentives.

At builder's discretion, the qualified builder may offer the home-buyer a Guarantee on the total annual electric HVAC energy consumption of the dwelling.

This Program is also available to builders installing high-efficiency installed equipment eligible for incentives which include (but are not limited to) the following:

- High efficiency electric HVAC equipment and/or services meeting or exceeding minimum Program standards to ensure sufficient energy savings; and
- Other high efficiency equipment, products and services as determined by the Company on a case by case basis.

**INCENTIVES AVAILABLE TO BUILDERS**

The Company's maximum incentives for the installation of high efficiency equipment or meeting HERO/HERO-Plus standards are as follows:

- |   |                        |
|---|------------------------|
| 1. High Efficiency Air Source Heat Pump or Central Air Conditioning | Up to \$300            |
| 2. Meet or exceed HERO standard                                     | Up to \$650            |
| 3. Meet or exceed HERO-Plus standard                                | Up to \$0.75/kWh saved |
- a) The maximum amount of kWh savings per dwelling (classified by Premise number) considered for incentive payments shall be 8,000. A minimum of 699 heated square footage is required for homes meeting HERO standards, but not achieving a Home Energy Rating System (HERS) score, to be considered for the Whole House Measures incentive payment.
  - b) Incentive payments for the Whole House Measures will be made for dwellings achieving annual energy savings of 275 kWh or more.
  - c) kWh savings attributed to space heating in homes fueled exclusively by electricity shall be incentivized at up to \$0.40/kWh. All kWh savings shall be incentivized at up to \$0.75/kWh in homes that consume natural gas.
  - d) All participant incentives shall be awarded on a consistent and nondiscriminatory basis.

For installations on and after January 7, 2022, builders or designated representatives shall receive incentive(s) for either the inclusion of high efficiency equipment or construction meeting the HERO standard, but not both.

The Company reserves the right to adjust the incentive(s) on a periodic basis as determined appropriate due to efficiency standard changes or changes to market conditions.

The effective incentive payments for eligible equipment or whole house standards are posted on the Company's website at [www.duke-energy.com](http://www.duke-energy.com).

Upon Company's approval of the builder's application, incentive payment(s) are applicable to the builder or builder's designee.

All energy conservation measures installed shall be subject to inspection by Company for the purposes of Program evaluation, measurement and verification.

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Additional Program requirements such as minimum square footage required, minimum and maximum kWh savings are available on the Company website, [www.duke-energy.com](http://www.duke-energy.com).

### INCENTIVES AVAILABLE TO HOMEOWNERS

At builder's discretion, the qualified builder may offer the homeowner a Guarantee on the total annual electric HVAC energy consumption of the dwelling.

The Guarantee is applicable solely to the initial homeowner and offers payment based on annual electric heating and cooling energy consumption that exceeds estimated consumption based upon the HERO standard used in constructing the dwelling.

The Guarantee shall apply for no longer than three (3) years from registration. Guarantee incentives are only available at the end of each full year (12 months) of electric service.

Upon Company's review of valid homeowner claims for payments, including a review of prudent energy management practices as defined in the Guarantee, a homeowner shall receive a qualifying payment.

All participant incentives shall be awarded on a consistent and nondiscriminatory basis.

### RESPONSIBILITY OF PARTIES

The builder or designated representative shall complete and submit an application with supporting documentation. For each qualifying home built by an approved Program participant that meets all of the minimum standards and requirements of the Program, the Guarantee will start on the first day of the second calendar month after the date of sales closing or lease signing.

Applications for equipment incentives must include purchasing and contractor servicing invoices.

Applications for whole house incentives must include HERO compliance verification, and for HERO-Plus, a Home Summary Report from Company-approved Energy Software modeling report as assessed by a qualified HERS rater recognized by the Residential Energy Services Network (RESNET) or any Company-approved Energy Services Network.

All required documentation shall be completed and submitted no later than six (6) months after completion of the dwelling established as the date the Company's electric meter is installed.

The homeowner agrees to exercise prudent energy management of the home, as defined in the Responsibilities section of the Heating and Cooling Limited Usage Guarantee.

### COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company will be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

### GENERAL

Service rendered under this Program is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.