

2004 Water Use Efficiency Grant Application

A15a. Project Information Form

Applying for:

Urban

Agricultural

➤ (Section A) **Urban or Agricultural Water Use Efficiency Implementation Project**

(a) Implementation of Urban Best Management Practice, # 6.

(b) implementation of Agricultural Efficient Water Management Practice, # _____

(c) implementation of other projects to meet California Bay-Delta Program objectives, Targeted Benefit # or Quantifiable Objective #, if applicable _____

(d) Specify other: _____

➤ (Section B) **Urban or Agricultural Research and Development; Feasibility Studies, Pilot, or Demonstration Projects; Training, Education or Public Information; Technical Assistance**

(e) research and development, feasibility studies, pilot, or demonstration projects

(f) training, education or public information programs with statewide application

(g) technical assistance

(h) other

3. Principal applicant (Organization or affiliation):

Electric & Gas Industries Association (EGIA)

4. Project Title:

Regional Resource-Efficient Clothes Washer Rebate Program

5. Person authorized to sign and submit proposal and contract:

Name, title

Pat Matos, Manager of Utility Services, EGIA

Mailing address

3800 Watt Avenue, Suite 105

Sacramento, CA 95821

Telephone

916-609-5300 ext. 332

Fax.

916-609-5356

E-mail

pmatos@egia.com

6. Contact person (if different):

Name, title.	N/A
Mailing address.

Telephone
Fax.
E-mail

7. Grant funds requested (dollar amount): **\$5,742,675**
(from Table C-1, column VI)

8. Applicant funds pledged (dollar amount): **\$8,143,560**

9. Total project costs (dollar amount): **\$13,886,235**
(from Table C-1, column IV, row n)

1. Percent of State share requested (%) **41%**
(from Table C-1)

2. Percent of local share as match (%) **59%**
(from Table C-1)

3. Is your project locally cost effective?
Locally cost effective means that the benefits to an entity (in dollar terms) of implementing a program exceed the costs of that program within the boundaries of that entity.
 (a) yes
 (b) no
(If yes, provide information that the project in addition to Bay-Delta benefit meets one of the following conditions: broad transferable benefits, overcome implementation barriers, or accelerate implementation.)

11. Is your project required by regulation, law or contract? (a) yes
If no, your project is eligible. (b) no
If yes, your project may be eligible only if there will be accelerated implementation to fulfill a future requirement and is not currently required.
Provide a description of the regulation, law or contract and an explanation of why the project is not currently required.

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-
-
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12. Duration of project (month/year to month/year): 1/2006 to 12/2008
13. State Assembly District where the project is to be conducted: 1, 6, 7, 8, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 27, 28
14. State Senate District where the project is to be conducted: 2, 3, 5, 7, 8, 9, 10, 11, 13, 15
15. Congressional district(s) where the project is to be conducted: 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
16. County where the project is to be conducted: Alameda, Contra Costa, San Mateo, Santa Clara, Sonoma, Yolo, Marin, San Francisco
17. Location of project (longitude and latitude) 37deg 33min 1sec N
122deg 18min 59 sec W
18. How many service connections in your service area (urban)? 1,688,432(see Appendix 1)
19. How many acre-feet of water per year does your agency serve? 1,090,039 (see Appendix 1)
-
20. Type of applicant (select one):
- (a) City
 - (b) County
 - (c) City and County
 - (d) Joint Powers Authority
 - (e) Public Water District
 - (f) Tribe
 - (g) Non Profit Organization – EGIA is representing a conglomerate of water agencies.
 - (h) University, College
 - (i) State Agency
 - (j) Federal Agency

- (k) Other
 - (i) Investor-Owned Utility
 - (ii) Incorporated Mutual Water Co.
 - (iii) Specify _____

21. Is applicant a disadvantaged community? If 'yes' include annual median household income.

- (a) yes, _____ median household income
- (b) no

A-15b. Signature Page: Appendix B

By signing below, the official declares the following:

The truthfulness of all representations in the proposal;

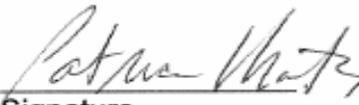
The individual signing the form has the legal authority to submit the proposal on behalf of the applicant;

There is no pending litigation that may impact the financial condition of the applicant or its ability to complete the proposed project;

The individual signing the form read and understood the conflict of interest and confidentiality section and waives any and all rights to privacy and confidentiality of the proposal on behalf of the applicant;

The applicant will comply with all terms and conditions identified in this PSP if selected for funding; and

The applicant has legal authority to enter into a contract with the State.

	<i>Patricia Matos</i> <i>Manager of Utility Services</i>	<i>12/28/04</i>
Signature	Name and title	Date

A-15c. Statement of Work, Section 1: Relevance and Importance

This section describes the relevance and importance of this project. Project goals, objectives, and need are explained. Project consistency with local and regional plans and further implementation of existing water management activities are described.

A-15c.1. Project Goals and Objectives

This section describes the goals and objectives of the project. The project takes a regional approach to provide financial incentives towards the purchase and installation of high-efficiency clothes washers. The financial incentives are consumer rebates for the purchase of high-efficiency clothes washers offered throughout the greater San Francisco Bay Area.

The purpose of this project is to significantly increase water use efficiency by offering financial incentives to consumers who purchase energy and water efficient clothes washers. The high-efficiency machines use 60 percent less energy per load and 40 percent less water per load than traditional machines. The grant would fund capital outlay expenditures immediately and be directly tied to the project purpose of improving water use efficiency for residential clothes washing.

The models selected for rebates under this program are those in tiers 2, 3a, and 3b. The corresponding water factors of the models in these tiers are 8.5, 7.5, and 5.5, respectively. Once pending legislation to adopt an 8.5 WF standard is approved (projected for 2007), tier 2 washers would become the standard and would no longer be available for a rebate under this program.

The goals and objectives of this project are to:

1. Realize greater water use efficiency for the clothes washing end-use.
2. Promote public acceptance of high-efficiency clothes washers by increasing the market share and the affordability of high-efficiency clothes washers.
3. Promote resource-efficient clothes washer product development and distribution.
4. Administer 76,569 high-efficiency clothes washer rebates to customers in the service areas of participating agencies in this program.
5. Increase the regional exposure of individual agency rebate offers.
6. Realize project cost saving opportunities and economy of scale to reduce program overhead.
7. Prepare the market for increasing water efficiency standards that have high public acceptance.

The regional effort covers water utility service areas within eight counties and a customer base of more than 1.6 million customers in the service areas of the participating agencies (Agencies) listed below. Several of the Agencies represent multiple retail agencies in this program. A list of all retail water agencies under the umbrella of the BAWSCA is provided in Appendix 2. The location of the participating Agencies is shown on Figure c-1.

1. Alameda County Water District (ACWD)^a
2. Bay Area Water Supply and Conservation Agency (BAWSCA)^a
3. City of Brentwood (Brentwood)

4. City of Davis (Davis)^a
5. San Francisco Public Utilities Commission (SFPUC)
6. Contra Costa Water District (CCWD)^a
7. East Bay Municipal Utility District (EBMUD)^a
8. Marin Municipal Water District (MMWD)
9. Santa Clara Valley Water District (SCVWD)^a
10. Sonoma County Water Agency (SCWA)^a
11. Zone 7 Water Agency (Zone 7)^a

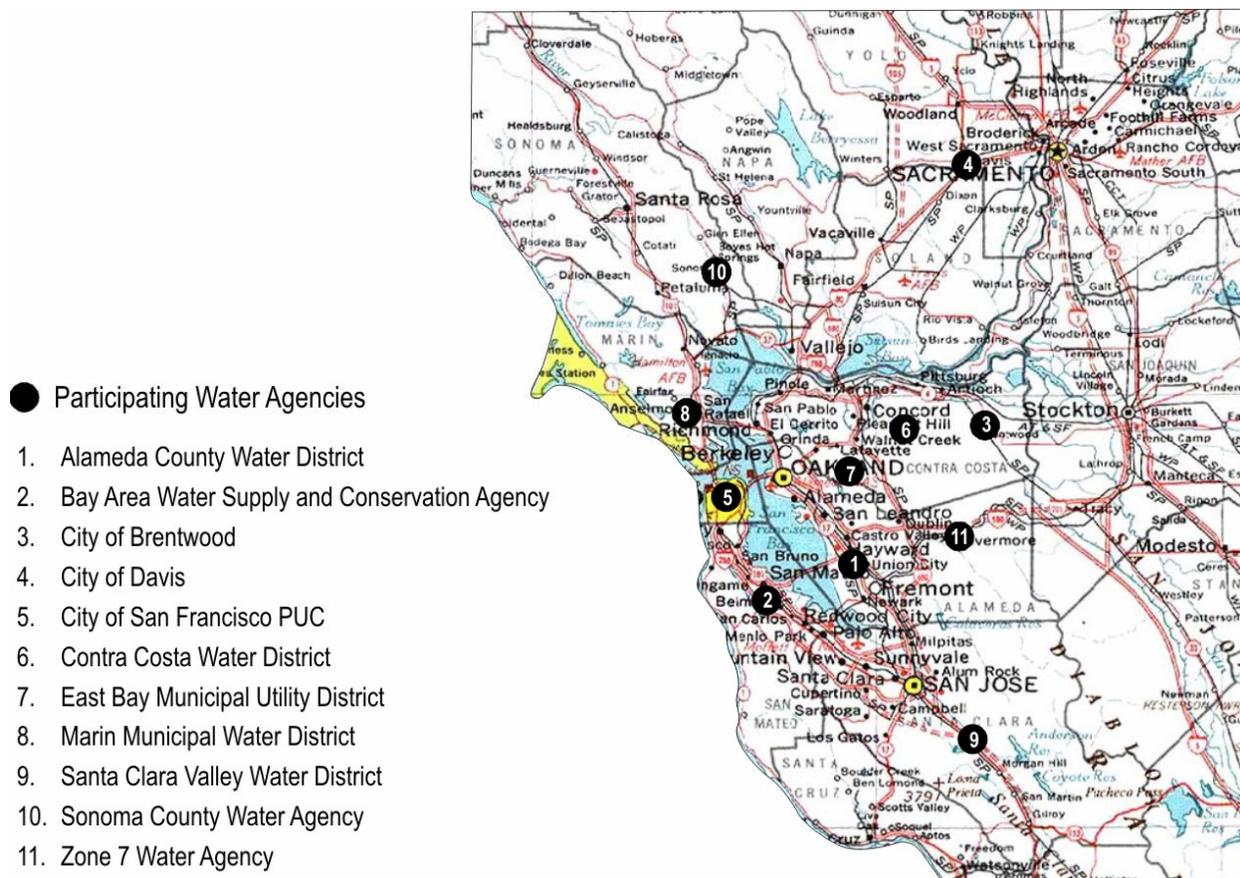


Figure c-1. Location of Participating Agencies

The participating Agencies with an “a” by their name are currently implementing a successful coordinated rebate program supported by a matching California Department of Water Resources (DWR) Proposition 13 grant program that will end in September 30, 2006. However, based on the historical success of the program, we anticipate current matching DWR Proposition funds to be depleted prior to June 30, 2006, allowing the new program with Proposition 50 matching funds to be launched January 1, 2006.

The incentives exceed the guidelines of the statewide *Memorandum of Understanding Regarding Water Conservation in California* (MOU) by establishing a regional rebate offer program that is not locally cost-effective. The Agencies will coordinate their rebate offer to the extent possible with the California Public Utility Commission (CPUC) and/or the region’s energy service provider, Pacific Gas and Electric Company (PG&E), clothes washer programs.

The Electric & Gas Industries Association (EGIA), a 70-year old non-profit trade association representing the appliance industry, has been responsible for developing/implementing/administering energy and water conservation programs for decades. EGIA operates the current program under contract with eight of the participating utilities and proposes to provide services for this program and to facilitate coordination with PG&E/CPUC programs. All grant funds will flow through EGIA as the lead agency, streamlining invoicing to DWR. EGIA has successfully operated water agency rebate programs since 1996 and is uniquely positioned to continue operating the program and coordinate with energy utility programs.

The Agencies propose a total \$150 per clothes washer rebate offer comprised of \$75 Agency funding and \$75 matching DWR Proposition 50 Water Use Efficiency grant funds. Past experience indicates that this amount substantially increases program participation because it effectively reduces the cost differential between standard and high-efficiency clothes washers to a level that influences cost-sensitive and harder-to-reach consumers. Agencies would also fund administrative costs for rebate processing, monitoring and evaluation, and a variety of outreach activities.

The project outcome will be over 23,700 AF of water savings over the projected average 14-year life span of the clothes washers. Longer-term, non-quantified benefits include larger market share and availability of clothes washers that exceed current and pending increases in product efficiency standards.

A-15c.2. Project Need as Related to Critical Local, Regional, Bay-Delta, State, or Federal Water Issues

This section includes an explanation of the need for the project as related to critical local, regional, Bay-Delta, State, or Federal water issues. The project need is based principally on the following:

1. Efficient use of California's limited water supplies is a critical local, regional, and statewide water issue.
2. Net water savings will directly relieve pressure on Bay-Delta exports.
3. Over 93 percent of homes in the United States have clothes washers and only 6 percent are high-efficiency rated models.¹
4. Over 1.6 million customers are within the service area of the participating agencies, which gives this program significant opportunities for increasing the market share of efficient models both regionally and throughout California.
5. It is estimated by market share data that less than ten out of 100 sales of clothes washers are high-efficiency, which locks in water waste of an estimated 7,204 gallons annually per machine for the 14 years of each machine's average life span.
6. The average cost difference between low efficiency and high-efficiency models ranges from \$300 to \$2,000 with an estimated average of \$500 per high-efficiency machine.
7. Other regional Energy Star programs suggests an over \$150 rebate level is one cause of success. For example, states in the Northwest have seen an increased market share of high-efficiency clothes washers up to 16 percent in early 2002.²

¹ AHAM Saturation and First Length of Ownership Study, May 2001. <http://www.aham.org/tradehome/home.cfm>

² PECCI, Resource Efficient Washer Program, 2002. <http://www.peci.org/res/washers.html>

This project has the potential to positively impact the Bay-Delta systems by reducing the overall reliance on Bay-Delta water exports. The Agencies' conservation efforts are important as part of a long-term, comprehensive effort to reduce pressure on the Bay-Delta system to meet regional and statewide water needs. One of the fundamental objectives of the CALFED Bay-Delta program is to reduce the imbalance between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system. Water use efficiency projects are one of the cornerstone strategies that the California Bay-Delta Authority (formerly CALFED) Bay-Delta program is deploying to achieve this objective. Substantial rebate incentives for the purchase of high-efficiency clothes washing machines will reduce demand for a significant urban end use of Bay-Delta water supplies. It is anticipated that the 76,569 rebates issued under this project will result in water savings of approximately 1,693 ac-ft per year and a total of 23,700 ac-ft or more than 7.7 billion gallons by 2021.

By reducing the amount of water use by customers in the Agencies' water supply areas, other beneficial water uses could be realized, such as providing flow to improve aquatic ecosystems and the habitat restoration of many Federally listed species (Saltwater Harvest Mouse, California Clapper Rail, Delta Smelt, Splittail, Steelhead, Chinook salmon, fresh water shrimp, Coho salmon, and Steelhead).

A-15c.3. Local and Regional Water Management Plans

This section describes how this project is consistent with local or regional water management plans or other integrated resource management plans. This project is compatible with local water management plans and the Agencies' ongoing efforts to achieve greater water use efficiency through recommendations for reducing long-term residential water demands. Participation in the rebate program is consistent with many water conservation plans and planning documents such as the plans shown in Appendix 10. These 32 plans describe the implementation of this project as a vital part of each of the Agency's water use efficacy programs. Water saved as a result of this program will enable these Agency to meet their supply/demand goals as described in their local and regional water management plans.

A-15c.4. Water Demand Management Activities

This section documents the implementation of water demand management activities that have been identified in urban water management plans. Most of the Agencies are signatory to the California Urban Water Conservation Council (CUWCC) MOU and submit annual on-line BMP reports. These reports document the water demand management activities performed by each of the Agencies and can be obtained at the CUWCC's website located at www.cuwcc.com. All of the Agencies have their year 2000 Urban Water Management Plans on file with (DWR). These Urban Water Management Plans also describe the water demand management activities of the Agencies.

A-15c.5. Further Implementation of Existing Water Management Activities

This project involves the implementation of Urban Water Conservation Best Management Practice (BMP) 6, *High-Efficiency Washing Machine Rebate Programs*, as defined by the CUWCC. This project exceeds the requirements of BMP 6 by implementing a rebate offer although it is not locally cost effective to the Agencies.

A-15d. Statement of Work, Section 2: Technical/Scientific Merit, Feasibility

A-15d1. Project Approach

This section describes the methods and procedures designed to successfully accomplish the project. This detailed explanation of the project approach shows the feasibility and technical adequacy of the approach to satisfy the project objectives and EGIA and the Agencies' readiness to proceed. This is an established program that has been successfully implemented proving that the program's methods and procedures are technically adequate.

EGIA, the contracted program administrative service provider, will receive and process incentive applications, document purchases, and obtain application approval from participating agencies. The weekly information provided to the Agencies by EGIA will be consistent with their individual existing or renewed contractual requirements. A flow diagram of the proposed program with DWR Proposition 50 funding based on the current scope of EGIA services provided under its agreement with Agencies receiving Proposition 13 funding is shown on Figure d-1. The Agencies approve electronically transmitted rebate application records by verifying water service account information and program eligibility requirements.

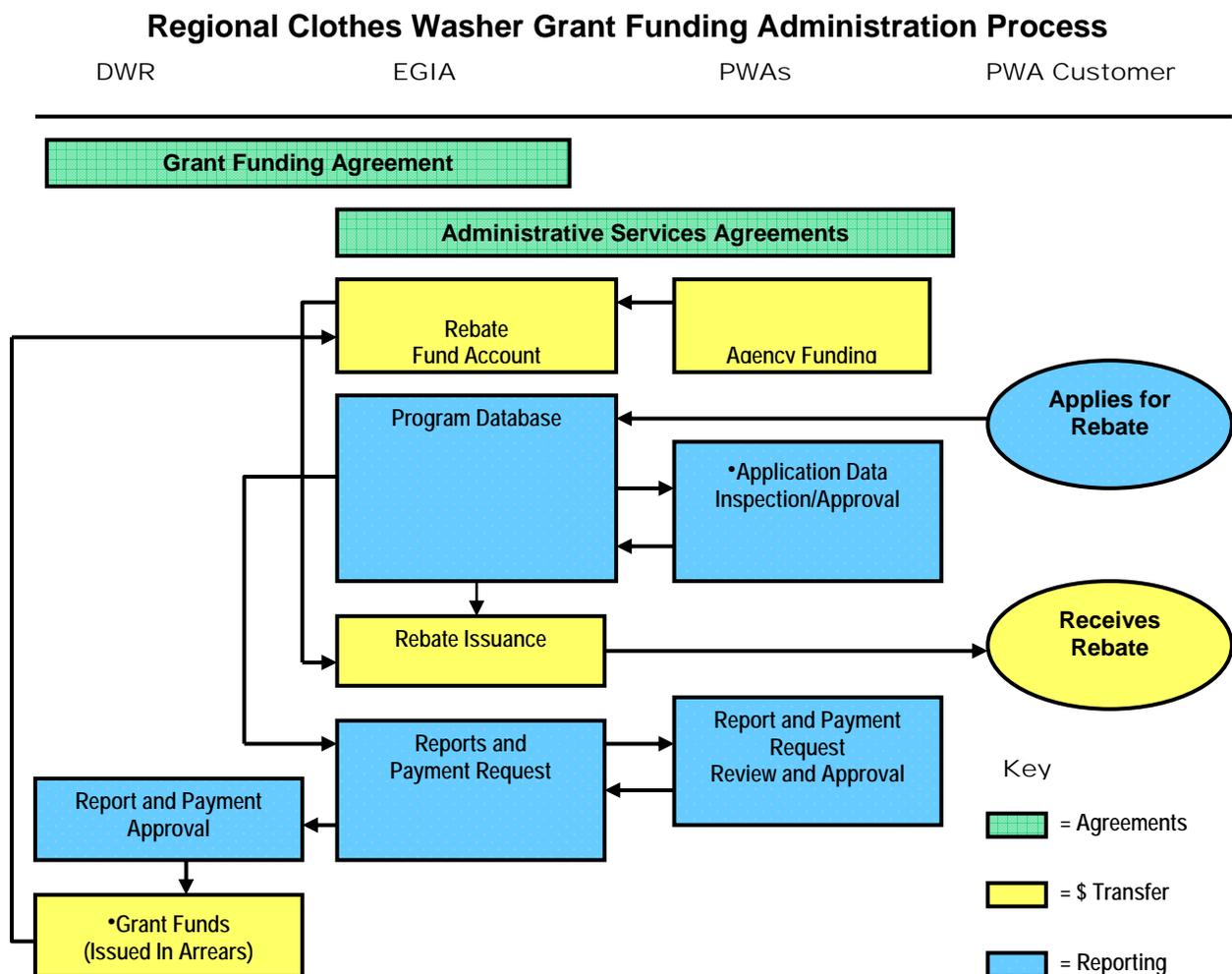


Figure d-1. Regional Clothes Washer Grant Funding Administration Process

Individual Agency application approval enhances program monitoring in the following ways:

- Agencies cross-check rebate application information with their customer information system data to validate water service account status, confirm installation addresses, and identify prior rebate activity.
- Agency data verification enhances EGIA’s program data quality and ensures enforcement of program eligibility requirements.
- Weekly data submittals from EGIA to the agencies are used to monitor program activity levels and the timelines of contract deliverables.
- Agencies utilize program data to conduct telephone follow-up and/or physical site inspections to resolve incomplete applications or to contact and verify clothes washer installations of randomly sampled program applicants.

Program monitoring will include a process to separately track and account for agency and grant fund transfers from source funding to consumer rebate payments. Current and future Agency contracts with EGIA require:

- Monthly accounting and reporting of Agency and grant funding used to issue rebate payments.
- Management of funds through a dedicated bank account that prevents commingling of rebate funds with service provider funds.
- Documented bank-to-bank account fund transfers or direct deposits of rebate funds to the dedicated account.
- Program auditing and data retention provisions that open service provider records to full examination.

EGIA has automated its processing functions. An automated database system has been developed that streamlines and improves approval and program tracking while reducing administrative costs. Quarterly invoices with summary reports will be issued by EGIA to DWR for the three-year duration of the project. At the completion of the project, on behalf of the Agencies, EGIA will submit an overall project completion report that includes:

- Description of customer's participation feedback from satisfaction survey.
- Number of rebates provided.
- Estimated amount of water savings.
- Estimated amount of energy savings.
- Estimated avoided cost to agencies.
- Estimated avoided costs to water customers.

A-15d2. Project Task List and Work Schedule

This section provides a project plan and work schedule with tasks, deliverable items, start and end dates, and projected costs for each task. This plan will form the basis of the required quarterly and annual project fiscal and programmatic report.

The scope of the project consists of four tasks:

1. Finalize service contracts between EGIA and Agencies. The total administration cost for this task is \$17,000.
2. Operate incentive program through customer/retailer marketing and rebate distribution. Two costs are associated with the task: Incentives distributed to the customers (\$11,485,350) and the cost of implementation, marketing, and implementation verification postcards associated with the distribution of the incentives (\$2,343,885).
3. Provide quarterly status reports to Agencies and DWR. There will be ten status reports submitted on the 15th of the first month following each respective quarter (i.e. January 15th, April 15th, July 15th, and October 15th). The status report of the last quarter will be included in the final report. The estimated cost for each status report is \$1,000 for a total of \$10,000 for this task.

4. Summarize results and prepare final report (through 2013). This task includes the comprehensive final report at the end of the project (\$10,000). The project cost/benefit analysis will be re-evaluated as part of the final report. This task also includes the annual reports of benefits and costs for five years after the completion of the project (through 2013).
5. Prepare monitoring and assessment report and distribute to Agencies and DWR (\$20,000). Water use data will also be included as well as the data described in Section A-15e.

A bar chart schedule with projected costs for each task is presented in Figure d-2. Table d-1 presents a quarterly expenditure projection of project costs.

Tasks	Cost	2006				2007				2008			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
1. Service contract agreements	\$17,000												
2. Incentive program rebate distribution	\$11,485,350												
- Rebates	\$2,343,885												
- Implementation	\$2,343,885												
3. Quarterly status reports	\$10,000		◆ ^a										
4. Summarize results/ prepare final report	\$10,000												
5. Prepare monitoring and assessment report	\$20,000												

◆ Deliverable items

^a Note: Quarterly reports will be submitted on the 15th of the first month following each respective quarter.
 Quarterly report information for 4th quarter of 2008 will be included in final report.
 Quarterly report estimated to cost \$1,000 per report.

Figure d-2. Project Timeline

Table d-1. Quarterly Expenditure Projection of Project Costs^a

Quarter	Months	Expenditure
Year 1		
1	January-March	\$ 17,000
2	April-June	\$ 1,296,490
3	July-September	\$ 1,297,490
4	October-December	\$ 1,297,490
Year 2		
1	January-March	\$ 1,297,490
2	April-June	\$ 1,297,490
3	July-September	\$ 1,297,490
4	October-December	\$ 1,297,490
Year 3		
1	January-March	\$ 1,297,490
2	April-June	\$ 1,297,490
3	July-September	\$ 1,304,990
4	October-December	\$ 887,835
Total		\$ 13,886,235

^a Project to begin 1st Quarter of 2006 with signing of DWR contract by December 2005.

A-15d3. Preliminary Plans and Specification and Certification Statements

Since this project is not a construction project, there are no preliminary plans and specifications. A certification statement for this project is provided in Appendix 11.

a. Construction Inspection Plan

The applicants must submit purchase receipts from valid retail establishments, which are verified by EGIA prior to submission to the participating Agencies for payment approvals. There is no required direct inspection of the installation of the clothes washers by water agency personnel. However, Agencies reserve the right to periodically conduct installation verification and physically inspect installations to resolve incomplete application or to randomly sample program participants. The Agencies mail a survey form to rebate applicants following the issuance of a rebate. These survey forms are a way to verify the clothes washer was actually installed. These survey forms also allow for customer feedback regarding the program.

A-15d4. Environmental documentation

CEQA/NEPA documentation is not applicable for this project; notice of exemption will be completed prior to contract execution between DWR and EGIA.

A-15e. Statement of Work, Section 3: Monitoring and Assessment

This section provides a plan for project monitoring and evaluation that will be used to document water savings and other Bay-Delta system benefits to mark progress and to determine the success of the project.

A-15e.1. Pre-project Conditions and Data Baselines

This section provides a description how of pre-project conditions and data baselines will be determined, the basic assumptions being used, and the anticipated accuracy of the data to be produced. EBMUD has undertaken significant research projects that will enhance the ability to evaluate actual program impacts and water savings. Baseline and end-use data and information from the research projects undertaken by EBMUD will be used to evaluate pre-project conditions and data baselines.

Descriptions of the research projects that may be used to evaluate pre-project conditions and data baselines are provided below:

- The comprehensive 1995 *Water Conservation Baseline Study* identified the market saturation of water conserving hardware and appliances in the EBMUD service area through on-site survey of a statistically significant random sample of residential customers.

- A second comprehensive market saturation study, the *Water Conservation Market Penetration Study*, completed in March 2001, identified a 12 percent saturation level of high-efficiency clothes washers in EBMUD-served homes. EBMUD's Water Conservation Master Plan establishes a basis for conducting periodic future studies that will effectively track market saturation levels and rates.
- SCVWD and ACWD have both undertaken similar studies.
- An EBMUD Residential Indoor End Use Study, conducted as a follow-up to the *AWWA North American End Use Study*, identified the actual water savings from conservation retrofits including high-efficiency clothes washers in single-family residences. An analysis of extensive pre- and post-retrofit metered consumption data, and supplemental household surveys, released in December 2002, significantly adds to the current documentation of water savings from high-efficiency clothes washer installations.

The December 2002 EBMUD study measured the per capita per day clothes washer savings and compares this value to other end use study results. The similarity in water savings found in Seattle, SWEEP, and EBMUD (5.6, 5.3, and 5.2 gallons per capita (gpc), respectively) suggests an approaching agreement on the impact of these specific machines on per capita water use. In addition, the study also compared the baseline and post-retrofit per capita daily use for clothes washers. The baseline use was 13.9 gpc and the post retrofit use was 8.8 gpc, resulting in a 37% change in water use.

Key to evaluating longer-term program impacts will be an assessment of product market share to the extent practical at project conclusion. The Association of Home Appliance Manufacturers publishes annual statistics summarizing shipments of top-loading versus other household clothes washers and is available for download via their web site: www.aham.org. EGIA, through its established appliance and energy industry contacts, may also be a source of pertinent data for market share and program impact analysis.

A-15e.2. Monitoring Methodologies and Data

The issued rebates for each Agency are recorded in the project database and summarized in the quarterly reports submitted to DWR. Project results are evaluated based on the estimated average water savings per high-efficiency clothes washer machine multiplied by the number of rebates issued. Comment cards are also sent to customer who received rebates. These comment cards are another way to verify the customer successfully received the rebate and installed their high efficiency clothes washer machine.

A-15e.3. Evaluating Success

Project success will be determined by several factors. A short term indicator of project success is if all rebate issuance goals are reached by each Agency within the project timeline. A longer term indicator of project success is the increased availability and assortment of high efficiency clothes washers in the future. This will indicate the project was successful in contributing to the market transformation of this product. This is based on the assumption that if more high efficiency machines are purchased, then more high efficiency machines will be purchased by retailers to sell. As more retailers purchase these machines, this will push the further development of this type of machine by manufacturers.

A-15e.4. External Factors

When evaluating project success, external factors such as the economy will be taken into account to explain possible changes in project success from past projects. Since a large part of this program is dependant upon the customer's willingness to participate in the program, economy could be an external factor affecting the success of the project. This external factor may indicate what the appropriate rebate level should be in the future.

A-15e.5. Information and Data Reporting

This section describes how the data and other information will be handled, stored, reported, and made accessible to DWR and others. Since this program has a sophisticated database already developed, project information can be easily recorded and reported. Quarterly program status reports containing information such as the number of rebates issued will be submitted to DWR and the Agencies by EGIA for the project term. A final program report summarizing project results will also be provided to the Agencies and DWR.

A-15e.6. Monitoring and Evaluation Plan Cost

This section describes the estimated costs associated with the implementation of the monitoring and evaluation plan. The costs incurred for project monitoring are already included in Agency and EGIA administrative costs. These costs include the costs to update the database in order to keep project information current. The costs to evaluate project success and water savings are included in the cost of Task 5 of this project which is to prepare a monitoring and assessment report. This report is estimated to cost \$20,000.

A-15f. Qualifications of the Applicants and Cooperators

The qualifications of the project manager, cooperators, and partners to be involved in this Regional Resource-Efficient Clothes Washer Rebate Program are discussed in this section. Also discussed are external cooperators utilized for the project, previous water use efficiency grant projects, and disadvantaged community information.

A-15f1. The EGIA and Participating Agencies Project Managers

EGIA will serve as the program authorizing agency (see Section A-15b. (Signature Page)). EGIA, a non-profit trade association representing the appliance industry, has been responsible for developing/implementing/administering energy and water conservation programs for decades. EGIA operates the current regional resource efficient clothes washer rebate program under contract with the participating utilities and proposes to provide services for this program and to facilitate coordination with PG&E/CPUC programs.

Pat Matos of EGIA will be serving as the single point of contact for DWR as the primary administrator overseeing grant funding for the entire regional program and contracted grant fund management services performed by EGIA. Additional project management responsibilities will be

shared between EGIA and the Agencies. Table f-1 represents the project management team. A resume for each agency’s project manager is attached in Appendix 3. The Agency project managers take responsibility for overseeing the rebate program for their customers.

Table f-1. Project Management Team

Water Agency	Contact	Position
ACWD	Eric Cartwright	Senior Water Resources Planner
BAWSCA	Nicole Sandkulla	Water Resources Analyst
Brentwood	Marna Huber	Project Services Manager
Davis	Jacques DeBra	Senior Utility Resource Specialist
SFPUC	Dana Haasz	Water Conservation Administrator
CCWD	Kelly Warren	Water Conservation Specialist
EBMUD	Michael Hazinski	Water Conservation Coordinator
MMWD	Denis Poggio	Water Conservation Manager
SCVWD	Jeannine Larabee	Water Use Efficiency Unit
SCWA	Ryan Grisso	Water Conservation Specialist
Zone 7	Andy Florendo	Water Conservation Coordinator

EGIA brings substantial qualifications to this project arising from its 70-year history as a non-profit industry association during which it implemented numerous resource conservation programs and established relationships with the energy and appliance industries, and from its more recent successful operation of the *Bay Area Water Utility Clothes Washer Rebate Program*. Within the current regional program each of the Agencies’ project managers already works closely with EGIA.

As a contracted administrative service provider, EGIA designs and implements consumer rebate programs of both water and energy efficient products such as clothes washers, air conditioners, and refrigerators. Additionally, EGIA administers training in the latest energy efficiency measures for HVAC, windows, insulation, and photovoltaic contractors. EGIA served as a program administrator for numerous California investor-owned and municipality-based utilities including:

- Pacific Gas and Electric Company
- Southern California Gas Company
- San Diego Gas & Electric Company
- Southern California Edison
- City of Palo Alto
- Silicon Valley Power
- Modesto Irrigation District
- Associated Volume Buyers (the world's largest appliance buying group)
- Department of Water Resources
- Town of Windsor
- Alameda Bureau of Electricity
- Roseville Electric
- Imperial Irrigation District

In addition to the groups noted above, EGIA has consulted with the California Energy Commission, California Department of Consumer Affairs (Flex Your Power Group), and the California Power Authority in an effort to help identify ways to mitigate the Energy crisis in 2001. EGIA also advises government agencies on contractor and retailer concerns, public perception, and response to past and proposed measures.

A-15f2. External Cooperators

External cooperators such as appliance retailers, product manufacturers, water customers, and the regional energy service provider will be utilized for this project. Success of the current regional program, which depends upon coordination with the abovementioned external cooperators, attests to their willingness and ability to effectively coordinate and participate. External cooperators embrace and support the project primarily because the incentives enhance the benefits of promoting product acceptance. Letters of Support from additional organizations are provided in Appendix 4.

The Consortium for Energy Efficiency (CEE) routinely publishes and lists efficiency ratings of clothes washers that include water use efficiency factors. Further, the CEE coordinates listings with ENERGY STAR and attempts to achieve consistency with the labeling system. The combination of ENERGY STAR labeling and CEE listings provides a basis to delineate and promote clothes washer models that maximize water and energy savings. CEE's Residential Clothes Washer Initiative, launched in 1993, promotes the manufacture and sales of energy-efficient clothes washers. CEE has developed a set of specifications and a qualifying product list to define energy efficiency and works with initiative participants (utilities and energy organizations) to promote qualifying washers through incentive, educational and promotional programs.

The U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy (DOE) developed and sponsor the ENERGY STAR[®] name and logo, a product labeling system that is key to identifying and promoting eligible energy conservation products. As a result of extensive publicity and promotions, primarily by California energy utilities, ENERGY STAR has very high name and brand recognition. EGIA and other proposing Agencies are ENERGY STAR partners authorized to use the name and logo within published guidelines. Agencies both leverage and promote ENERGY STAR through their promotional materials and outreach activities.

A-15f3. Previous Water Use Efficiency Grant Projects

EGIA has been the administrative service provider for the 2000 CALFED and the 2002 DWR Proposition 13 grants. Members of the current grant funded regional program, ACWD, CCWD, Davis, EBMUD, SCVWD, SCWA, BASCWA and the Zone 7, will continue to partner as well as have expanded membership with additional agencies to offer rebates toward the consumer purchase of energy and water efficient clothes washers.

The existing regional partnership among individual water utilities, each with their own governing bodies and encompassing small and large, retail and wholesale water utilities, for the purpose of implementing a water use efficiency program is somewhat unique in the water industry and has

gained Statewide and national attention. This partnership brings smaller agencies under an umbrella that would otherwise not be able to offer a rebate program cost-effectively. The proposed funding for this project will enhance and expand this partnership and better maintain a foundation for other regional water use efficiency initiatives.

The Agency program will run concurrent with PG&E/CPUC programs when their rebates are available. Agencies will make efforts to work with investor-owned utilities and/or the CPUC to leverage opportunities to promote high-efficiency clothes washer technology.

The following existing partners and the total rebates issued within their respective service areas under the 2000 CALFED grant program are included in Table f-2.

Table f-2. Project Partners and Number of Awarded Rebates in 2000 CALFED Grant Program

Agency	Number of awarded rebates	
	1/1/02 - 12/31/02	1/1/03 – 5/30/03
Davis	478	194
ACWD	1,536	346
EBMUD	6,164	1,931
SCVWD	7,009	3,318
CCWD	1,983	810
Zone 7	1,180	348
Total	18,350	6,947

High-efficiency clothes washer rebate participation levels are projected to continue from the year 2006 baseline through the three-year project period.

A-15f4. Disadvantaged Community

The applicant’s region does not meet the conditions of a disadvantaged community. However, the program’s public outreach plan is designed to reach disadvantaged consumers.

A-15g. Outreach, Community Involvement, and Acceptance

A-15g1. Plan for Public Outreach

The outreach efforts that will be made by the Agencies and EGIA during the clothes washer rebate program include a plan for disseminating information regarding the rebate offer and the inherent benefits of increased resource efficiency for clothes washing, training of appliance dealers, and coordination with manufacturers and appliance buying groups to ensure increased product availability.

An effective public outreach effort is essential to the project's success. Contact will be made through various means with thousands of customers, including disadvantaged community members, to promote and reinforce water use efficiency by providing a financial incentive to purchase a high-efficiency clothes washer. The partnership developed between the various water agencies ensures that a large and economically diverse customer base will be reached. Outreach efforts are designed to influence consumer choice as well as manufacturer, distributor, and retailer decisions regarding product development, availability, and promotion.

The Agencies' high-efficiency clothes washer rebate program has been an ongoing program and has proven to be a success. Individual participating Agencies coordinate their public outreach efforts with PG&E. Mutual website links, newsletters, and bill stuffers leverage the PG&E outreach opportunities.

One important component of the outreach program is the development of a clear and concise program logo. It is the Agencies' goal and intent that customers come to recognize the high-efficiency clothes washer logo. The clothes washer icon in Figure g-1 was developed by a graphic artist and is used on program faxes, retail static cling stickers, and as part of the eligible product list. An example "point of sale" brochure given to customers, a static cling sticker applied to retail store floor models, and a rebate application form are provided in Appendix 5. The Agencies will continue with their current public outreach plans which encompass the following outreach efforts:



Figure g-1. Bay Area Water Agencies High Efficiency Clothes Washer Rebate Program Logo

Educational materials – Fact sheets about the high-efficiency clothes washer rebate program – written in easy to understand language – is critical to a successful public education campaign. Customers will receive direct information through agency bill inserts, door hangers, and information kits.

Advertising - Within the current partnership, the larger agencies have undertaken print and radio advertising campaigns that benefit the regional effort as ad impressions extend to a regional audience. In the past SCVWD has placed print ads to accelerate its customer participation and EBMUD sponsored radio promotions on Oakland Raider football game broadcasts. Agencies will

explore cost-sharing opportunities for regional media promotions, especially those media that would target difficult to reach or disadvantaged consumers who would otherwise not take advantage of clothes washer rebates.

Media relations – This may include public service announcements and editorial commentary, both in print and on electronic media, in order to effectively reach a large, diverse agency customer base. The rebate program will be highlighted as well as the Agencies’ other conservation accomplishments and services.

Web sites – The Agencies’ and EGIA’s respective web sites will keep the community updated on the rebate program. A customer will be able to find information on where to purchase qualifying clothes washers, how to apply for the rebate, energy and water savings statistics, and contact phone numbers to answer customer questions. The EGIA website allows the customer the opportunity to apply for rebates on-line with an on-line application submittal and rebate application status tracking.

Community event participation – Participation in community events such as fairs and festivals are highly visible opportunities to reach local consumers. A simple exhibit with display boards, water-related props, promotional items, information pamphlets, and an interactive component is a planned attractive educational tool for the Agencies.

Customer Information by Telephone – The public will have access to Agencies’ and EGIA’s direct phone lines to provide immediate response to customer questions. An Agency staff member knowledgeable about the rebate program will be available to answer customer concerns.

Point of sale – Participating appliance dealers will have rebate applications and information pamphlets available on site with the qualifying clothes washers clearly marked. Point of sale publicity will inform Agencies’ customers of program availability when purchasing a product outside of their service area. Consumers may choose to participate in the program by purchasing a qualifying machine and completing the necessary rebate form in one convenient step.

Program evaluation – The regional approach to this project will allow standardization of data collection and methods of analysis. It is important to evaluate the public relations efforts throughout the project. This will ensure the public outreach plan is on track and meeting the plan goals and objectives. Comment cards are mailed to the rebate recipients following the issuance of a rebate. These comment cards give the Agency’s an idea of how the customer feels about the program. An example of the Agency’s comment cards is provided on Figure g-2.

We Value Your Input!



*Please help us improve **Contra Costa Water District's High-Efficiency Clothes Washer Rebate Program** by completing and mailing this card.*

Please circle Y for yes or N for no, or place a check in the appropriate box

How did you find out about the rebate program? Retail store? Utility website? Other _____

Y N Was the washer rebate application form available at the retail appliance store?

Y N Were the qualifying washers clearly marked with a program sticker in the retail store?

Y N Was the rebate application easy to understand and complete?

Y N Are you satisfied with your high-efficiency clothes washer?

Y N Did you receive your rebate in a timely manner? If not how long did it take? _____

Y N Did you need to telephone the program's administrator, **Electric & Gas Industry Association (EGIA)**, for assistance with the application or program questions? If yes, complete the following:

If you contacted EGIA, please rate the service from 1 to 5. Circle 1 for poor and 5 for excellent.

1 2 3 4 5 Quality of information you received about the Washer Rebate Program.

1 2 3 4 5 Level of customer service EGIA provided to you.

Rate your OVERALL experience with the High- Efficiency Washer Rebate Program

1 2 3 4 5

How can the program be improved? _____

Figure g-2. Sample Program Evaluation Comment Card

A-15g2. Local Groups and Other Interested Organizations

The retail agencies of the participating Agencies support this project. Appliance retailers, product manufacturers, water customers, and the regional energy service providers all support this project. Their support is shown through project cooperation and interest.

A-15g3. Potential Third Party Impacts

Third party impacts include impacts to customers, retailers, and product developers and manufacturers. One of the objectives of this project is to promote public acceptance of high-efficiency clothes washers by increasing the market share and the affordability of high-efficiency clothes washers. Another main objective is to promote resource-efficient clothes washer product development and distribution. These objectives rely on positive third party impacts of this project.

A-15g4. Training of Participating Appliance Dealers

Appliance dealers participating in the rebate program will continue to be educated in energy and water conservation issues so they may answer questions and make recommendations to customers. Past training activities have included:

- Preparation and dissemination of written program descriptions, eligibility requirements, and contact information to retail sales managers. A sample of program information written for retailers is included in Appendix 5.
- Routine retail store visits conducted by Agency staff to provide program materials and program status updates to retail sales staff. These visits are key in maintaining the external cooperation of retailers and to ensure that point of purchase materials are kept visible and available to consumers. A written retail store visit protocol developed by EBMUD is included in Appendix 5.
- Ongoing telephone contact between EGIA, Agency staff, and retailer sales staff as needed to address questions and supply retailers with program information and materials.

These activities will continue to be provided and Agencies will seek to improve coordination by pooling resources for retail store visits to better deliver consistent outreach and service to the region's clothes washer retailers and their appliance customers. Ongoing training is essential to retain the knowledge of the program to allow for retail salesperson turn over and on-going customer participation in the program.

A-15g5. Opposition to the Proposed Project

There is no known opposition to the proposed project.

A-15h. Innovation

A regional partnership among water agencies serving over 3 million customers in the greater San Francisco Bay Area has the opportunity to greatly impact the market share of innovative water and energy efficient clothes washers. It is one of the program's goals and objectives to prepare the market for increasing water efficiency standards that have high public acceptance.

In summary, this program offers the benefit of innovation in seven principal ways:

1. Reduced administrative cost associated with online rebate processing.
2. Given the current clothes washer appliance stock is not saturated, accelerate and capture water savings in appliance turn over through customer replacement with efficient models.
3. Influence consumer purchasing habits by helping to equalize the cost difference between less and more efficient models, capturing with resource efficient models, greater market share and water savings over the 14-year life cycle of efficient clothes washer machines.

4. Accelerate additional market transformation as more sales of resource efficient models generate lower costs to the average consumer for future purchases.
5. Increase sales and market competition to motivate manufacturers to develop technological improvements.
6. Demonstrate a successful and reduced program overhead and economy of scale collaborative regional approach among independent water agencies.
7. Educate and inform a growing circle of retail salespersons and consumers to promote resource efficiency.

Online rebate processing - EGIA's online rebate processing system has the potential to expand and provide the following benefits for Agencies and their customers:

- Allow for greater program flexibility for administrators.
- Enable real-time reporting to Agencies.
- Customers who do not have computer access can call in their rebate application via a staffed telephone line.
- Reduce printing costs for paper application forms.
- Result in quicker turnaround time for paying consumer rebates.

Appliance stock in existing homes - Currently the nationwide market saturation for water and energy efficient clothes washers is estimated at only 6 percent. In other words, nationally only 6 machines are high-efficiency for every 100 clothes washers that exist in households today (American Home Appliance Manufacturers Association, 2002).³ Twelve percent market saturation within the EBMUD service area suggests substantial impact has already been achieved⁴, but there is still room for increased penetration.

Equalize the cost difference – A fundamental means to replace old clothes washers with water and energy efficient machines is to bridge the upfront per unit cost differential that ranges between \$300 and \$2,000. The new efficient machines are significantly more expensive, on average costing \$500 more than traditional machine technologies.⁵

Market transformation - The estimated market share of new clothes washer purchases is estimated at about 16 percent according to a preliminary analysis of ENERGY STAR sales data collected by D&R International.⁶ Sales data on ENERGY STAR labeled clothes washers collected since 1998 indicates that national average market share was initially only 6 percent. Although sales vary from year to year, which make comparisons difficult, it is apparent that the market share is increasing with time. A goal of this Regional Clothes Washer Incentive Program is to increase the rapid market transformation to ENERGY STAR models and more resource efficient models that go beyond the minimum ENERGY STAR standards.

³ AHAM Saturation and First Length of Ownership Study, May 2001. <http://www.aham.org/tradehome/home.cfm>

⁴ Water Conservation Market Penetration Study, East Bay Municipal Utility District, March 2001.

⁵ American Consortium for Energy Efficient Economy, ACEEE, Consumer to Guide to Home Energy Savings, 7th Edition, 2001.

⁶ Consortium for Energy Efficiency (CEE), Residential Clothes Washer Program, 2002
<http://www.cee1.org/resrc/updates/02-08rwsh/02-08rwsh.html>

This regional program approach is unique in its long-standing level of collaboration among completely independent water agencies. These established partnerships foster a streamlined approach to providing a broad canvassing of retail market outlets resulting in enhanced training of retail salespersons and dissemination of consistent program information. Through this program, customers will make the water wise decision to purchase the water and energy efficient clothes washing machines based on the \$150 rebate level and ease of having one simplified application form available to send to a single point of contact at EGIA.

Educate retail salespersons and consumers through consolidated information – The level of participation is driven by: (1) access to program information; (2) retail salesperson understanding of the program and ability to convey primary selling points of water efficiency; and (3) the customer's perception of value and amount of time to receive the rebate. As described in Section A-15g., these issues are addressed in the regional program outreach plan with a consistent message across water agency service areas to retail outlets and customers.

A-15i. Benefits and Costs

This section presents the project costs including budget and annual operations and maintenance costs as well as project benefits. Project benefits described include qualitative and quantitative annual physical benefits and annual local monetary benefits. In addition, a comparison of benefits and costs is provided and the applicants proposed cost share is described.

Attached in Appendix 6, are additional benefit cost analysis by agency with background information on the project costs and benefits by Agency.

A-15i.1. Project Costs

The project budget is provided in Appendix 7, in Table C-1. The total cost of the project is \$13,886,235. The project budget is based on the well-documented experience of the 1996 through 2004 current regional program. Furthermore, the regional approach results in lower project overhead. The budget reflects the need for higher rebate amounts offered by DWR that are necessary to close the price gap between conventional products and their high-efficiency counterparts.

The budget estimate was prepared by Brown and Caldwell, a professional water engineering firm with extensive experience in managing and conducting water conservation projects like this high-efficiency clothes washer rebate program. Brown and Caldwell is an approved consultant included in the California Urban Water Conservation Council's list of qualified consultants.

There are no annual operations and maintenance costs as shown in Appendix 7 in Table C-2.

The total annual project costs are shown in Appendix 7 in Table C-3.

Table i-1 presents a summary of the project costs by Agency. The total projected number of rebates, financial incentives, and administrative costs by Agency are shown.

Table i-1. Project Costs per Agency

Agency	Rebates ^a	Financial incentive per rebate	Administrative cost per rebate ^b	Total cost of rebate ^b	Total project cost per Agency ^b
ACWD	3,000	\$150	\$30	\$180	\$540,000
BAWSCA	9,009	\$150	\$25	\$175	\$1,576,525
Brentwood	900	\$150	\$45	\$195	\$175,500
Davis	2,910	\$150	\$25	\$175	\$509,250
SFPUC	3,000	\$150	\$35	\$185	\$555,000
CCWD	6,000	\$150	\$45	\$195	\$1,167,000
EBMUD	21,000	\$150	\$34	\$184	\$3,864,000
MMWD	4,500	\$150	\$30	\$180	\$810,000
SCVWD	18,450	\$150	\$25	\$175	\$3,228,750
SCWA	4,800	\$150	\$30	\$180	\$864,000
Zone 7	3,000	\$150	\$55	\$205	\$615,000
Total	76,569	--	--	--	\$13,905,050

^aTotal number of rebates projected for project duration.

^bUndiscounted costs.

A-15i.2. Project Benefits

This section describes the project annual physical benefits and the project annual local monetary benefits.

A-15i.2.1. Project Annual Physical Benefits.

The project annual physical benefits are shown in Appendix 7 in Table C-5. The total project water savings are 23,700 ac-ft for 76,569 rebated units, assuming a savings of 7,204 gallons per year per machine and a 14-year useful life.

The quantified water savings from this program are based on an average of 7,204 gallons per clothes washer. This water savings estimate is derived from the following assumptions. The assumptions are also shown in Appendix 9. This per machine estimated water savings is higher than CUWCC MOU estimate of 5,100 gallons per year per machine. The savings estimate used for this study is assumed to be higher due to the minimum tier and corresponding WF requirement of rebated machines which is based on historical project performance, as described below.

1. A baseline Water Factor (WF) of 14.03 gallons/cu. ft./cycle based on the US Department of Energy Life Cycle Cost Analysis performed in March 2000.

2. An estimated average WF for projected rebates of 6.7. This is estimated based on the historical proportion of rebates that have been distributed among tier 2, 3a, and 3b machines (45%, 12%, and 43%, respectively) adjusted to reflect projected rebate distribution for this project based on the assumption that pending legislation to adopt an 8.5 WF standard by 2007 is approved. Once that legislation is approved tier 2 washers become the standard and will no longer be available for a rebate under this program. The adjusted proportion of rebates projected for this grant application for tier 2, 3a, and 3b machines is 25%, 22%, and 53%, respectively. These adjusted proportions are multiplied by the WFs for tier 2, 3a, and 3b (8.5, 7.5, and 5.5, respectively).
3. 10 percent free-ridership rate from the program participants.

This estimated 6.7 WF is significantly lower than the Title 20 California Appliance Efficiency Standard of 8.5 WF scheduled to take effect in 2007 with 84 of the 210 models being removed from the eligibility criteria.

The quantified savings in wastewater production for Agencies who provide wastewater services and realize monetary benefits as a result wastewater savings due to this project is estimated to be 11,396 ac-ft. This estimate is based on the some of clothes washer wastewater savings within the service areas of BAWSCA, Davis, EBMUD, Brentwood, and SFPUC. There are also wastewater savings benefits in the other participating Agencies' service areas, however these benefits are not included in the benefit cost analysis of this project since these wastewater savings are not realized as monetary savings to these other participating Agencies.

Numerous other quantified and non-quantifiable benefits also attributable to the water savings from this project principally include:

1. Water quality benefits for waters with federally listed endangered species.
2. Improved Bay-Delta ecosystem through the potential reduction in water diversions by the Agencies from the Bay-Delta. Increased water use efficiency will have a direct potential direct benefit to more "environmental water" for the Bay-Delta.
3. Improved local watershed ecosystem by decreased diversions from local creeks and reservoirs thereby benefiting in-stream uses.
4. Sustained economic health of the critical Silicon Valley business community. Water supply reliability is a cornerstone of continued growth and vitality of this strong economic engine of the State of California. Increased water conservation is one of the four primary components of the Agencies' water management plans.
5. Customer attitudes towards water conservation are revealed, enabling the Agencies to more effectively reach customers on this subject.
6. Building the water efficiency ethic through educating the appliance retailers and the general public.
7. Energy savings to both water/wastewater agencies and customers.
8. Regional collaboration among independent water agencies for streamlined program delivery and a model for joint implementation of other regional water conservation programs.
9. Relief for Agency area infrastructure. Agencies can avoid upsizing infrastructure to meet future peak demands through demand management. Water use efficiency decreases wastewater production.

Further description of some of these benefits is provided below along with a summary in Table i-2.

Water Quality – Potential and anticipated water quality benefits derived from reducing the amount of water used by customers in the Agencies’ water supply areas include providing flow to improve aquatic ecosystems and the habitat restoration of many Federally listed species: Saltwater Harvest Mouse, California Clapper Rail, Delta Smelt, Splittail, Steelhead, Chinook salmon, fresh water shrimp, Coho salmon, and Steelhead. Reduced wastewater discharges also improve the water quality locally.

Water Supply Reliability – Agencies each have water conservation plans that call for future water shortages based on current projected demands. Water supply reliability is fundamental to both the regional economy and the state’s economic health. The water use efficiency improvements necessary in this region are directly connected to the water savings attained through this program.

Consumer Education – Enhances opportunities for participation in other rebate programs and home water surveys through positive experiences with this large-scale regional program. Continual training of the retail salespersons is essential and extends beyond the clothes washer program to all Energy Star products, which further encourages informed decisions by the general public. The streamlined one step application process on the part of the customer with consistent information across such a broad regional area assists with higher likelihood of knowledge dissemination to the customers.

Energy Savings – The energy savings directly accruing to the water/wastewater utilities were not quantified for this project. Benefits due to agency energy savings are included as part of the value of conserved water.

Regional Collaboration Among Independent Agencies – Legal agreements between the Agencies to partner in cost sharing in the implementation of their programs did not exist for water efficiency or any other programs prior to this program. This was a novel approach that has and will continue to allow these agencies to expand implementation of their water use efficiency programs.

A-15i.2.1. Project Annual Local Monetary Benefits.

The project annual local monetary benefits are shown in Appendix 7 in Table C-6. The annual discounted benefits from avoided water supply and wastewater treatment is \$1,015,466 per year for the 14-year water savings life of the project. Five of the Agencies in this project contribute avoided wastewater treatment benefits since these Agencies also provide wastewater services to their rebate customers. The values of conserved water and wastewater and the justification of these values are provided in Appendix 8.

A-15i.3. Summary of Benefits and Costs

The project local monetary benefits and costs are shown in Appendix 7 in Table C-7.

The total annual monetary benefits per Table c-7 in Appendix 7 is \$1,015,466. The total annual project costs per Table c-7 in Appendix 7 is \$1,494,159. Dividing the two, the benefit to cost ratio is 0.68. Another method to calculate benefit to cost ratio evaluates the total project benefits and costs over the life of the project, converts all the costs to a present worth value, then determines the ratio. This method is used by the CUWCC to determine the cost effectiveness of BMPs. This alternative method is presented in Appendix 6 for the Project. The life of the Project is assumed to be 14 years, with all the other assumptions as presented above for each respective table discussion. As shown in Appendix 6, the benefit cost ratio is 0.72, indicating the project is significantly not cost effective to the Agencies.

A-15i.4. Applicant's Cost Share and Description

The Agencies are requesting \$5,742,675 from the DWR Urban Water Use Efficiency Proposition 50 grant funding. The remaining \$8,143,560 will be provided by Agency budgets. The pro-rata cost share between DWR and the Agencies is approximately 41/59, respectively, for the proposed project, as shown in Table i-2.

Table i-2. Proposed Cost Share by Funding Source

Funding source	Cost, \$	%
DWR	5,742,675	41
Agencies	8,143,560	59

To maximize effectiveness of the grant award and Agency spending on this project, and maximize water and energy conservation savings, Agencies would retain the option to vary their portion of the per unit rebate amount and either shift spending to outreach activities or increase the total number of rebates targeted. For example, if PG&E re-enters the clothes washer market with a substantial rebate offer, Agencies may determine that it is optimal to reduce the water utility rebate amount and shift funding to outreach that maximizes customer participation and increases conservation during the PG&E program period.

Another reason to retain flexibility in Agency spending is the potential introduction of qualifying products that gain market share by having a lower price point that appeals to cost sensitive consumers (i.e., increased competition). In this event, a lower rebate amount and increased outreach that promotes product life cycle benefits may maximize participation. The flexibility to direct program resources to the optimal mix of rebate amounts and promotional activities allow agencies to respond to market conditions and maximize total water and energy savings.

EGIA is requesting a 41/59 percent cost share. This proposed cost share is based on the low benefit to cost ratio for the Agencies compared to the significant benefits to the Bay-Delta and CALFED by adding new water supplies to the system. The Agencies' costs far outweigh the benefits they receive, and the Agencies are therefore spending budget that could otherwise be spent on projects and efforts that provide more benefit than cost. For these reasons, the Agencies and EGIA request the grant for a 41/59 percent cost share to offset its costs of the Project over the next 14 years.

APPENDIX 1

Summary of Urban Service Connections and Annual Water Served by Agency

Table 1. Summary of Urban Service Connections and Annual Water Served by Agency

Agency	Number of urban service connections in agency service area (Fiscal year 2004)	Annual acre-feet of water served by agency (Fiscal Year 2004)
Alameda County Water District	77,907	56,427
Bay Area Water Supply and Conservation Agency	226,672	125,966
City of Davis	16,269	15,097
Contra Costa Water District	129,039	83,857
East Bay Municipal Utility District	378,000	251,920
Santa Clara Valley Water District	407,481	305,200
Sonoma County Water Agency	119,160	66,556
Zone 7 Water Agency	90,000	43,000
City of Brentwood	12,850	9,394
City of San Francisco PUC	170,000	104,000
Marin Municipal Water District	61,054	28,622
Total	1,688,432	1,090,039

APPENDIX 2

List of Participating Retail Agencies with BAWSCA

Retail Agencies Participating as Part of BAWSCA

1. California Water Service Company
2. City of Brisbane
3. City of Daly City, Daly City Water Department
4. City of East Palo Alto
5. City of Foster City/Estero Municipal Improvement District
6. City of Menlo Park
7. City of Millbrae
8. City of Redwood City
9. City of San Bruno
10. Coastside County Water District
11. Guadalupe Valley Municipal Improvement District
12. Los Trancos County Water District
13. Mid-Peninsula Water District
14. North Coast County Water District

APPENDIX 3

Project Manager Resumes

APPENDIX 4

Letters of Support

APPENDIX 5

Sample Handout Materials
Sample Program Information for Retailers
Retail Store Visit Protocol

APPENDIX 6

Combined and Detailed Benefit Cost Analysis

APPENDIX 7

Costs and Benefits Tables C-1 through C-7

APPENDIX 8

Justification of the Value of Conserved Water and Wastewater by Agency

Table 1. Justification for the Value of Conserved Water by Agency

Water agency	Avoided cost of water, \$/ac-ft	Justification
ACWD	415	The projected long-term value of ACWD's costs for providing its blended water supply. The blended water supply consists of local groundwater and purchased SFPUC water.
BAWSCA	492	The value of conserved water is the current cost of SFPUC water supply.
Brentwood	490	The value of conserved water was calculated by actual pumping and treatment costs for the 04/05 fiscal year.
Davis	394	The value of conserved water is based on average cost of service.
SFPUC	400	The value of conserved water is the current retail cost of the SFPUC water supply
CCWD	292	The value of conserved water is based on several factors. It is assumed that 50% of rebates will be in the treated water service areas (TWSA) and 50% of the rebates will be in the raw water service areas (RWSA). It is also assumed that 20% of the savings will be with current supply (2005) and 80% will be with future supply (beginning in 2011). TWSA costs for both current and future include supply, pumping, energy, and treatment costs. RWSA costs for both current and future include supply, pumping, and energy costs.
EBMUD	225	The value of conserved water for EBMUD is based on the cost of Bureau water and avoided Bureau water (based on EBMUDISM runs) over a cost savings timeframe of 25 years. Current operations and maintenance costs, avoided distribution system upgrading costs, avoided drought purchases, Freeport capital facility, and Freeport drought operations and maintenance are included in the value of conserved water calculation.
MMWD	800	The value of conserved water is based on the existing total incremental water supply cost value which includes marginal operating costs and marginal capital costs
SCVWD	430	The value of conserved water is based on the existing total incremental water supply cost value which includes marginal operating costs and marginal capital costs.
SCWA	413	The value of conserved water is based on a weighted average for the current acre-foot cost to provide water to each of our prime retail water service providers.
Zone 7	1,560	The benefits of this program can be calculated as the avoided cost of having to purchase water. The cost of purchasing water can be determined by our Connection Fees, the latest of which is \$13,050 per equivalent connection. This represents an annualized cost of approximately \$780 per connection per year. With an estimated water use of 0.5 AFY per connection, the cost of water can be calculated as \$1,560/AF (\$780 per year/0.5 AF).

Table 2. Justification for the Value of Conserved Wastewater by Agency

Water agency	Avoided cost of wastewater, \$/ac-ft	Justification
ACWD	0	ACWD does not provide wastewater services and will not realize any benefits from any wastewater savings that may incur as a result of this project.
BAWSCA	681	This is the value of untreated wastewater among the participating retail agencies.
Brentwood	914	The value of untreated wastewater was calculated by actual pumping and treatment costs for the 04/05 fiscal year.
Davis	686	The value of untreated wastewater was calculated by wastewater operations and maintenance costs.
SFPUC	750	The value of untreated wastewater was calculated by wastewater operations and maintenance costs.
CCWD	0	CCWD does not provide wastewater services and will not realize any benefits from any wastewater savings that its retail agencies may incur as a result of this project.
EBMUD	75	The value of untreated wastewater was calculated by wastewater operations and maintenance costs.
MMWD	0	MMWD does not provide wastewater services.
SCVWD	0	SCVWD does not provide wastewater services and will not realize any benefits from any wastewater savings that its retail agencies may incur as a result of this project.
SCWA	0	SCWA does not provide wastewater services to the customers eligible for a rebate in this program and will not realize any benefits from any wastewater savings that its retail agencies may incur as a result of this project.
Zone 7	0	Zone 7 does not realize any benefits from any wastewater savings that its retail agencies may incur as a result of this project.

APPENDIX 9

Water Savings Assumptions

APPENDIX 10

Local and Regional Water Management Plans by Agency

Table 1. Local and Regional Water Management Plans by Agency

Water agency	Water Management Plan
ACWD	Integrated Resources Planning Study (1995) Urban Water Management Plan (2001-2005)
BAWSCA	Water Supply Master Plan (SFPUC, April 2000) SFPUC Wholesale Customer Demand Projections Technical Report (URS, November 2004) SFPUC Wholesale Customer Conservation Potential Technical Report (URS, December 2004)
Brentwood	Urban Water Management Plan (2000)
Davis	Urban Water Management Plan (2001)
SFPUC	Water Supply Master Plan (SFPUC, April 2000) Urban Water Management Plan (2001) City and County of San Francisco Retail Water Demands and Conservation Potential (2004)
CCWD	Urban Water Management Plan (2000) Future Water Supply Study (2002) Ten-Year Capital Improvement Program (2005)
EBMUD	Water Supply Management Program (1993) Water Conservation Master Plan (1994) Urban Water Management Plan (2000) Water Conservation Master Plan FY04 Annual Report
MMWD	Integrated Water Supply Program (1992) Creation of a Water Conservation and Monitoring Advisory Committee (1994) Water Efficiency and Conservation Master Plan (1994) Water Use Monitoring and Evaluation Program (1994) Water Conservation Baseline Study (1994) Urban Water Management Plan (1995) Customer Survey Related to Conservation (1997) Dry Year Reduction Program (1997 and 2001) Urban Water Management Plan (2000) Review of Water Conservation Activities (2001)
SCVWD	Integrated Water Resource Planning Study (2003) Urban Water Management Plan (2001)
SCWA	Water Conservation Plan (1999) Urban Water Management Plan (2000)
Zone 7	Urban Water Management Plan (2000)

APPENDIX 11

Certification Statement

Certification statement

I, Melanie Holton, a California registered civil engineer, have reviewed the information presented in support of this application. Based on this information, and any other knowledge I have regarding the proposed project, I find that it can be designed and operated to accomplish the purpose for which it is planned. The information I have reviewed to document this statement included:

- Past DWR Proposition 13 regional program performance as provided by EGIA.
- Consortium for Energy Efficiency (CEE) and ENERGY STAR[®] product information, availabilities and market saturation data.
- Review of avoided cost and other data as provided by Agencies.
- Statement of Work, Schedule provided within this application.
- Review of budget provided within this application.
- Review of economic analysis provided within this application.

Applicant: Electric and Gas Industries Association

THE TABLES ARE FORMATTED WITH FORMULAS: FILL IN THE SHADED AREAS ONLY

Section A projects must complete Life of investment, column VII and Capital Recovery Factor Column VIII. Do not use 0.

Table C-1: Project Costs (Budget) in Dollars)

	Category (I)	Project Costs \$ (II)	Contingency % (ex. 5 or 10) (III)	Project Cost + Contingency \$ (IV)	Applicant Share \$ (V)	State Share Grant \$ (VI)	Life of investment (years) (VII)	Capital Recovery Factor (VIII)	Annualized Costs \$ (IX)
	Administration ¹								
	Salaries, wages	\$10,000	0	\$10,000	\$10,000	\$0	14	0.1076	\$1,076
	Fringe benefits	\$7,000	0	\$7,000	\$7,000	\$0	14	0.1076	\$753
	Supplies	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
	Equipment	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
	Consulting services	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
	Travel	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
	Other	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(a)	Total Administration Costs	\$17,000		\$17,000	\$17,000	\$0			\$1,829
(b)	Planning/Design/Engineering	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(c)	Equipment Purchases/Rentals/Rebates/Vouchers	\$11,485,350	0	\$11,485,350	\$5,742,675	\$5,742,675	14	0.1076	\$1,235,824
(d)	Materials/Installation/Implementation	\$2,303,885	0	\$2,303,885	\$2,303,885	\$0	14	0.1076	\$247,898
(e)	Implementation Verification (postcard)	\$40,000	0	\$40,000	\$40,000	\$0	14	0.1076	\$4,304
(f)	Project Legal/License Fees	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(g)	Structures	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(h)	Land Purchase/Easement	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(i)	Environmental Compliance/Mitigation/Enhancement	\$0	0	\$0	\$0	\$0	0	0.0000	\$0
(j)	Construction		0	\$0	\$0	\$0	0	0.0000	\$0
(k)	Other (Specify)- Quarterly Status Reports and Final Reports (through 2013)	\$20,000	0	\$20,000	\$20,000	\$0	14	0.1076	\$2,152
(l)	Monitoring and Assessment	\$15,000	0	\$15,000	\$15,000	\$0	14	0.1076	\$1,614
(m)	Report Preparation	\$5,000	0	\$5,000	\$5,000	\$0	14	0.1076	\$538
(n)	TOTAL	\$13,886,235		\$13,886,235	\$8,143,560	\$5,742,675			\$1,494,159
(o)	Cost Share -Percentage				59	41			

1- excludes administration O&M.

Note: See text for assumptions.

Applicant:

Electric and Gas Industries Association

THE TABLES ARE FORMATTED WITH FORMULAS: FILL IN THE SHADED AREAS ONLY

Table C-2: Annual Operations and Maintenance Costs

Operations (1) (I)	Maintenance (II)	Other (III)	Total (IV) (I + II + III)
\$0	\$0	\$0	\$0

(1) Include annual O & M administration costs here.

Table C-3: Total Annual Project Costs

Annual Project Costs (1) (I)	Annual O&M Costs (2) (II)	Total Annual Project Costs (III) (I + II)
\$1,494,159	\$0	\$1,494,159

(1) From Table C-1, row (n) column (IX)

(2) From Table C-2, column (IV)

Note: See text for
assumptions.

Table C- 4: Capital Recovery Table (1)

Life of Project (in years)	Capital Recovery Factor
1	1.0600
2	0.5454
3	0.3741
4	0.2886
5	0.2374
6	0.2034
7	0.1791
8	0.1610
9	0.1470
10	0.1359
11	0.1268
12	0.1193
13	0.1130
14	0.1076
15	0.1030
16	0.0990
17	0.0954
18	0.0924
19	0.0896
20	0.0872
21	0.0850
22	0.0830
23	0.0813
24	0.0797
25	0.0782
26	0.0769
27	0.0757
28	0.0746
29	0.0736
30	0.0726
31	0.0718
32	0.0710
33	0.0703
34	0.0696
35	0.0690
36	0.0684
37	0.0679
38	0.0674
39	0.0669
40	0.0665
41	0.0661
42	0.0657
43	0.0653
44	0.0650
45	0.0647
46	0.0644
47	0.0641
48	0.0639
49	0.0637
50	0.0634

(1) Based on 6% discount rate.

Applicant: **Electric and Gas Industries Association**

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Table C-5 Project Annual Physical Benefits (Quantitative and Qualitative Description of Benefits)

	Qualitative Description - Required of all applicants ¹			Quantitative Benefits - where data are available ²	
	Description of physical benefits (in-stream flow and timing, water quantity and water quality) for:	Time pattern and Location of Benefit	Project Life: Duration of Benefits	State Why Project Bay Delta benefit is Direct ³ Indirect ⁴ or Both	Quantified Benefits (in-stream flow and timing, water quantity and water quality)
Bay-Delta	Improved Bay-Delta ecosystem due to reductions in water diversion by the Agencies from the Bay-Delta and upstream diversions. More environmental water for the Delta. Reduced existing irrecoverable losses by reduction in wastewater losses currently unavailable for reuse because they flow to the ocean and San Francisco Bay.	Water savings benefits are realized year round since they are indoor water use savings. Location of benefits are at the Bay-Delta and upstream of the Bay-Delta.	14-year life span of washing machines.	This projects Bay-Delta benefit is both direct and indirect because project water savings contribute to increase water quantity in the Bay-Delta and at the same reduce dependence on the Bay-Delta system. Water savings from some agencies are indirect because these savings help reduce dependence on the Bay-Delta system.	An estimated 1,693 ac-ft per year for 14-years are quantified as new surface water in the Bay-Delta system. Water quality benefits of 814 ac-ft per year for 14-years are quantified as improved water quality benefits to the Bay-Delta system.
Local and Regional	Improved local watershed ecosystem by decreased diversions from local creeks and reservoirs thereby increasing in-stream uses. Water system efficiency and flexibility improvements. More water available for groundwater recharge reducing salt water infiltration into the groundwater basin.	Water savings benefits are realized year round since they are indoor water use savings. Local benefits are at local creeks, reservoirs, and the groundwater basin.	14-year life span of washing machines.	Not applicable.	An estimated 1,693 ac-ft per year for 14-years are quantified as new surface water in the Bay-Delta system. Water quality benefits of 814 ac-ft per year for 14-years are quantified as improved water quality benefits to the Bay-Delta system.

¹ The qualitative benefits should be provided in a narrative description. Use additional sheet.

² Direct benefits are project outcomes that contribute to a CALFED objective within the Bay-Delta system during the life of the project.

³ Indirect benefits are project outcomes that help to reduce dependency on the Bay-Delta system. Indirect benefits may be realized over time.

⁴ The project benefits that can be quantified (i.e. volume of water saved or mass of constituents reduced) should be provided.

Note: See text for assumptions.

Applicant:

Electric and Gas Industries Association

THE TABLES ARE FORMATTED WITH FORMULAS: FILL IN THE SHADED AREAS ONLY

Table C-6 Project Annual Local Monetary Benefits

ANNUAL LOCAL BENEFITS	ANNUAL QUANTITY	UNIT OF MEASUREMENT	ANNUAL MONETARY BENEFITS
(a) Avoided Water Supply Costs (Current or Future Source)	1,693	AF/yr	\$733,008
(b) Avoided Energy Costs	0		\$0
(c) Avoided Waste Water Treatment Costs	814	AF/yr	\$282,458
(d) Avoided Labor Costs	0		\$0
(e) Other (describe)	0		\$0
(f) Total [(a) + (b) + (c) + (d) + (e)]			\$1,015,466

Table C-7 Project Local Monetary Benefits and Project Costs

(a) Total Annual Monetary Benefits [(Table C-6, row (f))		\$1,015,466
(b) Total Annual Project Costs (Table C-3, column III)		\$1,494,159

Table C-8 Applicant's Cost Share and Description

Applicant's cost share %: (from Table C-1, row o, column V)	59
Describe how the cost share (based on relative balance between Bay-Delta and Local Benefits) is derived. (See Section A-7 for description.)	
Provide Description in a narrative form.	

Note: See text for assumptions.