

State of California

Memorandum



Date: January 14, 2022

To: Ryan Cho, Southern California Edison (SCE); Jay Bhatka, SCE; Danielle Dragon, Pacific Gas and Electric (PG&E); Chan Paek, Southern California Gas (SCG); Ed Reynoso, San Diego Gas and Electric (SDG&E); John Zwick (SDG&E); Nancy Goddard, PacifiCorp

CC:

From: Peter Biermayer P.E., Utilities Engineer, EE Planning & Forecasting Section, Energy Division, CPUC

Subject: Disposition Approving Heat Pump Water Heater, Multifamily & Commercial, Fuel Substitution – Measure Package SWWH028-01

1. Discussion and Direction

The California Public Utilities Commission (CPUC) approves the statewide measure package for Heat Pump Water Heater, Multifamily & Commercial, Fuel Substitution – SWWH028-01. This is a new measure package and will become effective upon approval.¹

2. Measure Package Summary

This is a new fuel substitution measure package for heat pump water heaters sized $75 \leq$ to < 100 gallons and ≥ 100 gallons to replace storage and instantaneous natural gas-fired water heaters. This measure package meets all fuel substitution guidance document requirements.²

¹ New measure packages are effective upon approval

² Fuel Substitution Technical Guidance for Energy Efficiency, V1.1, dated 10/31/2019.
<https://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442463564>

3. Critical Review Issues

Fuel substitution measures may face market barriers and Program Administrators (PAs) may choose to offer rebates to the customer that exceed the net cost to the participant of installing the more efficient measure, i.e., the Incremental Measure Cost (IMC). In the instances where the cost of the rebate exceeds the IMC, PAs will outline the reasons for such rebate in an addendum. Since each PA program may have different rebates, each PA will need to provide a separate addendum. If the program is third-party implemented, an addendum will be required for each instance.