



Gustave A. Larson Company

WHOLESALE HVAC AND REFRIGERATION

Dear Larson Customer:

Wisconsin's Focus on Energy has seen unprecedented growth in the demand for programs and services over the last year. The momentum built in 2009 continues to grow, while the Focus budget has remained static. By design, the largest expense category in the Focus budget is incentives; however, it is also the most difficult to control. Current spending for incentives is outpacing projections, necessitating adjustments to the 2010 program plans despite putting a larger share of the budget into incentives at the beginning of the 2010 program year than in past years and making significant reductions in marketing and operational expenses.

As a result, **effective July 1, 2010** they are implementing the following changes in the HVAC and Water Heating Cash-Back Reward offerings from Focus on Energy. These incentive changes are not a result of budget cuts but rather part of a continuing Focus effort to manage program activity to the available funding. These changes apply to any unobligated custom project after July 1, 2010 and apply to prescriptive projects as per the language on the Focus on Energy incentive forms

EFFICIENT HEATING & COOLING (Residential HVAC)

Flue Closure Rewards are being discontinued.

WATER HEATING

Flue Closure Rewards are being discontinued.

Tankless Water Heaters must have an energy factor of .82 or greater, be power-vented, use natural gas, and be ENERGY STAR® qualified to be eligible for the \$100 Reward. Customers must still purchase natural gas from a participating natural gas utility to be eligible for the Tankless Water Heater Reward.

MULTI-FAMILY HVAC - Prescriptive Rewards

Boiler Clean and Tune Rewards are being discontinued.

Cooling Service Buy Down Rewards are being discontinued.

Steam Trap (Radiator) Repair or Replace Rewards are being discontinued.

Steam Traps (All Other) Repair or Replace Rewards are being discontinued.

VFD Replacement or Upgrade Rewards are being reduced from \$50 per VFD to \$40 per HP for existing properties and \$30 for new construction.

VFD Data Bonus Rewards are being discontinued.

MULTI-FAMILY HVAC - Custom Rewards

Rooftop Air Conditioner Custom Rewards are being discontinued.

NEMA Premium Efficiency Motor Custom Rewards are being discontinued.

PTAC Custom Rewards are being discontinued.

Energy Recover Ventilator Custom Rewards are being reduced from \$1.25 per CFM to \$0.75 per CFM.

Boiler Reset/Cutout Control with Staging Rewards are being reduced from \$150 per controller to \$75 per controller.

Custom Tier Technology Guidelines are being changed as outlined below. These changes apply to any unobligated custom project as of July 1, 2010. "Unobligated" means the project does not have a signed grant agreement in place confirming the incentive level being offered to the project.

Tier 1

kWh rate reducing from \$0.04 per kWh to \$0.03 per kWh

kW rate was reducing from \$125 per peak kW to \$100 per peak kW

Therm rate reducing from \$0.40 per therm to \$0.30 per therm

Tier 2

kWh rate reducing from \$0.06 per kWh to \$0.045 per kWh

kW rate reducing from \$200 per peak kW to \$150 per peak kW

Therm rate reducing from \$0.60 per therm to \$0.45 per therm

BUSINESS HVAC - Prescriptive Rewards

Rooftop Air Conditioners Rewards are being discontinued.

Packaged Terminal Air Conditioner Rewards are being discontinued. **Packaged Terminal Heat Pump Rewards** are not being eliminated.

Energy Recover Ventilator Rewards are being reduced from \$1.25/CFM to \$0.75/CFM.

Cooling Tune-Up Rewards are being discontinued.

Natural Gas Space Heating Equipment Tune-Up Rewards are being discontinued.

Steam Trap Survey and Repair Rewards are being discontinued.

Three-Phase Electric Motor Rewards are being discontinued.

Variable Frequency Drive (VFD) Retrofit Rewards are being reduced from \$50 per horsepower to \$40 per horsepower for existing buildings and \$30 per horsepower for new construction. *The performance data bonus* was eliminated for existing buildings.

BUSINESS HVAC - Custom Rewards

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Notifying Contractors

Contractors partnering with Focus on Energy's Business Program will receive notification of these program changes by June 1. The Residential Efficient Heating & Cooling Program will provide notification of these changes to partnering contractors in mid June along with updated program materials.

Reward applications for all Focus programs affected by these changes will be available on our Web site, focusonenergy.com, June 21, 2010.

More Information

If you have any questions regarding these changes, please contact the appropriate person within the programs listed below.

Residential HVAC and Water Heating - Jill Krueger; jkrueger@weccusa.org; 888.509.3247, ext. 167

Multi-Family HVAC - Mike Plunkett; mplunkett@weccusa.org; 888.509.3247, ext. 175

Business HVAC - Karl Hilker; karlh@weccusa.org; 888.509.3247, ext. 273

Sincerely,

The Gustave A. Larson Sales Team