

## **Cost Effectiveness Requirements**

### **Cash Back Incentives**

#### **50% Assisted Home Performance Subsidy and contractor incentives:**

- A list of pre-approved eligible measures can be found in Section 6 of the Contractor Resource Manual (CRM).
- Insulation measures for natural gas or electric heated homes must meet the HPwES Program Rules for Insulation, found in section 6 of the CRM.

### **Financing**

#### **On-Bill Recovery Loan:**

- The monthly loan payment may not exceed 1/12<sup>th</sup> of the estimated annual energy cost savings over the loan term. (1/12<sup>th</sup> rule)
- Savings to Investment Ratio (SIR) of 0.80 or greater, as calculated by the Portal or ProForma worksheet.
- Non-energy saving measures (such as health & safety repairs and qualified accessories) are capped at 15% of the total project cost, not to exceed \$2,000.
- Average measure life must be greater than or equal to the loan term.

#### **Smart Energy Loans less than or equal to \$13,000:**

- For projects with more than 15%, not to exceed \$2,000, in non-prequalified measure costs, a Savings to Investment Ratio (SIR) of 0.80 or greater is required, as calculated by the Portal or ProForma worksheet.
- Average measure life must be greater than or equal to the loan term.

#### **Smart Energy Loans greater than \$13,000:**

- Savings to investment ratio (SIR) of 0.80 or greater, as calculated by the Portal or ProForma worksheet.
- Simple payback period less than or equal to 15 years.
- Average measure life must be greater than or equal to the loan term.