

**Interlocal Agreement Between Thurston County and the Cities of Lacey, Olympia,
Tumwater, and Tenino to Support Implementation of the 2025 “Energize Thurston”
Heat Pump Group Purchase Campaign**

THIS AGREEMENT (“Agreement”) is made and entered into as of the date of the last signature below (which is the “effective date”) by and between the City of Lacey, a Washington municipal corporation (“Lacey”); the City of Olympia, a Washington municipal corporation (“Olympia”); the City of Tumwater, a Washington municipal corporation (“Tumwater”); the City of Tenino, a Washington municipal corporation (“Tenino”); and Thurston County, a Washington municipal corporation (“County”), collectively referred to herein as “the Parties” and individually as “Party.”

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, populations, and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each Party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract is authorized by the governing body of each Party to the contract and sets forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the Thurston Climate Mitigation Collaborative (TCMC) is an ongoing partnership among Thurston County, Lacey, Olympia, and Tumwater to identify and implement actions to reduce local sources of greenhouse gas emissions that contribute to global climate change; and the TCMC was formalized through a December 2023 Interlocal Agreement; and

WHEREAS, the TCMC’s 2022 greenhouse gas emissions inventory found that residential natural gas use and associated emissions increased 31% from 2015 to 2022 in Thurston County, and that natural gas use had the largest increase of all emissions-generating activities over that time period, underscoring the importance of providing voluntary incentives to transition homes toward modern, efficient heating/cooling and water heating systems to meet regional emission reduction goals; and

WHEREAS, from 2015 to 2022 in Thurston County, residential electricity use increased 17% but emissions from residential electricity use only increased 3% as a result of growing investments in clean electricity generation, and these investments are expected to continually reduce emissions from electricity use in the future; and

WHEREAS, the TCMC executed another Interlocal Agreement in March 2024 to implement two regionally coordinated initiatives that aim to reduce emissions in residential buildings and implement Strategies B1 and B6 in the *Thurston Climate Mitigation Plan*, one of which was to design a Residential Energy Efficiency and Electrification Campaign; and

WHEREAS, the TCMC completed background research and stakeholder engagement to design the Residential Energy Efficiency and Electrification Campaign, named the campaign “Energize Thurston,” and plans to launch Energize Thurston in the first quarter of 2025; and

WHEREAS, Energize Thurston will expand on the City of Olympia’s 2023-2024 “Energize Olympia” campaign by providing discounted and streamlined installations of efficient electric heat pump space heaters and heat pump water heaters to residents throughout Thurston County, as well as subsidized installations for qualifying low- and moderate-income (LMI) residents; and

WHEREAS, the City of Tenino wishes to join the four TCMC jurisdictions in implementing Energize Thurston, and all five jurisdictions have been awarded state and/or federal grant funding to contribute to subsidized equipment installations for qualifying residents within their jurisdictions; and

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Parties agree as follows:

I. Purpose and Goals of Agreement

The purpose of this Agreement is to establish a framework for regionally coordinated implementation of the 2025 Energize Thurston heat pump group purchase campaign. Energize Thurston aims to make it faster, easier, and more affordable for Thurston County residents to purchase and install efficient, all-electric heat pump space conditioning systems and heat pump water heaters (hereafter “heat pump equipment”). Energize Thurston will reduce upfront costs through a group purchase discount provided by competitively selected Campaign Installer(s), and application of all available rebates as a time-of-sale discount. The campaign will offer two participant pathways:

- Low- and Moderate-Income (LMI) Pathway: will provide fully subsidized equipment installations for low-income households (<80% area median income; AMI) and partially subsidized installations for moderate-income households (≥80% but <120% AMI).
- Self-Funded Pathway: will provide a group purchase discount, free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support available to all households in Thurston County.

This Agreement defines partner roles and responsibilities to complete all tasks and deliverables detailed in the “Energize Thurston Launch and Implementation Plan” (attached as Exhibit A and incorporated herein). The Agreement also proposes a Campaign Administration Budget (attached as Exhibit B and incorporated herein) and cost share structure to cover shared costs of Energize Thurston administration, outreach, and marketing.

II. Roles

- i. **Jurisdiction Parties.** Thurston County, Lacey, Olympia, Tumwater, and Tenino each received state grant funding to support the Energize Thurston campaign. Some of the jurisdictions also expect to contribute federal grant funding as detailed in Section III below. Each Party will execute a contract with the LMI Pathway Administrator to transfer grant funds and authorize the LMI Pathway Administrator to perform its role as detailed below. Each jurisdiction will allocate staff time as needed to implement Energize Thurston.
- ii. **Lead Jurisdiction.** As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign’s execution and administration with support from other jurisdictional staff and the Customer Support Consultant.

- iii. **LMI Pathway Administrator.** Each of the Parties will contract with a partner organization (TBD) that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The LMI Pathway Administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.
- iv. **Campaign Installer(s).** Installer(s) will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals, and commitment to customer support. The RFP and resulting contract(s) with the Lead Jurisdiction will detail the Installer scope of work and specify equipment requirements for qualifying heat pump equipment. The contract(s) will set a group purchase discount rate for all participants and require that the Installer(s) apply all available rebates as a time-of-sale discount. Campaign Installers will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, provide information on financing if requested, and execute installations for the campaign.
- v. **Customer Support Consultant.** The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support and/or campaign outreach and education.

III. Services Provided by Thurston County

- i. County shall serve as Lead Jurisdiction for the 2025 Energize Thurston campaign as defined in Section II.
- ii. County shall serve as the contract manager and conduct all contracting responsibilities with the selected Campaign Installers, a Customer Support Consultant, and other contractors as needed, except for design and printing of marketing materials (provided by Olympia).
- iii. County's contract management responsibilities include monitoring contractor compliance with the terms of their contracts, ensuring contractors comply with the fiscal conditions of their contracts, and when necessary, implementing corrective actions.
- iv. County shall host a Community Energy Fellow through the U.S. Department of Energy's Energy Efficiency Conservation Block Grant (EECBG) Program, from August 2024 through July 2025 or longer. The Fellow will lead campaign outreach and marketing, customer service, and participant tracking for Energize Thurston.
- v. County shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program and/or the EECBG program toward subsidized installations of heat pump equipment for income-qualified participants.
- vi. County shall execute a contract with the LMI Pathway Administrator to utilize the County's grant funds to provide equipment installations and associated services for income-qualified participants.

IV. Services Provided by Olympia

- i. Olympia shall serve as contract manager and conduct all contracting responsibilities for design and printing of Energize Thurston marketing materials.
- ii. Olympia's contract management responsibilities include monitoring contractor compliance with the terms of their contracts, ensuring contractors comply with the fiscal conditions of their contracts, and when necessary, implementing corrective actions.

- iii. Olympia shall allocate all or some of its awarded grant funding from the HEAR program and/or the EECBG program toward subsidized installations of heat pump equipment for income-qualified participants.
- iv. Olympia shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

V. Services Provided by Lacey

- i. Lacey shall allocate all or some of its awarded grant funding from the HEAR program and/or the EECBG program toward subsidized installations of heat pump equipment for income-qualified participants.
- ii. Lacey shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

VI. Services Provided by Tumwater

- i. Tumwater shall allocate all or some of its awarded grant funding from the HEAR program toward subsidized installations of heat pump equipment for income-qualified participants.
- ii. Tumwater shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

VII. Services Provided by Tenino

- i. Tenino shall allocate all or some of its awarded grant funding from the HEAR program toward subsidized installations of heat pump equipment for income-qualified participants.
- ii. Tenino shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

VIII. Funding and In-Kind Commitment

- i. **Funding.** The Campaign Administration Budget (Exhibit B) specifies the proposed budget of \$47,000 for Energize Thurston administration, outreach, and marketing.
 - a. County, Lacey, Olympia, and Tumwater shall each contribute an equal share of funds not to exceed \$11,750 per Party.
 - b. Tenino is exempt from the cost-share requirements of this Agreement.
 - c. County shall issue an invoice to each Party specifying each Party's share of actual expenses, excluding design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - d. Olympia shall issue an invoice to each Party specifying each Party's share of actual expenses for design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - e. The Campaign Administration Budget does not include the following:
 - 1) Costs of subsidized equipment installations, which are to be funded through jurisdictional grant awards and administered through contracts between the LMI Pathway Administrator and each individual jurisdiction.
 - 2) Costs of any social media marketing, jurisdiction-specific mailers, and/or other outreach and incentives that may be provided by individual jurisdictions.

- ii. **In-kind Commitment.** Each Party shall allocate in-kind staff time to implement this Agreement. In-kind staff support includes, but is not limited to:
 - a. Staff time to manage jurisdictional grant awards, execute this Agreement, execute a contract with the LMI Pathway Administrator, select Campaign Installers, conduct outreach, and collaboratively implement the Energize Thurston campaign.
 - b. Jurisdictional staff to provide oversight of participant applications and equipment installations for participants residing within their own jurisdiction.
 - c. Support from jurisdictional staff with specific expertise (i.e., communications, housing, planning, permitting, etc.).

IX. Indemnification and Insurance

Each Party shall defend, indemnify, and hold the other parties, their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including reasonable attorney fees, arising out of or in connection with the indemnifying Party's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Party's officers, officials, and employees.

Each Party shall maintain liability insurance; this may be fulfilled by a Party's membership and coverage in Washington Cities Insurance Authority (WCIA), a self-insured municipal insurance pool, or another recognized self-insured municipal risk pool.

X. No Separate Legal Entity Created; No Real or Personal Property to be Acquired or Held

This Agreement creates no separate legal entity. No real or personal property will be acquired or held as part of carrying out this Agreement. To the extent any Party furnishes property for purposes of carrying out this Agreement, such property must be returned to that Party upon termination of this Agreement, or upon that Party's withdrawal from this Agreement.

XI. Relationship of the Parties

The employees or agents of each Party who are engaged in the performance of this Agreement continue to be employees or agents of that Party and may not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

XII. Duration of Agreement

This Agreement terminates on December 31, 2025, unless earlier terminated as provided in Section XIV, below.

XIII. Amendment of Agreement

This Agreement may be amended only by written agreement by all Parties and executed in accordance with chapter 39.34 RCW.

XIV. Termination of Agreement

This Agreement may be terminated upon mutual agreement of the Parties. Any party may withdraw upon thirty (30) days written notice to the other Parties.

XV. Interpretation and Venue

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provision of this Agreement, or for any lawsuit arising out of or relating to this Agreement, is as described in RCW 36.01.050.

XVI. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

XVII. Recording

Prior to its entry into force, Thurston County shall file this Agreement with the Thurston County Auditor's Office.

XVIII. Counterparts

This Agreement may be executed in counterparts, and all such counterparts once so executed together must be deemed to constitute one final agreement, as if one document had been signed by all Parties, and each such counterpart, upon execution and delivery, must be deemed a complete original, binding on the parties. A faxed or email copy of an original signature must be deemed to have the same force and effect as the original signature. A Party may sign by digital or electronic signature, which signature shall be effective as permitted by law.

XIX. Rights

This Agreement is between the signatory Parties only and does not create any third-party rights.

XX. Notice

Any notice required under this Agreement must be to the party at the address listed below and it becomes effective five business days following the date of deposit with the United States Postal Service.

THURSTON COUNTY

Attn: Rebecca Harvey, Climate Mitigation Senior Program Manager
Thurston County
3000 Pacific Avenue SE, Suite 200
Olympia, WA 98501

CITY OF OLYMPIA

Attn: Pamela Braff, Director of Climate Programs
City of Olympia
P.O. Box 1967
Olympia, WA 98507-1967

CITY OF LACEY

Attn: Vanessa Dolbee, Community and Economic Director
City of Lacey
420 College Street SE
Lacey, WA 98503

CITY OF TENINO

Attn: Jen Scharber, Clerk Treasurer
City of Tenino
149 Hodgen St. S./PO Box 4019
Tenino, WA 98589

CITY OF TUMWATER

Attn: Dan Smith, Water Resources & Sustainability Director
City of Tumwater
555 Israel Road SW
Tumwater, WA 98501

XXI. Waiver

A failure by a Party to exercise its rights under this Agreement does not preclude that Party from subsequent exercise of such rights and does not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

XXII. Severability

If any provision of this Agreement or any provision of any document incorporated by reference is held invalid, such invalidity does not affect the other provisions of this Agreement which can be given effect without the invalid provision if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

XXIII. Records Retention and Audit

During the progress of the work and for a period not less than six years from the completion of the tasks set forth herein, the records and accounts pertaining to the work and accounting therefore are to be kept available for inspection by any Party and the Federal and State Government and copies of all records, accounts, documents, or other data pertaining to the work will be furnished upon request. If any litigation, claim, or audit is commenced, each Party shall retain the records and accounts along with supporting documentation until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

XXIV. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND INELIGIBILITY

County, Olympia, Lacey, Tumwater, and Tenino certifies that neither it nor its principals are debarred, suspended, proposed for debarment, or voluntarily excluded from participation in transactions by any federal department or agency. County, Olympia, Lacey, Tumwater, and Tenino further certifies that they will ensure that potential subcontractors or subrecipients or any of their principals are not debarred, suspended, proposed for debarment, or voluntarily excluded from participation in covered transactions by any federal department or agency. County, Olympia, Lacey, Tumwater, and Tenino may do so by obtaining a certification statement from the potential subcontractor or subrecipient or by checking [SAM.GOV](https://www.sam.gov) and Washington State vendor debarment list.

[Signatures follow on next page.]

Exhibit A

Energize Thurston Launch & Implementation Plan



Thurston Climate Mitigation Collaborative
“Energize Thurston”
Launch and Implementation Plan

2024 TCMC Regional Initiative: Energy Efficiency & Electrification Campaign

Phase 1 - Campaign Design and Planning

Deliverable #3

Prepared by the Thurston Climate Mitigation Collaborative Staff Team:

Rebecca Harvey, Thurston County
Julia Downing, USDOE Community Energy Fellow
Dominic Jones, City of Olympia
Pamela Braff, City of Olympia
Linsey Fields, City of Lacey
Alyssa Jones Wood, City of Tumwater

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Introduction

The [Thurston Climate Mitigation Collaborative \(TCMC\)](#) prioritized development of a Residential Energy Efficiency and Electrification Campaign as one of its 2024 regional initiatives. The TCMC Staff Team¹ presented a Phase I Project Plan to the Executive Committee and Community Advisory Workgroup (CAW) in January – February 2024. The Staff Team has now completed key tasks in the Phase I plan including [Market Assessment and Incentive Program Research](#), Stakeholder Interviews, and a Resident Survey.

We have named the forthcoming campaign “Energize Thurston” and are moving toward launch and implementation in the first quarter of 2025. Energize Thurston will provide outreach and financial incentives to accelerate residential building decarbonization and reduce energy costs for households throughout the county. The campaign will provide turnkey, subsidized installations of heat pump space conditioning systems (hereafter “heat pumps”) and heat pump water heaters (HPWH) for income-qualified participants. It will also provide access to equipment discounts, streamlined installations, guidance, and customer support for all participants regardless of income.

Energize Thurston builds on the foundation of existing local and regional campaigns:

- City of Olympia’s [Energize Olympia](#) campaign, which has provided discounted and subsidized ductless heat pumps to City residents in 2023-2024
- [The Switch Is On](#) web platform, which provides education about electric home appliances and location-based tools to find incentives and vetted contractors.

The Staff Team applied recommendations from the Phase I research to make programmatic decisions about elements of the Energize Thurston campaign. This Launch and Implementation Plan describes the structure and processes for Energize Thurston including Partnerships and Funding, Participant Pathways, Types of Equipment and Services, Campaign Structure and Processes, and Outreach and Marketing Strategy. This plan provides a timeline and a detailed list of tasks and deliverables to guide the launch, implementation, evaluation, and continuation of Energize Thurston.

A. Campaign Goals

The Phase I project plan defined the following overarching goals for the energy efficiency and electrification campaign:

- Deliver a compelling and accessible educational campaign to raise awareness of the climate, health, and economic benefits of building electrification and energy efficiency among broad segments of the Thurston community.
- Support energy equity by prioritizing program benefits to low- to moderate-income (LMI) households and members of overburdened communities.
- Connect a quantifiable number of residents with information about technologies, incentives, and advisory support services.

¹ The TCMC Staff Team is comprised of the climate program staff from each of the four TCMC jurisdictions. The Staff Team meets on a regular basis to share information and actively facilitate cross-jurisdictional coordination on selected regional initiatives. The TCMC Staff Team is a subset of the Energize Thurston Project Team defined in Section II.A. below.

- Implement a quantifiable number of home electrification and efficiency improvements across the participating jurisdictions during the campaign period.
- Maintain program flexibility to respond and adapt to regional, state, and national clean energy programs and investments, with the aim of ensuring ongoing benefits to Thurston residents.

Based on prior outputs of Energize Olympia and considering the currently available funding and geographic scale of Energize Thurston, approximate numeric goals for the campaign are listed below.

- Engage at least 600 residents via community workshops, online and in-person.
- Complete a total of 60-70 subsidized HPWH installations for LMI participants.
- Complete a total of 70-95 subsidized heat pump installations (combination of ducted and ductless) for LMI participants.²
- Enable approximately 150 total discounted and streamlined equipment installations for self-funded participants (i.e., we anticipate approximately the same number of LMI and self-funded installations).

II. Partnerships and Funding

Partner Jurisdictions: The TCMC is an ongoing partnership among Thurston County and the cities of Lacey, Olympia, and Tumwater to identify and implement regional climate mitigation initiatives including the 2024 initiative Energize Thurston. These jurisdictions along with the city of Tenino each received funding from the State Home Electrification and Appliance Rebates (HEAR) program to support the campaign. Thurston County, Olympia, and Lacey also expect to receive federal Energy Efficiency & Conservation Block Grant (EECBG) funding to support the campaign. The partner jurisdictions expect to enter into an interlocal agreement for joint implementation of Energize Thurston.

Lead Jurisdiction: As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign’s execution and administration with support from TCMC Staff Team members and the Customer Support Consultant.

Customer Support Consultant. The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.

LMI Pathway Administrator: Each of the Parties will contract with a partner organization that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The project team expects that this role will be served by **South Puget Sound**

Habitat for Humanity (SPSHFH) because they have been an integral partner in the design and implementation of Energize Olympia (2023 and 2024). The LMI Pathway Administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign

² Potential supplemental grant funding from partner SPSHFH may add at least 20 more subsidized heat pump installations, for a campaign total of approximately 90-115.

promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.

Installation Partners: Installers will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals and commitment to customer support. Installation partners will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, and execute installations for the campaign. Energize Thurston expects to contract with up to five installation partners.

Puget Sound Energy (PSE): PSE is the local electric and natural gas utility and provides rebates for energy efficiency retrofits including heat pump and heat pump water heater installations. This includes increased rebates amounts for households up to 90% AMI through the Efficiency Boost Rebate Program. This incentive helps reduce the cost of installations and will allow Energize Thurston to provide subsidized installations to a greater quantity of households. Note: While the TCMC is coordinating with PSE on the design and implementation of Energize Thurston, PSE is not an official campaign partner.

A. Project Team Roles and Responsibilities

Name	Organization/Work Group	Role
Julia Downing	DOE Community Energy Fellow (Thurston County)	<ul style="list-style-type: none"> • Campaign Co-Lead • Primary participant contact • Case management and outreach lead
Dominic Jones	City of Olympia, Building Decarbonization Manager	<ul style="list-style-type: none"> • Campaign Co-Lead (TBD) • Marketing materials lead • Participant management software lead • Case management and outreach support for Olympia participants
Rebecca Harvey	Thurston County, Climate Mitigation Senior Program Manager	<ul style="list-style-type: none"> • Contracting lead • Installer and campaign administration oversight • Case management and outreach support for Thurston County participants
Pamela Braff	City of Olympia, Director of Climate Programs	<ul style="list-style-type: none"> • Campaign advisor • Outreach support
Linsey Fields	City of Lacey, Climate and Sustainability Coordinator	<ul style="list-style-type: none"> • Case management and outreach support for City of Lacey participants
Alyssa Jones Wood	City of Tumwater, Sustainability Coordinator	<ul style="list-style-type: none"> • Case management and outreach support City of Tumwater participants
Amanda Schuyler	South Puget Sound Habitat for Humanity	<ul style="list-style-type: none"> • Installer selection support • LMI intake and case management • Outreach support

Amit Singh	Puget Sound Energy, Program Manager	<ul style="list-style-type: none"> PSE Point of Contact
TBD	TBD Customer Support Consultant	<ul style="list-style-type: none"> Support of case management, customer support, and/or outreach and education

B. Campaign Funding

Thurston County and the cities of Olympia, Lacey, Tumwater, and Tenino have each been awarded funds through the HEAR Program³. The jurisdictions will utilize these funds to subsidize installations of eligible equipment for LMI households. Since the EECBG funding (described below) is allocated to subsidize HPWH installations, the partners expect that the HEAR funding will be used primarily to subsidize heat pump space conditioning systems. The HEAR program allows up to 15% of the grant funding to be used for administrative costs. This portion of the funding will help to cover the cost of administering the Energize Thurston LMI Pathway.

Thurston County, Olympia, and Lacey have also applied for formula grants through the U.S. Department of Energy’s EECBG program. This grant funding will be used to subsidize installations of HPWH for qualifying LMI households. The cities of Tumwater and Tenino do not meet the population threshold to qualify for this EECBG formula funding, but the County’s allocation can support residents in small cities and unincorporated Thurston County.

Table 1 summarizes the jurisdictions’ grant funding sources that directly support the Energize Thurston campaign. Across all five jurisdictions, total funding available to subsidize equipment installations is approximately \$1.7 million. This is anticipated to fund 60-70 subsidized HPWH installations, and 70-95 subsidized heat pump installations (ducted and ductless) for qualifying LMI participants.

Table 1: Jurisdictions’ Grants for Energize Thurston 2025.

Jurisdiction	Total Grant Funds	HEAR Grants			EECBG Grants
		Total HEAR Grants	Administration Costs	Heat Pump Subsidies	HPWH Subsidies
Thurston County	\$553,303	\$472,263	\$70,839	\$401,424	\$81,040
Olympia ⁴	\$603,513	\$481,483	\$72,222	\$409,261	\$122,030
Lacey ⁵	\$593,015	\$477,555	\$71,633	\$350,000	\$115,460
Tumwater	\$477,540	\$477,540	\$71,631	\$405,909	\$0

³ The Home Electrification and Appliance Rebates Program is supported with funding from Washington’s Climate Commitment Act. The CCA supports Washington’s climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

⁴ City of Olympia may allocate a some of its HEAR grant towards ductless heat pump installations during the 2024 Energize Olympia program dependent on program demand.

⁵ City of Lacey plans to allocate about 12% of its HEAR grant to the City’s existing matching rebate program, and the rest to Energize Thurston.

Tenino	\$95,009	\$95,009	\$14,251	\$80,758	\$0
Total	\$2,322,380	\$2,003,850	\$300,578	\$1,647,351	\$318,530

In addition to the grants provided by the jurisdictions, partner SPSHFH may supplement the campaign by leveraging approximately \$360,000 of their own grant funding from the WA State Department of Commerce HEAR Program to supplement the quantity of heat pump and HPWH retrofits provided to LMI households. These funds will be used to provide integrated weatherization services in coordination with the energy upgrades for LMI participants.

The City of Olympia also expects to allocate approximately \$96,000 in Federal Community Development Block Grant (CDBG) funding for additional heat pump and HPWH installations, as well as weatherization upgrades for low-income participants in Olympia.

III. Participant Pathways

A. Income Qualifications

Energize Thurston participant pathways are defined based on household gross annual income compared to Thurston County’s area median income (AMI). This is the same metric used by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for affordable housing. A table of specific income levels for the 80% and 120% AMI thresholds in Thurston County can be [found here](#).

Table 2: Energize Thurston Income Qualification Levels.

Pathway	Qualifying Income Levels
Low and Moderate Income (LMI) Pathway	
Fully Subsidized	Less than 80% AMI
Partially Subsidized	At least 80% but less than 120% AMI
Self-funded (Market Rate) Pathway	120% AMI or higher

B. LMI Pathway

The Energize Thurston LMI Pathway will provide subsidized equipment and services for LMI households as defined in Table 2. It is expected that campaign partner SPSHFH will administer this pathway by contracting directly with installer(s) and subcontractors to coordinate subsidized installations for LMI participants along with site assessments, integrated critical home repair, and limited weatherization services.

Energize Thurston will subsidize the cost of home energy equipment and services for LMI participants at two different levels based on household income qualification:

- Full Cost Coverage for Low-Income: Households under 80% AMI will be eligible for 100% cost coverage of equipment and services. The campaign will reserve at least 60% of available funding for this pool of applicants on a first-come first-served basis.
- Partial Cost Coverage for Moderate-Income: Households with annual incomes of at least 80% AMI but less than 120% AMI will be eligible for partial cost coverage of eligible equipment and services. The exact portion of required household contribution is to be determined but is expected to be capped at \$2,500.

C. Self-Funded Pathway

The Energize Thurston Self-Funded Pathway (aka “Market Rate”) will provide a group purchase discount⁶ to participants with household incomes of 120% AMI or higher. The exact discount rate will be negotiated with installers during the contracting process. Installers will also be required to include all applicable rebates (from Puget Sound Energy, manufacturers, jurisdiction partners, etc.) as a time-of-sale discount to participants.

In addition to the financial incentives noted above, self-funded participants will have access to further benefits of Energize Thurston:

- Free educational workshops;
- Guidance on additional incentives (e.g., tax credits) and financing;
- Streamlined installation; and
- Customer support.

Staff from Thurston County and the other Jurisdiction Partners will administer the self-funded pathway and provide case management and installer oversight.

The Energize Thurston Project Team may identify local financing providers (e.g., banks, credit unions) with favorable rates/terms that participants may choose to use to finance their projects. Installation partners may also recommend financing products if approved by Thurston County per the terms of their contract.

IV. Types of Equipment and Services

After attending an Energize Thurston workshop, participants in both the LMI and Self-Funded pathways will be asked to state on their applications if they request a site assessment for a heat pump , HPWH, or both. They will then be connected to a campaign installer who will provide a free site assessment and recommend the appropriate equipment for their home. The installer will also assess and inform participants of relevant aspects of the building envelope, such as air sealing and insulation, that may affect customer satisfaction and savings from the equipment.

Specific requirements for all Energize Thurston equipment and services will be defined in the contracts between Thurston County and the selected installers. These requirements have been defined to align with Puget Sound Energy’s planned 2025 rebates for heat pumps and HPWH.

A. Heat Pumps

Energize Thurston will focus on space conditioning heat pumps because our research found space heating to be the largest overall consumer of energy for households across all fuel types. Eligible heat pump equipment will include ducted as well as ductless electric heat pumps. For both LMI and Self-Funded participants, the installer will assess the needs of the home and recommend the appropriate

⁶ Group Purchase discount in Energize Olympia 2024 was 10% discount up to a maximum of \$1,200 off total equipment + labor cost.

heating and cooling equipment for the customer. Installed equipment may replace any type of heating fuel.

1. Heat Pumps for Energize Thurston must meet the following minimum requirements:

- i. Consortium for Energy Efficiency (CEE) highest efficiency tier for 2025:

2025 CEE Split ASHP Specification (DUCTLESS Heat Pumps)					
CEE Level	SEER2	EER2	HSPF2	COP at 5°F*	Capacity Ratio [~]
CEE Tier 1					
Path A	≥ 16.0	≥ 9.8	≥ 8.5	≥ 1.75	≥ 60% at 5°F/47°F
Path B	≥ 16.0	≥ 11.0	≥ 8.0	≥ 1.75	≥ 45% at 5°F/47°F
CEE Advanced Tier					
Refer to the DOE Cold Climate Heat Pump Challenge Specification					

2025 CEE Packaged ASHP Specification (DUCTED Heat Pumps)					
CEE Level	SEER2	EER2	HSPF2	COP at 5°F*	Capacity Ratio [~]
CEE Tier 1	≥ 15.2	≥ 10.0	≥ 7.2	≥ 1.75	≥ 45% at 5°F/47°F

- ii. System must be AHRI Certified as a variable speed heat pump, mini-split or multi-split heat pump and use inverter technology and be a minimum of ¾ ton in heating mode.
- iii. For ductless heat pump only installations, at least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations do not qualify for the campaign.

2. Additional Heat Pump Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of the recommended heat pump equipment plus the following upgrades, which are eligible uses of HEAR grant funding:

- i. Electric panel upgrades necessary to enable heat pump upgrades.
- ii. Duct sealing as needed for installations of ducted heat pump systems.

For ductless heat pump systems, the LMI Pathway will cover the cost of up to two ductless heads. At least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations are not eligible for Energize Thurston subsidies.

For ducted systems, the campaign will cover the cost of duct repair as required. Installation of new ductwork where existing ductwork was not present is not eligible for Energize Thurston subsidies.

3. All heat pump installations that are funded with HEAR grants must meet the following HEAR program requirements:

- i. Remove all fossil fuel equipment where technically and economically feasible.

- ii. All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List or meet the most recent ENERGY STAR Cold Climate product criteria.
- iii. All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- iv. All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).

B. Heat Pump Water Heaters

The campaign will also incentivize HPWH because our research found water heating to be the second largest natural gas end use for residential homes in Washington State. HPWHs have also shown to be more cost effective for homeowners when replacing an existing electric water heater.

For both LMI and Self-Funded participants, the installer will assess the needs of the home (in coordination with SPSHFH for the LMI Pathway) and recommend the appropriate water heating equipment for the customer, which may or may not be a HPWH. As for heat pump space heaters, the installed equipment may replace any type of heating fuel.

1. Energize Thurston's requirements for heat pump water heaters:

- i. Must be Northwest Energy Efficiency Alliance (NEEA) Tier 3 or 4⁷ heat pump water heater.

2. Additional HPWH Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of a HPWH if it is recommended by the selected installer as appropriate water heating equipment for the site. The campaign may include an age requirement for water heater replacement (e.g., equipment is 10 or more years old; TBD). In addition to the equipment costs, Energize Thurston will cover costs of electrical upgrades to accommodate HPWH installation when needed in LMI households.

3. All LMI installations that are funded with HEAR grants must meet the following HEAR program requirements:

- i. Remove all fossil fuel equipment where technically and economically feasible.
- ii. All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- iii. All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State DOE and the U.S. EPA, and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's SNAP Program, or the CARB.

⁷ Refer to NEEA Advanced Water Heating Specification 8.1 for information on HPWH Product Tiers

V. Campaign Structure and Processes

A. Contracting Structure

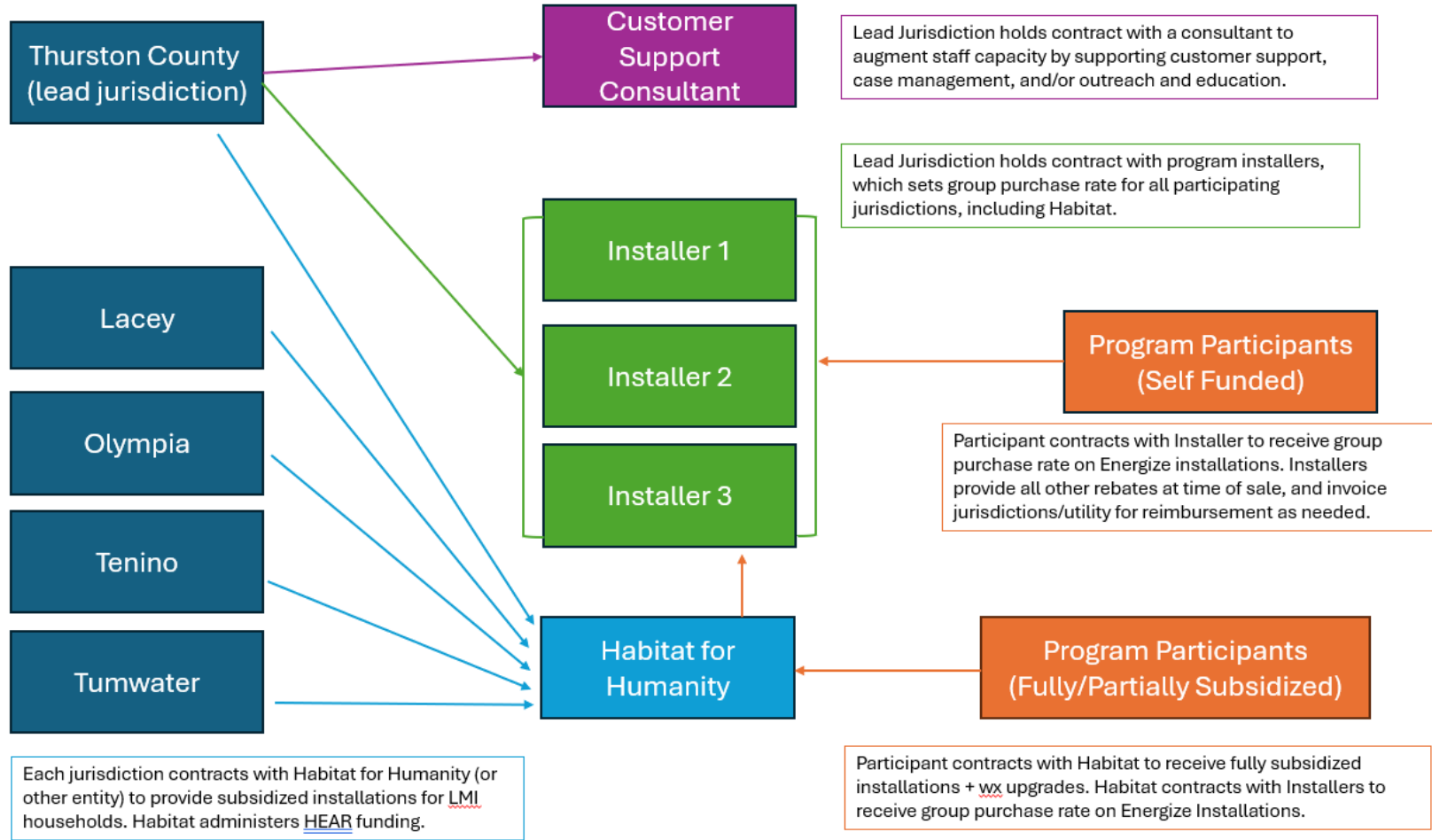
Energize Thurston will follow the “installer model” used by Energize Olympia, in which program installers are selected by evaluating price and qualifications through a competitive bidding process. The lead jurisdiction (Thurston County or County) will issue a Request for Proposals (RFP) to select qualified contractors to provide installation of ducted and ductless heat pumps, heat pump water heaters, and associated electrical work. The partners anticipate needing approximately four to five contracted installers to serve Energize Thurston. Selected installers will be required to provide a fixed group-purchase discount for all installations, and to apply all applicable rebates as a time-of-sale discount to participants. Thurston County will hold a contract with each selected installer to set the group purchase rate. Self-funded participants will contract directly with an installer as described in the “Applicant Process” section below.

SPSHFH will contract with the same suite of selected installers, who will be required to apply the same discounts for the LMI installations as for the self-funded installations. Each of the partner jurisdictions will enter a contract with the administrative partner to allow them to administer the LMI installations using funding provided by the jurisdiction.

The County will also issue an RFP to select a Customer Support Consultant (TBD), who will support case management, installer oversight, outreach, and/or campaign evaluation.

The contracting structure for Energize Thurston is illustrated in Figure 1 below.

Figure 1. Energize Thurston Proposed Contracting Structure



B. Applicant Process

1. All participants will progress through the Energize Thurston campaign as follows:

- i. Sign up for and attend a campaign workshop (either in-person or virtual).
- ii. Submit a campaign application that includes their general information and the following:
 - a) Whether they are applying for the LMI Pathway or the Self-Funded Pathway; and
 - b) If they request a site assessment for a heat pump space conditioning system, heat pump water heater, or both.
- iii. Campaign staff will verify site eligibility and request income eligibility information from LMI Pathway applicants.
- iv. Campaign staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.

2. LMI Pathway:

- i. The installer will work with the LMI Pathway Administrator and the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract with Habitat for Humanity to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing.
- ii. Moderate-income households (80%-120% AMI) will pay their household cost share to SPSHFH. Payment plans are available.

1. Self-Funded Pathway:

- i. The installer will contact the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract directly with the participant to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing, as well as direct participants to program-approved financing options. The campaign staff team will support self-funded participants by offering customer support throughout the installation process.

C. Participant Management System

The partners will follow the model used by Energize Olympia for participant tracking and case management. “Monday.com” software will serve as a platform for project and task management, providing a streamlined system to track participant applications and partner tasks all in one place. The Staff Team will modify this system as needed to accommodate the expanded multijurisdictional campaign. We will refine and document the participant intake process for the LMI and self-funded pathways; train all campaign partners and installation partners on the use of the tracking software; and assign roles and responsibilities for case management, customer support, and installer oversight. We will host regular meetings with all campaign partners to ensure installers are meeting the contract deliverables and installation timelines, and address case management issues as they arise.

VI. Outreach and Marketing Strategy

Energize Thurston will build upon the existing “Energize Olympia” brand and will expand outreach and marketing efforts countywide through a variety of methods as described below. Following the recommendations from background research, outreach will target both rural and urban areas with messages emphasizing environmental, health and safety benefits of electrification, as well as concerns about electric appliances cost and performance.

Energize Thurston will focus on reaching underserved and disadvantaged communities via targeted outreach and supportive program implementation. Target communities will include low-income households, communities of color, immigrants, seniors, first-time homeowners, and people on utility support programs, among others. Campaign staff will aim to develop partnerships with community-based organizations to leverage trusted networks that support these communities. A list of Community Outreach Partners will be included in the Energize Thurston Communications Plan.

Educational Workshop Series: Campaign staff, SPSHFH, and campaign installers will educate residents of Thurston County on the benefits of electrification appliances and services through a free series of educational workshops. The workshops provide information on the benefits of heat pump technology, residential energy efficiency, an overview of the program pathways and installation process, as well as information on the many available financial incentives including federal tax credits, and local utility incentives from Puget Sound Energy. The partners will host multiple in-person workshops across the county as well as an on-demand workshop to expand the accessibility of events.

TCMC Website: The TCMC website (Thurstonclimatecollaborative.org) will serve as the primary hub for interested residents to access Energize Thurston campaign information. The site will include information about in-person and on-demand workshops, participant eligibility criteria, FAQs, and contact information for the campaign’s point of contact.

Switch Is On (SIO) Website: The Energize Thurston Campaign will build on an existing outreach and marketing campaign that was launched regionally in 2024 via the wa.SwitchIsOn.org web platform. The Switch Is On (SIO) website serves as a central information hub for residential home electrification. It educates residents about home electrification benefits and technologies and provides tools to find vetted contractors and available incentives.

Outreach at Community Events: Campaign staff and SPSHFH staff will provide targeted outreach to community groups throughout Thurston County. This will include informational presentations for cultural organizations, faith-based organizations, and neighborhood associations, as well as tabling at local businesses, trade shows or community events.

Distribution of Marketing Materials: Physical marketing materials will be distributed around the County including post cards, flyers, and street banners at central hubs in the community. Campaign staff will also regularly post online updates on the status of the campaign through partner jurisdictions’ e-newsletters and via social media platforms such as Facebook, Instagram, Threads, X, Nextdoor, and/or Reddit.

Outreach Partnerships and Volunteers: Energize Thurston will leverage trusted community partners to engage members of target communities. Staff will maintain a list of Community Outreach Partners and track engagements before and during campaign launch. Campaign staff will work with partners to recruit community volunteers (“Energize Ambassadors”) to assist with distribution of marketing materials throughout the County. Early recruitment of volunteers can build greater awareness of the program, natural engagement of community partners, and opportunities for press coverage.

Translation and Interpretation services: The partners will set aside marketing budget to translate outreach materials and the on-demand workshop into Spanish; and to provide interpretation services as needed throughout the campaign.

Post-Installation Education: All participants will receive an educational packet providing information on how to use and maintain their newly installed equipment as well as a reference to the sources of funding that helped subsidize their installation.

VII. Campaign Timeline, Tasks and Deliverables

To launch the Energize Thurston campaign in Q1 2025, the Staff Team will aim to complete the following project tasks by the end of 2024.

Step 1: Contract with Energize Thurston Partners (October – December 2024)

This step includes executing an interlocal agreement among the jurisdiction partners for joint implementation of Energize Thurston, conducting a competitive solicitation for installation partners, and contracting with Habitat for Humanity. The jurisdictions may also contract with a Customer Support Consultant to augment staff capacity (TBD).

Step 1 Tasks:

- 1.0 Execute Energize Thurston 2025 Interlocal Agreement (ILA)
 - Define roles and responsibilities of each jurisdiction partner
 - Develop collaborative budget for campaign launch and implementation

- 1.2 Lead Jurisdiction: Issue Request for Proposal (RFP) for installation partners
 - Develop scope of work and scoring rubric for Energize Thurston installation partners
 - Publish and promote RFP
 - Establish Installer Selection Committee and review proposals
 - Contract individually with up to 5 installers that are selected through the RFP process
 - Negotiate Energize Thurston group purchase discount with selected installers

- 1.3 All jurisdictions: Contract with LMI Pathway Administrator
 - Confirm that South Puget Sound Habitat for Humanity (SPSHFH) will serve as the LMI Pathway Administrator based on their foundational role in the design and implementation of Energize Olympia (2023-2024).
 - Each jurisdiction will execute a contract(s) with SPSHFH to provide grant funding for subsidized installations for LMI households.

- 1.4 (TBD) Lead Jurisdiction: Contract with Customer Support Consultant
- Refine scope of work for Customer Support Consultant
 - Issue RFP and select consultant
 - Contract with consultant

Step 1 Deliverables:

- 1.1 Energize Thurston 2025 ILA
- 1.2 Contracts with up to 5 installation partners
- 1.3 Contracts between SPSHFH and each jurisdiction
- 1.4 (TBD) Lead jurisdiction contract with Customer Support Consultant

Step 2: Develop Communications Plan and Outreach Materials (October – December 2024)

Energize Thurston will leverage existing Energize Olympia outreach materials and communication strategies and modify them as needed for the expanded program. This step includes producing the new marketing assets, developing a communications plan and tracking system, establishing outreach partnerships, and developing a framework for the educational workshops.

Step 2 Tasks:

- 2.1 Design Energize Thurston marketing materials
 - Work with Energize Olympia designer to revise materials for Energize Thurston
 - Develop content for campaign website
 - Compile weatherization information packet to provide participants (TBD if staff capacity allows)
- 2.2 Develop Communications Plan
 - Build the Outreach & Marketing Strategy into a detailed campaign Communications Plan
 - Determine number and locations of in-person workshops
- 2.3 Establish outreach partnerships
 - Develop list of community-based organizations (CBOs) and outreach partners
 - Contact outreach partners to initiate relationships and engage potential volunteers
- 2.3 Design Energize Thurston workshops
 - Build off existing Energize Olympia workshops to add new technologies, application processes, and information about the multijurisdictional campaign
 - Provide Spanish translation of workshop subtitles; and explore other options for translation/interpretation of on-demand workshop

Step 2 Deliverables:

- 2.1 Energize Thurston brand and marketing materials
- 2.2 Energize Thurston webpage
- 2.3 Energize Thurston Communications Plan
- 2.4 Tracking system for outreach activities and partner engagement

Step 3 – Develop Participant Application and Tracking System (November 2024 – January 2025)

This step involves modifying Energize Olympia’s participant application and tracking system for the expanded multijurisdictional campaign.

Step 3 Tasks:

- 3.1 Develop application materials and process
 - Revise Energize Olympia’s application as needed for expanded campaign
 - Develop participant intake/tracking process for LMI and self-funded pathways
- 3.2 Set up participant tracking system in Monday.com software
 - Expand existing system to track participants across multiple jurisdictions
 - Establish project and task management boards in Monday.com
- 3.2 Train campaign partners on tracking system
 - Host kickoff meeting with campaign partners, SPSHFH, and installation partners
 - Assign roles and responsibilities for case management, customer support, and installer oversight
 - Establish weekly check-in schedule with all campaign partners

Step 3 Deliverables:

- 3.2 Final participant application
- 3.3 Guidance document on Participant Tracking Process
- 3.4 Complete project, task management system in Monday.com

Step 4 – Implement Campaign (est. March – June 2025)

Step 4 Tasks:

- 4.1 Implement communications and outreach plan
- 4.2 Conduct in-person workshops
- 4.3 Record virtual “on-demand” workshop and post online
- 4.4 Implement participant intake and management process
- 4.5 Provide customer support and case management
- 4.6 Conduct oversight of installers and partners
- 4.7 Track and report on progress toward goals

Step 4 Deliverables:

- 4.1 Campaign Outcomes
 - Workshop registrations
 - Workshop attendances
 - Participant applications
 - Completed installations for LMI Pathway
 - Completed installations for Self-Funded Pathway

Step 5 – Develop Campaign Continuation Plan (est. July - September 2025)

Step 5 Tasks:

- 5.1 Document and evaluate processes and partnerships developed in the pilot campaign
- 5.2 Develop a plan for continuation of the campaign in alignment with related federal, state, and regional initiatives.
- 5.3 Develop recommendations for expanding the program to further enhance benefits to disadvantaged communities.

Step 5 Deliverables:

5.1 Energize Thurston Evaluation Report

5.2 Energize Thurston Continuation Plan

Exhibit B

Proposed Campaign Administration Budget for Energize Thurston 2025

The budget includes project tasks that are expected to be completed by third-party service providers. Project tasks not listed here will be completed in-house by jurisdictional staff.

Project Step and Task	Description	Total
Step 1: Contract with Energize Thurston Partners		
1.4 Contract with Customer Support Consultant	Thurston County may contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support and/or campaign outreach and education.	\$30,000
Step 2: Develop Communications Plan and Outreach Materials		
2.1 Design and Print Energize Thurston marketing materials	City of Olympia is contracting with Kelly Design to design Energize Thurston marketing materials and will pay for the printing of all materials.	\$14,000
2.3 Design Energize Thurston workshops	Thurston County will contract for Language Interpretation Services (as needed).	\$3,000
Total Proposed Budget (not to exceed)		\$47,000
Per Partner Cost Share (not to exceed)		\$11,750