

EXHIBIT A

SCOPE OF WORK

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Commercial and Multifamily Building Electrification Program Administrator

Summary

Incentives for commercial and multifamily building electrification and decarbonization are needed to prepare the market for code requirements and to prepare affected buildings for a warming future. The goal of the program is to reduce greenhouse gas emissions in commercial and multifamily buildings and shift the larger market toward electrification. The funds will be used to support Denver's communities through subsidizing electrification feasibility reports and assisting with partial and full electrification to reduce long-term energy burden, provide cooling, and improve indoor air quality, with a focus on under-resourced buildings. Because under-resourced communities are less likely to participate in traditional incentives, face higher impacts from a warming climate, and have less ability to pay for upgrades, the program will assist with retrofit costs even after regulations go into effect.

Task 1	Deliverables
<p>1.0 Kickoff Meeting</p> <p>Michaels will set up a kickoff meeting with the city staff, Michaels' staff, and all sub-contractors to ensure a common understanding of all project goals, expectations, and communication protocol.</p> <p>This is projected for mid to late July depending on contract being final.</p> <p>Michaels will send a draft kickoff meeting agenda to CASR for review prior to the scheduled meeting date. Agenda will include:</p> <ul style="list-style-type: none">• Walk through the project workplan• Solicit feedback and questions from full team• Refine timeline and deliverables• Adjustments to the workplan if needed• Discussing the project branding• Cadence for regular check-in meetings with the City• Communication protocols, including website architecture, mailbox needs, messaging needs, development of creative assets, media relations, and primary point of contact <p>Billable Method (monthly):</p> <ul style="list-style-type: none">• Hourly time for staff preparing agenda, slides/workplan, documenting outcomes, finalizing the workplan, and conducting any other necessary follow-up	<ol style="list-style-type: none">1. Draft and final kickoff meeting agenda2. Kickoff meeting3. Draft and final workplan document/PowerPoint4. Minutes from meeting with next steps5. Scheduling regular check-in meetings with the City6. Invoice for staff time with hours called out by sub-task
Task 1	

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<p>1.1 Review Feasibility Report Templates design and input from stakeholders and finalize templates based on feedback.</p> <p>CASR began designing Electrification Feasibility Report (EFR) templates in May and will provide Michaels and all affected sub-contractors:</p> <ul style="list-style-type: none"> • EFR template designs • List of assumptions and unknowns including data and studies performed • Feedback from building owners and HVAC industry already documented • Economic Hardship Exemption definitions • Timelines for adoption in City code <p>This is projected for late July depending on contract being final.</p> <p>Michaels will review documents provided, incorporate feedback from stakeholders and depending on requirements provide the following:</p> <ul style="list-style-type: none"> • Calculators to imbed in reports for greenhouse gas reduction, annual energy cost for natural gas and electric equipment, total lifetime cost of NG vs. electric, rebates available, and others dependent on stakeholder feedback. Draft mockups of calculation tools Due August 15, 2022. • Final draft templates by building typology and space/water heating technology. This is envisioned to be a 90% complete document with only minor changes expected from further engagement in trainings. There could be up to ten variations of templates. Due September 15, 2022. <p>Billable Method: Hourly time of staff to prepare templates, attend meetings, and create calculators / other requirements.</p>	<ol style="list-style-type: none"> 1. EFR templates report concepts for CASR review 2. Final Draft Feasibility report templates 3. Invoice for staff time with hours called out by sub-task
Task 1	
<p>1.2 Design EFR incentive methodology and finalize EFR templates</p> <p>Incentives for EFR are designed to reduce or eliminate the cost burden of this new expense for facilities accepted into the EFR rebate program during this transitional period. Incentive design will require understanding expected costs and require outreach to effected HVAC industry</p>	<ol style="list-style-type: none"> 1. Memo on EFR costs and other considerations 2. Feasibility report incentive application 3. Feasibility report incentive program process guide – including eligibility, processing, contractor

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<p>Michaels will:</p> <ul style="list-style-type: none"> Gather expected costs for completing these feasibility reports through direct outreach, surveys, or other means. Findings and recommendations are to be documented and shared with CASR by October 15, 2022. Create first drafts of EFR incentive application and program process documents, which should include process guide, eligibility requirements, contractor eligibility, and support available (especially for Under Resourced Buildings (URBs)). The first draft to be delivered to CASR by November 15, 2022 with and final copy delivered by December 15, 2022. Create web site content reflecting process and all documents. Content to be live by December 15, 2022. <p>Billable Method: Hourly time of staff for outreach, research, preparing documents, creating web content, and documenting findings.</p>	<p>management, and call center processes</p> <ol style="list-style-type: none"> Website content Invoice for staff time with hours called out by sub-task
<p>Task 1</p> <p>1.3 Produce educational materials for EFR and incentives.</p> <p>Based on information gathered and documented during the initial design and outreach for EFR templates education material will address major concerns and how to successfully complete an EFR, apply for incentives and, if needed, to apply for an Economic Hardship Exemption.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> Draft versions of training materials including handouts, web material and slide decks prior to September 30, 2022 and final versions of training materials by October 31, 2022. Method to continue to gather input on materials, incentives and web information from those attending trainings. To be completed by September 30, 2022. <p>Billable Method: Hourly time of staff for preparing documents, web design and documenting progress.</p>	<ol style="list-style-type: none"> Draft and final versions of all live training materials Draft and final versions of all training and informational materials for the program website Reporting method for feedback Invoice for staff time with hours called out by sub-task

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Task 1	
<p>1.4 Host trainings.</p> <p>In person or virtual trainings are needed to show those performing EFR and those paying for EFR how to successful do so and apply for incentives. This is also an opportunity to grow contractor networks and gather input on templates and incentive design. It is expected that an iterative approach will be needed as we engage. This will also require targeting outreach to those most needing the information and providing assistance to those with barriers to participating such as childcare, transportation, or translation).</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> • Outreach to HVAC and building owners needing EFR trainings. Initial list to be provided to CASR by September 1, 2022. • Five training opportunities to start by December 15, 2022 continuing through early 2023. Flexibility will be provided based on timing of ordinance requirements. • An after-training recap report to include, but not limited to, attendance, number of MBE certified firms or URB representatives and feedback on templates and incentives. Due one week after all trainings are complete. • Recordings of web-based trainings with the ability to be posted on the City website. To be provided by February 15, 2023. • Updated training materials one week after each training (if needed). <p>Billable Method:</p> <ul style="list-style-type: none"> • Hourly time of staff for outreach, preparing documents, running meetings and • Direct costs of outside services for translation, renting space, hosting day care services, transportation, or parking (if needed) and refreshments. 	<ol style="list-style-type: none"> 1. Initial outreach list for trainings 2. Five in-person trainings 3. After-training recap report 4. Recording(s) of presentations to post to the program website 5. Updated training and informational materials based on feedback from attendees, as necessary 6. Invoice for staff time with hours called out by sub-task 7. Invoice for services cost called out by sub-task 8. Invoice for costs incurred for training including refreshments, parking vouchers, space rentals and promotional items.
Task 1	
<p>1.5 Administer Incentives.</p> <p>As the code changes in 2023, buildings over 5,000 square feet will need to install electric space heating and water heating for easy-to-electrify systems. These building owners will see an increase in cost to replace failing equipment and the incentive will cover some or all the cost of the Electrification Feasibility Report. It is</p>	<ol style="list-style-type: none"> 1. Incentive payments to participants 2. Project tracking database 3. Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive funds

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| | <p>4. Monthly invoicing called out by sub-task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided</p> |
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important that the incentives are delivered soon after the reports are approved to reduce burden on building owners.

Michaels will provide prior to launching incentive program:

- An application receiving and processing website to intake forms, **due Jan 1, 2023**.
- Ability to verify eligibility of contractor providing services to complete feasibility report.
- Ability to distribute payments in accordance with the program design approved by the City.

An accessible database and report template that should include, but is not limited to, the following fields: Facility Address, copy of the EFR, costs to electrify the building (products and services), and estimated greenhouse gas and energy reductions.

Billable Method:

- Michaels to invoice for projected incentives and place funds in escrow or separate account.
- Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of EFR incentives to be placed in escrow or a separate account. .
- Michaels to invoice monthly for forecasted funds needed for the following month.
- Michaels to reimburse CASR at the end of Task 1 for any unused incentive funds.
- Direct costs of staff time required for setting up call centers, databases, verifying contractor eligibility, or other processes.
- Time and materials costs for direct labor and pass-through expenses for staffing and managing the call center, processing and reviewing feasibility report incentive applications, and issuing feasibility report incentive payments.

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Task 1	
<p>1.6 Review feasibility report submissions and economic hardship exemption requests.</p> <p>CASR estimates around 1,200 buildings per year will need to replace easy-to-electrify space or water heating systems once City code is changed. There is a need for technical support for both reviewing the EFRs and Economic Hardship Exemptions Requests and a need to continuously improve the process of identifying the most economical ways to electrify buildings.</p>	<ol style="list-style-type: none"> 1. Guidance document for reviewing and approving feasibility reports and economic hardship exemption submissions 2. Approved feasibility reports 3. Recommendations for economic hardship exemption requests 4. Monthly check in meetings
<p>CASR along with Community Planning and Development staff will provide:</p> <ul style="list-style-type: none"> • Current data on permitting (# of buildings, types of buildings, building sf) for easy-to-electrify systems on a quarterly basis, starting January 1, 2023. <p>Michaels will provide a guidance document and set up a meeting with the City for reviewing and approving feasibility reports and economic hardship exemption submissions based upon feedback and input from stakeholders and city staff by November 15, 2022.</p> <p>Michaels will provide on an ongoing basis once code updates take effect:</p> <ul style="list-style-type: none"> • Technical support to the City by intaking, reviewing and approving Electrification Feasibility Report submissions (<u>processing time to be determined with City at the November 15, 2022 meeting</u>). • Technical support to the City by intaking, reviewing and providing recommendations to CPD and CASR for Economic Hardship Exemptions Requests. • The ability to review up to 1,200 EFRs and 1,200 Economic Hardship Exemptions annually (Economic Hardship Exemptions may not start until 2025). • Set up monthly status meetings with CASR and key staff working on EFR and Economic Hardship exemptions <p>Billable Method:</p> <ul style="list-style-type: none"> • Hourly time of staff for reviewing documents, communicating with applicants, documenting work and findings. 	<ol style="list-style-type: none"> 5. Monthly invoicing called out by sub-task

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Task 1	
<p>1.7 Performance monitoring and recommendations.</p> <p>Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Quarterly progress updates are also a point to bring in additional input from key stakeholders to get a fuller perspective. Yearly reports help communicate broad successes and future opportunities to improve.</p>	<ol style="list-style-type: none">1. Monthly progress reports and meetings2. Quarterly project outcome reports and meeting3. Yearly program report-out presentation4. Invoice for staff time with hours called out by sub-task

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Monitoring also includes industry annual survey of trades organizations to ask questions around awareness of any changes to codes or requirements or changes in heat pump technology. Understanding where the industry is over time provides feedback on challenges to overcome and progress toward shifting the market.

Michaels will:

- Create a reporting template for monthly reports by **August 1, 2022**.
- Provide monthly written reports and set up follow up meeting within 10 business days after the end of each month.
 - The monthly report should include: Number of feasibility reports reviewed, Number of economic hardship exemptions reviewed and approved, Estimated potential lifetime greenhouse gas reductions for market-rate and under-resourced buildings, number of buildings applied for funds and funds committed, number of buildings received funds and funds spent, percent of funds delivered to URBs, recommendations for changes to the program, program materials, or program processes to better achieve the City's desired outcomes, Michaels teams' contract spend, activities completed, and outstanding issues or forecasted challenges.
- Provide a quarterly progress report and set up a meeting starting in **April 2023** to highlight anticipated needs for the next quarter. Quarterly report should contain:
 - Building information, including address, building type, and square footage
 - Whether a building qualifies as under-resourced
 - Project (feasibility study) completion date
 - Incentive provided
 - Details of equipment to be replaced
 - Details of proposed new equipment, including cost
 - Other items in the scope of the project (e.g., electrical system upgrade) and costs

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<ul style="list-style-type: none"> ○ Estimated lifetime greenhouse gas reductions ○ Any significant challenges reported by the customer or contractor to the customer support center or contractor manager or reported by the Michaels support team. City staff will summarize any challenges reported to them for inclusion. <ul style="list-style-type: none"> ● Provide a yearly report and presentation in conjunction with Task 2 and Task 3 work products in January 2024 on 2023 program results. Focus will be on presenting lessons learned and qualitative and quantitative results: <p>Quantitative Results:</p> <ul style="list-style-type: none"> ● Number of buildings that have received funds and funds spent ● Break-down of buildings receiving funds by: <ul style="list-style-type: none"> ○ Building type by number and square footage ○ Space heating/cooling type including whether the building or residential units have cooling ○ Water heating type ○ Resource level by number and square footage ● Number of feasibility reports reviewed ● Number of economic hardship exemptions reviewed and approved ● Percent of contractors who have completed project feasibility reports that are women-owned, minority-owned or local to Denver ● Number of contractors who received disciplinary actions, recurring issues, and recommendations for how to minimize issues in the full program ● Estimated potential lifetime greenhouse gas reductions for market rate and under-resourced buildings ● Number of buildings projected to need electric service upgrades and range, median, and average costs ● Contractor familiarity with: <ul style="list-style-type: none"> ○ New code requirements 	
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<ul style="list-style-type: none"> ○ Electrification feasibility reports ○ Heat pump technology • Technology availability and local stock (range, median and average number of each type of equipment stocked) • Soft versus hard cost estimates including impact of labor costs on total estimated project costs • Permitting costs and timeframes <p>Qualitative Results and Recommendations:</p> <ul style="list-style-type: none"> • Summary of challenges the Michaels team encountered, if and how the Michaels team resolved those challenges and recommendations for minimizing and resolving these issues in future years • Commentary on technology availability and local stock and how to increase it if needed • Summary of permitting challenges and suggestions for resolving them • Summary of technological and logistical challenges contractors are experiencing including electrical service upgrade issues and recommendations for resolving them • Summary of local workforce availability and recommendations for increasing it if needed • Summary of reasons for economic hardship exemption requests and recommendations for reducing economic hardship <p>Billable Method:</p> <p>Hourly time of staff preparing documents and reports, presenting and meetings.</p>	
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Task 2 Electrification Pilots	
<p>2.1 Research pilot design.</p> <p>Prior to designing pilots or incentives it is a best practice to understand what worked in other locations and what failed and why. The City is interested in gathering information quickly through interviews, stakeholder meetings or panels.</p> <p>Michaels (or sub-contractors) will be responsible for identifying industry leaders and stakeholders including</p>	<ol style="list-style-type: none"> 1. Draft and final kickoff meeting agenda (from 1.0) 2. Kickoff meeting (from 1.0) 3. Draft and final workplan document/PowerPoint (from 1.0)

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HVAC manufactures and installers, utilities and cities with similar programs and others running energy efficiency programs. Areas of focus will include electrification program design, incentive levels, approaches for reaching under-resourced buildings, how to address energy bill impacts, costs to electrify, workforce availability and development, equipment availability, and other challenges and lessons learned.

Michaels will provide:

- Kick off meeting to align work and expectations and document next steps of process and workflow. This can be done concurrently with Task 1.0 in July depending on contract being final.
- Meeting to define pilot project research objectives and documented outcomes.
- Provide stakeholder and industry engagements with attention on under resourced buildings, under resourced community representation and CBOs to gain knowledge and current best practices on focus areas. due by **September 15, 2022**.
- A document of findings and recommendations for pilots for both market-rate buildings and URBs. To be completed and delivered by **September 30, 2022**.

CASR will provide:

- Documentation on current and future outreach to under resourced buildings and under resourced community representation. This includes definitions and lists of under resourced buildings. This will be provided by the kickoff meeting.
- Maps of under-resourced communities and buildings. This will be provided by the kickoff meeting.
- List of Community Based Organizations (CBOs) currently known and working with for URBs. This will be provided by the kickoff meeting.
- Current new construction incentives projects, process, and requirements. This will be provided by the kickoff meeting.
- Direction on pilot design based on documented findings and recommendations. This will be provided one week after findings documentation is provided.

Billable Method:

4. Minutes from meeting with next steps (from 1.0)
5. Scheduling regular check-in meetings with the City (from 1.0)
6. Outreach list for stakeholder meetings
7. Draft and final stakeholder meeting agendas
8. Stakeholder engagements
9. Post meeting recap report
10. Memorandum including our findings and several pilot and incentive design alternatives for CASR to consider
11. Invoice for staff time with hours called out by sub-task
12. Invoice for any direct costs for the stakeholder meetings, for example services (interpretation, childcare), parking vouchers, space rental, transportation, etc. and refreshments (if needed)

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<ul style="list-style-type: none"> • Hourly time of staff preparing stakeholder engagement events, documents and reports, presenting and meetings. • Direct costs of outside services for interpretation, renting space, hosting day care services, transportation, or parking and refreshments (if needed). 	
Task 2	
<p>2.2 Design electrification pilot methods for both market rate and under-resourced buildings.</p> <p>The designed pilot method based on selected alternatives will address incentive dollar amounts and a prioritization of buildings and system types being replaced. This will have two distinct timings with easy to electrify system pilots starting in quarter 4 of 2022 and hard to electrify systems design in late 2023 to mid-2024.</p> <p>Some pilot sites will already be selected by City staff prior to design. These sites will be limited in scope and focus on URB sites.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> • A prioritization plan based on building typology, ability to gain knowledge and insights needed to design a larger incentives program, and at least half of all pilot funds going to under-resourced buildings due September 30, 2022. • A pilot funding method and amounts of financial incentives needed to encourage building owners, installers, and HVAC designers to select electrification options for systems at or near end of life. The method shall be designed so at least half of funds are distributed to under-resourced buildings with additional facilitation of pilots for under-resourced buildings, due October 15, 2022. • A plan for partnering with Community Based Organizations or small, minority and women owned businesses specifically for under-resourced buildings, due October 15, 2022. • Pilot guidance documentation with requirements and registration for contractors, building owners and products, approval of projects, marketing and consumer protection requirements to ensure building owners are not sold products or services that do not meet requirements or are costly without benefit, project submission, reviews, and approval process, complaint management process and web-based 	<ol style="list-style-type: none"> 1. Pilot prioritization roadmap 2. A plan for incorporating CBOs into pilot outreach 3. Pilot design documents specifying system type to be installed and research questions to be answered 4. Pilot incentive program process guide 5. Website content 6. Invoice for staff time with hours called out by sub-task

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<p>resources providing program information and access for participants, due November 15, 2022.</p> <ul style="list-style-type: none"> Website content including educational/informational materials and application materials, due December 15, 2022. <p>Billable Method:</p> <p>Hourly time for staff completing plans, processes, documents, and website content.</p>	
Task 2	
<p>2.3 Building and industry outreach.</p> <p>Promoting pilots to building owners, HVAC installers and manufacturers will be needed to get a representative number of pilots for different building types and space and water heating types. To reach under-resourced communities and URBs the best practice has been to use trusted networks of community-based organizations to provide direct outreach to decision makers in those communities and buildings. This effort also connects to current outreach efforts with under-resourced communities by CASR staff.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> Outreach and communication materials for diverse audiences including Spanish materials, web-based and printed. Draft material to be presented by November 15, 2022 and final material by November 30, 2022. An outreach plan to reach URBs based on previous prioritization and stakeholder input. To be provided by December 15, 2022. <p>Billable Method:</p> <p>Hourly time for staff developing outreach materials, outreach plans, and conducting industry outreach.</p>	<ol style="list-style-type: none"> Draft and final versions of all outreach and communication materials Draft and final versions of all materials for the program website Outreach plan to reach URBs Invoice for staff time with hours called out by sub-task
Task 2	
<p>2.4 Administer pilots.</p> <p>While the exact method and price points for incentives are not known at this time, we do know payments for increased costs over standard natural gas system are needed to find a broad spectrum of participation quickly.</p> <p>Michaels will provide:</p>	<ol style="list-style-type: none"> Incentive payments to participants Pilot tracking database Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive

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	<p>funds</p> <p>3. Monthly invoicing called out by sub-task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided</p>
<ul style="list-style-type: none"> • Invoicing 30 days prior to pilot estimated completion to ensure funds are transferred. • A separate escrow or account for all pilot funds. • Pilot tracking database with all aspects of administration captured and broken out by market rate and URB. • Administration and tracking of ongoing pilots including application processing, distributing funds, reporting on each project (previous energy use, total costs of installs vs. gas system, costs by type (labor, design and materials) and estimated future energy use. <p>CASR will provide:</p> <ul style="list-style-type: none"> • Funding to be released 30 days after receiving invoices • Written request for unspent funds at the end of the pilots for easy to electrify systems and the end of hard to electrify systems pilots. • New construction incentive payments will be sent through as a separate request. Michaels may assess a processing fee but will not be expected to manage anything but the payment for design services or materials/ labor. <p>Billable Method:</p> <ul style="list-style-type: none"> • Michaels to invoice for projected pilot incentives and place funds in escrow or separate account. • Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of pilot incentives to be placed in escrow or a separate account. . • Michaels to invoice monthly for forecasted funds needed for the following month. • Michaels to reimburse CASR at the end of Task 2 for any unused incentive funds. • Direct costs of any staff time required for setting up call centers, databases, or other processes. • Time and materials costs for direct labor and pass- 	

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through expenses for staffing and managing the call center, processing and reviewing pilot projects, and issuing pilot project incentive payments.

Task 2

2.5 Performance monitoring and recommendations.

Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products on at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Yearly reports help communicate broad successes and future opportunity to improve.

As pilots are expected to move quickly, there will not be a requirement for quarterly reporting but rather an end of

1. Monthly reports
2. End-of-pilot report-out presentation(s))
3. Yearly report section on pilots informing incentives

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pilot report out to move from piloting to incentive design and roll out in a timely manner.

Michaels will:

- Create a reporting template for monthly reports by **August 1, 2022.**
- Provide monthly written reports and set up follow up meeting within 10 business days after the end of each month.
 - The monthly report, which should be an addition to the EFR incentive monthly report while still applicable, should include: number of projects and funds completed/delivered by building type, space heating/cooling type, and water heating type (as applicable), percent of funds provided to under-resourced buildings, percent of contractors who have completed projects that are women-owned, minority-owned, or local to Denver, estimated energy saved for market-rate and under-resourced buildings, estimated energy saved per square foot for market-rate and under-resourced buildings, Michaels teams' contract and incentive fund spending, activities completed, upcoming activities, and outstanding issues or foreseen challenges.
- Provide end of pilot report-outs to focus on lessons learned on costs and benefits to electrifying buildings and facilitation needs for URB and market rate buildings. These reports should recommend when to end a specific pilot and initiate the next step to design the incentive for that equipment or building type.
- Provide a section in the yearly report and presentation in conjunction with Task 1 and Task 3 work products in January 2024 on 2022-23 pilot results. Focus will be on lessons learned and how pilots informed what full program incentives should be with recommendations for changes for hard to electrify pilots.

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<ul style="list-style-type: none"> • Provide quantitative and qualitative tracking on these areas: • Quantitative: <ul style="list-style-type: none"> ○ Percent of contractors who have completed electrification projects that are women-owned, minority owned, or local to Denver ○ Summary of equipment replaced, new equipment, and costs ○ Summary of other notable items included in project scope (e.g., electrical system upgrades) and costs • Qualitative <ul style="list-style-type: none"> ○ Summary of support the Michaels team provided to under-resourced buildings and recommendations for improving access to the entire program for these participants. <p>Billable Method:</p> <p>Hourly time of staff preparing documents and reports, presenting and meetings.</p>	
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Task 3 Electrification Incentives and Facilitation	
<p>3.1 Research incentive design and incorporate with lessons learned from pilots and co-creation process.</p> <p>Prior to designing incentives, it is a best practice to understand what worked in pilots and gain perspectives through a co-creation process. The City is interested in using the lessons learned from pilots and input from the cocreation process to build equity-first incentives.</p> <p>Michaels (or sub-contractors) will be responsible for documenting the pilot programs and bringing recommendations forward in a timely manner.</p> <p>CASR and Michaels will be responsible for running a co-creation processes to help under-resourced communities identify which buildings qualify for extra support and to design incentives. The City’s co-creation process is a collaborative partnership with the communities most affected by climate change to create programs together. Michaels and their subcontractors will also add to the co creation process through outreach and pilot projects.</p> <p>CASR initiated outreach to neighborhoods and community groups in early 2022 and will continue to collaborate</p>	<ol style="list-style-type: none"> 1. Agenda for meeting to discuss with CASR findings from pilots and recommendations 2. Memorandum outlining recommendations for program design 3. Invoice for staff time with hours called out by sub-task

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throughout the contract timeframe. Community needs and direction identified during the co-creation process will be shared with the consultant throughout.

Michaels will provide:

- An agenda for program design kick-off meeting(s) based on recommendations from end of pilot reports, **due by January 31, 2023.**
- Report on findings from pilots and cocreation process and URB input during pilots outlining recommendations for program design. Program design may be different based on building type, equipment and URB or market rate buildings, **due by January 31, 2023.**

CASR will provide:

- Updates on cocreation process through monthly reports and any end of project input gained.

Billable Method:

Hourly time of staff preparing documents and reports, presenting materials and meetings

Task 3

3.2 Design incentives from selected alternatives.

The goal of incentives for electrification projects is to reduce or eliminate the incremental cost burden of the extra expense of electrified heating equipment for buildings in the program. Thus, increasing adoption of heat pump technology and, over time, changing the marketplace for heat pumps. Incentive design is iterative; as the market shifts, new opportunities and challenges arise and the incentive design needs to be revisited.

Electrification incentives for easy-to-electrify systems (furnaces, roof top units, and individual water heaters) should be designed in early 2023. Electrification incentives for hard-to-electrify systems (packaged terminal air conditioner (PTAC), boilers, and central hot water systems) should be designed by the last half of 2024.

Michaels will provide:

- Final design including process guide, application process, approval requirements for all participants, vendor and building eligibility criteria, contractor management, and call center support documentation **Due by February 15, 2023.** Incentive design process needs to ensure half of all funds are for URBs and

1. Electrification program incentive applications
2. Electrification program process guide including project processing, contractor management, and call center support documentation
3. Website content
4. Invoice for staff time with hours called out by sub-task

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<p>facilitation services are provided to accomplish electrification projects.</p> <ul style="list-style-type: none"> • Web site content with all materials needed to apply and call center support. Due by February 15, 2023. <p>Billable Method:</p> <p>Hourly time of staff preparing applications, processes, documents, and website content.</p>	
Task 3	
<p>3.3 Produce communication and educational materials. Based on information gathered and documented during pilots, outreach education material will address benefits of electrification, how to apply, identify other programs such as Xcel rebates and how to gain additional facilitation services for those eligible.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> • Draft versions of materials including handouts and web materials. Paper materials will be translated to Spanish at a minimum, with additional languages needed determined by CASR. To be sent two weeks prior to launching any incentive program. • A plan for partnering with Community Based Organization or small and women owned businesses specifically for under-resourced buildings, due by March 28, 2023. <p>Billable Method: Hourly time of staff for preparing documents, web design and documenting progress.</p>	<ol style="list-style-type: none"> 1. Draft and final copies of all educational, informational, and communication materials 2. Plan for CBO outreach and coordination 3. Invoice for staff time with hours called out by sub-task
Task 3	
<p>3.4 Administer incentives. While the exact method and price points for incentives are not known at this time, we do know payments for increased costs over standard natural gas system are needed to find a broad spectrum of participation quickly.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> • Ability to manage and pay out between 250 and 500 incentives per year by April 1, 2022. • Invoicing 30 days prior to incentives estimated completion to ensure funds are transferred. • A separate escrow or account for all incentive funds. 	<ol style="list-style-type: none"> 1. Incentive payments to participants 2. Project tracking database 3. Monthly budget status reports to CASR separated out by 1) labor and expenses and 2) incentive funds 4. Monthly invoicing called out by sub-

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	<p>task, separate invoices for 1) labor and expenses and 2) incentive funds to be provided.</p>
<ul style="list-style-type: none"> • Monthly reporting on budgets, upcoming work and finished work. • Administration and tracking of ongoing incentives including application processing, distributing funds, reporting on each project (total costs of installs vs. gas system, costs by type (labor, design and materials)), estimated greenhouse gas reductions • Incentive tracking database with all aspects of administration captured and broken out by market rate and URB. <p>CASR will provide:</p> <ul style="list-style-type: none"> • Funding to be released 30 days after receiving invoices and any outstanding questions resolved <p>Billable Method:</p> <ul style="list-style-type: none"> • Michaels to invoice for projected incentives and place funds in escrow or separate account. • Michaels to invoice a one-time starting balance invoice for forecasted incentive funds needed for the first two months of program incentives to be placed in escrow or a separate account. • Michaels to invoice monthly for forecasted funds needed for the following month. • Michaels to reimburse CASR at the end of Task 3 for any unused incentive funds. • Direct costs of any staff time required for setting up call centers, databases, or other processes. • Time and materials costs for direct labor pass-through expenses for staffing and managing the call center, processing and reviewing electrification project incentive applications, and issuing electrification 	

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<p>project incentive payments.</p>	
<p>Task 3</p>	
<p>3.5 Facilitation and support for under-resourced buildings.</p> <p>Facilitation and support for under-resourced buildings is one of the most critical aspects of this project. URBs often do not have the expertise or time to evaluate and manage equipment upgrade projects. Facilitation services for URBs starts at outreach to these facility owners and their contractors and ensuring awareness of services and programs they are eligible to receive on their journey to installing clean heating equipment.</p> <p>Michaels will provide:</p> <ul style="list-style-type: none"> • Outreach plan for URBs to cover start to finish of the project with the following services: <ul style="list-style-type: none"> ○ Assisting owners and contractors to understand the program ○ Helping owners understand the impacts on their energy bills and any other non-energy benefits such as improved air quality ○ Recommending other services such as weatherization or utility demand response 	<ol style="list-style-type: none"> 1. Proactive outreach plan for under-resourced facilities and contractors 2. Contractor check-in plan 3. Menu of offerings available for Tier 2 and Tier 3 service levels 4. Reporting on support hours and dollars supplied to under-resourced facilities 5. Invoice for staff time with hours called out by sub-task 6. Invoice for CBO support with hours called out by sub-task

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<p>programs that can help minimize any negative impacts on energy bills.</p> <ul style="list-style-type: none"> • Developing high-level design specifications that facility owners can use for issuing bids • Helping review bids from contractors, educating owners on the differences between the options, and steering them towards the best fit for their needs. • Assisting with applying for incentives and other funding from Xcel Energy and other sources to help fund electrification projects. • Identify funding cycles and the best time to apply for funding and install equipment. • Help facilitate the design and installation process by connecting owners and contractors with solutions to the issues they are facing, acting as the point of contact for contractors, answering their technical questions. • Ensuring functional performance testing is performed on equipment installed to ensure it is functioning correctly and providing the most significant benefit to the participant. • Contractor check in plan to periodically verify progress of ongoing work and ensure projects are on track. • Ability to process funds to CBOs and external contractors performing services for URBs with separate facilitation account and invoicing 60 days prior to funds being distributed. <p>CASR will provide:</p> <ul style="list-style-type: none"> • Qualifying criteria for higher levels of services based on URB definitions and co-creation process. <p>Billable Method:</p> <ul style="list-style-type: none"> • Hourly time of staff for providing facilitation support to URBs. Costs for services rendered by local CBOs. • Michaels to invoice for projected facilitation funds and place funds in escrow or separate account. • Michaels to invoice a one-time starting balance invoice for forecasted facilitation funds needed for the first two months of program incentives to be placed in escrow or a separate account. • Michaels to invoice monthly for forecasted funds needed for the following month. <p>Michaels to reimburse CASR at the end of Task 3 for any unused facilitation funds.</p>	
Task 3	

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3.6 Performance monitoring and recommendations reporting.

Monitoring and evaluation are part of any successful program as they provide the opportunity to change process or products on at regular intervals. Monthly updates provide quick insights and keeps the team connected on issues and opportunities. Yearly reports help communicate broad successes and future opportunity to improve.

Michaels will:

- Create reporting templates for monthly reports by August 1, 2022.
- Provide monthly written reports and set up follow up meeting after the end of each month starting one month after first incentive program launches.
 - The monthly report, which should be an addition to the EFR incentive and pilot monthly reports while still applicable, should include: Number of incentives by type of system replaced/installed, building and URB or market rate, % of incentives delivered to URBs, estimated potential lifetime greenhouse gas reductions for market-rate and under-resourced buildings, recommendations for changes to the program, program materials, or program processes to better achieve the City's desired outcomes, Michaels teams' contract spend, activities completed and upcoming activities, and outstanding issues or foreseen challenges.
- Provide a yearly report and presentation in conjunction with Task 2 and Task 3 work products in January 2024 on 2023 program results. Focus will be on presenting lessons learned and qualitative and quantitative results.

Billable Method:

Hourly time of staff preparing documents and reports, presenting and meetings.

1. Monthly reports
2. Yearly presentations (including findings from our concurrent evaluation from ask 1 and Task 2.
3. Yearly reports (including findings from our concurrent evaluations

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The Stated schedule and timeline of activities may be altered or amended with written approval from the City's Project Manager. Michaels will be expected to communicate any modifications to affected subcontractors to accomplish the goal. The City's assigned Project Manager will be expected to communicate and modifications to affected City staff or City officials. Both Michaels and the City Project Manager will create a plan to communicate changes to affected participants and organizations.