



## PROGRAM GUIDE

Version 1, issued 7/11/16

### Overview

1. The American Lung Association in Michigan® (“Program Administrator”) is coordinating financial incentives for the Lower Peninsula of Michigan Woodstove Changeout Program (the “Program”). The Program will replace or retrofit inefficient, higher-polluting wood-burning or coal appliances with cleaner-burning, more energy-efficient heating appliances and technologies. The Program aims to minimize the effects of particulate matter air emissions as well as other air pollutants in the Lower Peninsula of Michigan. Additionally, the appliances that are replaced under the Program will be permanently removed from use and appropriately disposed of.
2. The Program will provide financial incentives to Program Participants (“Participants”) who replace or upgrade their inefficient, higher polluting wood or coal-burning stove or hydronic heater with cleaner-burning, more energy-efficient wood-burning or gas appliance replacements and retrofits through rebate vouchers. Additionally, for a limited number of income-qualified residential homeowners, rebate vouchers will be awarded for the full replacement costs. In addition, a wood moisture meter shall be provided to every Participant that receives a new wood-burning appliance or retrofits an existing wood-burning appliance.
3. The Program is being funded by Consumers Energy. Consumers Energy’s actions and expenditures for this Environmental Mitigation Project (EMP) are required by a Consent Decree, U.S. v Consumers Energy Company, Civil Action 14-13580, U.S. District Court for the Eastern District of Michigan.
4. The Program geographic area includes residents of the Lower Peninsula of Michigan with priority counties of Kent, Muskegon, Grand Traverse, and Genesee Counties. The priority area may be increased, depending on the response to the Program.
5. The Program Administrator will administer this program until \$850,000 Rebate Dollars expenditure has been achieved or until August 31, 2018, whichever occurs earlier.
6. The Program offers two types of incentives, a general residential rebate and an income qualified rebate. Income qualified participant incentives will be limited to 25% of the total rebate dollars.
7. The Program will follow a phased rollout:
  - Program Start Date:** August 8, 2016
  - Phase I:** Income Qualified Pilot Program (August 8 – October 31, 2016)\*
  - Phase II:** Burn Wise Awareness Campaign (October 1 – December 31, 2016)
  - Phase III:** Program Launch (January 1, 2017 – August 31, 2018)\*
  - Project Completion Date:** August 31, 2018\*

*\*Unless rebate dollars intended for each phase are spent before indicated dates.*
8. To qualify for the Program, the wood- or coal-burning appliance must be in regular use in a primary residence during the home-heating season or in a frequently used non-residential building (e.g., churches, greenhouses, schools). Preference shall be given to appliances that are a primary or significant source of heat. The application process must be conducted by the homeowner when applying to replace or retrofit an appliance in a primary residence. Tenants are not eligible to apply.
9. The Program is only offered through qualifying retailers who agree to the terms and conditions of the Program and have executed a Participating Retailer Agreement with the Program Administrator (“Retailers.”)

## Program Requirements

1. Installations must be within the Lower Peninsula of Michigan.
2. The wood-burning appliance being replaced must be a non-EPA certified or non-qualified appliance.
3. The replacement or upgrade appliances include:
  - a. Catalyst retrofit / replacement
  - b. EPA Certified Energy Efficient Wood Stove / Wood Stove Insert or Gas Stove Insert
  - c. EPA Certified Wood-Pellet Stove or new Energy Efficient gas stove
  - d. EPA Certified Hydronic Heater or new Energy Efficient gas furnace or boiler
4. Participants must surrender their old appliances to be rendered inoperable through permanent removal and proper disposal by the Retailer.
5. New appliances must be installed by a professional holding a Michigan Mechanical Contractor License or certification from the National Fireplace Institute® (NFI) or the Chimney Safety Institute of America (CSIA). Installations and upgrades must be done in accordance with all applicable state, county or local municipal codes/ordinances and manufacturer installation instructions.
6. All Participants must receive information from Retailers related to the proper operation of their new appliance and the benefits of proper operation including, if applicable, the importance of burning dry seasoned wood.
7. All Participants who receive replacements/retrofits of wood-burning appliances will be provided a wood moisture meter.

## General Residential Rebate

1. The General Residential Rebate incentive provides households with a rebate voucher to replace or upgrade inefficient, higher-polluting wood- or coal-burning appliances with cleaner-burning, more energy-efficient heating appliances and technologies. This can be done by:
  - a. Retrofitting older hydronic heaters to meet EPA Phase II hydronic heater standards;
  - b. Replacing older hydronic heaters with EPA Phase II hydronic heaters, or with EPA-certified wood stoves, other cleaner-burning, more energy-efficient hearth appliances (e.g., wood pellet, natural gas, or propane appliances), or EPA Energy Star qualified heating appliances;
  - c. Replacing non-EPA-certified wood stoves with EPA-certified wood stoves or cleaner-burning, more energy-efficient hearth appliances;
  - d. Replacing or retrofitting wood-burning fireplaces with EPA Phase II qualified retrofit devices or cleaner-burning natural gas fireplaces.
2. Participants must surrender their old wood or coal-burning appliances for recycling or disposal and Retailers must provide documentation that the old appliances have been rendered inoperable.
3. The incentives for General Residential Participants are as follows:

	Type of Qualifying Appliance for General Residential	Incentive Value
1	Catalyst retrofit / replacement	Up to \$300
2	EPA-certified wood stove or wood-stove insert or gas stove insert*	Up to \$1,000
3	EPA-certified wood-pellet stove or new gas stove	Up to \$2,000
4	EPA-certified hydronic heater or new Energy Efficient gas furnace or boiler	Up to \$4,000

*\*Subject to clarification*

## Income Qualified Residential Rebate

1. The Income Qualified Residential Rebate incentive provided in chart below will apply to full replacement costs, including labor costs, associated with replacing or retrofitting inefficient, higher-polluting wood- or coal-burning appliances with cleaner-burning, more energy-efficient heating appliances and technologies. This can be done by:
  - a. Retrofitting older hydronic heaters to meet EPA Phase II hydronic heater standards;

- b. Replacing older hydronic heaters with EPA Phase II hydronic heaters, or with EPA-certified wood stoves, other cleaner-burning, more energy-efficient hearth appliances (e.g., wood pellet, gas, or propane appliances), or EPA Energy Star qualified heating appliances;
  - c. Replacing non-EPA-certified wood stoves with EPA-certified wood stoves or cleaner-burning, more energy-efficient hearth appliances;
  - d. Replacing or retrofitting wood-burning fireplaces with EPA Phase II qualified retrofit devices or cleaner-burning natural gas fireplaces.
2. To receive full replacement costs as an Income Qualified Program Participant, applicants must provide documentation showing that they are at or below the current federal poverty guidelines or are currently participating in one of the following programs:
- a. Supplemental Nutrition Assistance Program (SNAP)
  - b. Medicaid
  - c. Women, Infants and Children (WIC) Program, and/or
  - d. Low Income Home Energy Assistance Program (LIHEAP)
3. Participants must surrender their old wood- or coal-burning appliance for recycling or disposal and Retailers must provide documentation that the old appliances have been rendered inoperable.
4. The incentives for income qualified homeowners are as follows:

Type of Qualifying Appliance for Income Qualified Residential		Incentive Value
1	EPA-certified wood stove, wood-pellet stove or new Energy Efficient gas stove*	Up to \$3,000
2	EPA-certified hydronic heater or new Energy Efficient gas furnace or boiler	Up to \$10,000

\*Subject to clarification

## Rebate Voucher Application Process

### 1. General Residential Rebate Vouchers

- a. Applicants in the General Residential Rebate process (“General Applicants”) will work directly with approved Retailers to identify qualifying equipment and apply for a rebate voucher by completing a **Participant Application Form**.
- b. Retailer shall provide all General Applicants and the Program Administrator an itemized **least cost estimate** to replace and install a new appliance which, using their best professional judgment, is sized appropriately for the heating requirements, complies with industry safety standards, and meets all other requirements of the Program. Costs for appliances and installation in excess of the **least cost estimate** shall be quoted separately or itemized as optional.
- c. Retailer shall attest that the **least cost estimate** quoted is least cost and meets the minimum requirements of the Program and industry standards for appliances, materials and installation techniques. Furthermore, the Retailer’s quote should not represent a profit margin exceeding the Retailer’s then-current profit margin for non-incentive sales.
- d. Retailers will verify by an in-house inspection conducted prior to installation that the General Applicant has a non-EPA certified wood- or coal-burning appliance and forward photo documentation to the Program Administrator.
- e. Retailers will submit completed **Participant Application Form**, the itemized least cost estimate, and photos of existing appliance to the Program Administrator for review and approval.
- f. Within five business days, the Program Administrator will notify the Retailer and General Applicant if application has been approved and confirm the rebate voucher amount. The five-business-day timeframe may not be honored if applications are submitted outside of the appropriate phase of the program (i.e., if a General Residential Rebate Application is submitted before January 1, 2017).
- g. General Applicants who are approved, henceforth called Participants, will then confirm their participation with the Retailer in order to reserve the applicable voucher by purchasing a qualifying appliance as recommended by the Retailer at the rebated price and by scheduling installation.
- h. Participants must purchase and schedule installation of their qualifying appliance by the expiration date (30 days from issuance) of the voucher. If the Participant does not purchase and schedule

installation of the qualifying appliance by the expiration date, the voucher reservation will be cancelled and the Participant will be required to contact a Retailer to restart the process for a new rebate voucher. There will be no guarantee that a new rebate voucher will be available if all program funds have already been encumbered.

- i. Retailers shall work directly with Program Administrator to receive payments associated with the General Residential Rebate Voucher by following steps in the **Voucher Reimbursement Form**. These steps include, but are not limited to, installation of new appliance, customer education on proper use and maintenance, and disposal of old appliance.
- j. The Program Administrator will forward reimbursement to Retailer within 14 days of receipt of the completed **Voucher Reimbursement Form**.

## 2. Income Qualified Residential Rebate Vouchers

- a. Applicants in the Income Qualified Residential Rebate process (“Income Qualified Applicants”) will work directly with approved Retailers to identify qualifying equipment and apply for a rebate voucher by completing a **Participant Application Form**.
- b. To receive full replacement costs as an Income Qualified Program Participant, Income Qualified Applicants must meet criteria detailed above.
- c. Retailer shall provide all Income Qualified Applicants and the Program Administrator an itemized **least cost estimate** to replace and install a new appliance which, using their best professional judgment, is sized appropriately for the heating requirements, complies with industry safety standards, and meets all other requirements of the Program. Costs for appliances and installation in excess of the **least cost estimate** shall be quoted separately or itemized as optional.
- d. Retailer shall attest that the **least cost estimate** quoted is least cost and meets the minimum requirements of the Program and industry standards for appliances, materials and installation techniques. Furthermore, the Retailer’s quote should not represent a profit margin exceeding the Retailer’s then-current profit margin for non-incentive sales.
- e. Retailers will verify by an in-house inspection conducted prior to installation that the Income Qualified Applicant has a non-EPA certified wood or coal hearth appliance and forward photo documentation to the Program Administrator.
- f. Retailers will submit completed **Participant Application Form**, the itemized least cost estimate, and photos of existing appliance to the Program Administrator for review and approval.
- g. Within five business days, the Program Administrator will notify the Retailer and Income Qualified Applicant if application has been approved and confirm the rebate voucher amount.
- h. Income Qualified Applicants who are approved, henceforth Income Qualified Participants, will then confirm their participation with the Retailer in order to reserve the applicable voucher by selecting a qualifying appliance as recommended by the Retailer and by scheduling installation. Full replacement costs within the allotted incentive values for Income Qualified Participants should cover selected appliance and installation.
- i. Income Qualified Participants must select and schedule installation of their qualifying appliance by the expiration date (30 days from issuance) of the voucher. If the Income Qualified Participant does not select and schedule the installation of the qualifying appliance by the expiration date, the voucher reservation will be cancelled and the Income Qualified Participant will be required to contact a Retailer to restart the process for a new rebate voucher. There will be no guarantee that a new rebate voucher will be available if all program funds have already been encumbered.
- j. Retailers shall work directly with Program Administrator to receive payments associated with the Income Qualified Residential Rebate Voucher by following steps in the **Voucher Reimbursement Form**. These steps include, but are not limited to, installation of new appliance, customer education on proper use and maintenance, and disposal of old appliance.
- k. The Program Administrator will forward reimbursement to Retailer within 14 days of receipt of the completed **Voucher Reimbursement Form**.

## Participating Retailer (“Retailer”) Requirements

Retailers must:

1. Receive approval to participate in Program from the Program Administrator by attending a Participating Retailer Training Session and submitting the following documentation:
  - a. Participating Retailer Agreement Form
  - b. Proof of insurance
  - c. W-9
  - d. Proof of professional certification
2. Maintain adequate insurance as required pursuant to **Attachment A** to the **Participating Retailer Agreement Form**.
3. Promote the Program according to the Program details. This includes a marketing embargo on the Program until January 1, 2017.
4. Submit all marketing and promotional materials to the Program Administrator for approval prior to publication. The Program Administrator name and logos are official trademarks. The use of these logos is reserved for official publications or other approved publications. Use of these logos without prior approval is prohibited.
5. Not use the Consumers Energy name and/or logo in any promotional items or other publications pertaining to the Program.
6. Not refuse to do business with a potential participant based on income status.
7. Submit photo documentation that the wood- or coal-burning appliance that is being replaced is a non-EPA certified appliance and that the new appliance complies with all program requirements.
8. Provide all applicants and the Program Administrator an itemized least cost estimate to replace and install a new appliance which, using their best professional judgment, is sized appropriately for the heating requirements, complies with industry safety standards, and meets all other requirements of the Program. Costs for appliances and installation in excess of the least cost estimate shall be quoted separately or itemized as optional.
9. Ensure that all appliances installed under the Program meet the requirements included in this Program Guide and be installed in accordance with all applicable state, county or local municipal codes/ordinances and manufacturer installation instructions.
10. Not initiate a transaction for new appliance and/or removal of old appliance under this Program until explicit approval has been given by the Program Administrator in the form of a **Voucher Approval Form**.
11. Document that the old appliance is removed from the premise and properly disposed
12. Provide all Participants under this program with information related to the proper operation of their new appliance and the benefits of the proper operation (e.g., lower emissions, better efficiency), including, if applicable, the importance of burning dry seasoned wood.
13. Provide a wood moisture meter for all replacements / retrofits of wood-burning appliances as provided by the Program Administrator.
14. Agree that failure to comply with the guidelines will result in removal from the list of Participating Retailers.
15. Submit the **Voucher Reimbursement Form** to Program Administrator to receive payment within 14 days of installation of new appliance, including but not limited to a receipt/invoice showing retailer and manufacturer discounts, if applicable, as well as incentive applied, if applicable; information on the newly installed wood burning appliance including type, manufacturer, and model; signed verification by the retailer that the old appliance was properly disposed of; and color photos of the old hearth appliance and the newly installed appliance.

## EPA Certified Wood Stoves and EPA Qualified Hydronic Heaters

To review qualifying appliances, please visit <https://www.epa.gov/burnwise/burn-wise-types-appliances>.