Santa Barbara Clean Energy
FY 27 Home Electrification Accelerator Program
Guidelines and Terms & Conditions

1. Program Description

The Home Electrification Accelerator Program (HEAP) provides residents of Santa Barbara who are SBCE customers and contractors with incentives for switching out gas appliances with clean all-electric versions, permit streamlining and fee waivers, and targeted resources and services to make home electrification easier, faster, and more affordable.

2. Program Term

2.1. The program will accept applications between July 1, 2026, and June 30, 2027, or until funding is fully subscribed.

2.2. Incentives will only be provided for equipment purchased and installed between July 1, 2026, and June 30, 2027.

3. Program Incentives and Incentive Limits

3.1. Incentives are available for the following upgrade measures:

3.1.1. Heat Pump Water Heaters (HPWH)

3.1.2. Heat Pump Heating, Ventilation, and Air Conditioning (HP HVAC)

3.1.3. Associated Electrical Work

3.2. Incentives are available on a first-come, first-served basis based on application submittal date while program funds are available.

3.3. One (1) HPWH incentive per electric account per fiscal year.

3.4. One (1) HP HVAC incentive per electric account per fiscal year.

3.5. One (1) Associated Electrical Work incentive per electric account per fiscal year.

4. Program Guidelines

4.1. Applicant and Property Eligibility

4.1.1. All eligible applicants must be active customers of SBCE with an account in good standing.

4.1.2. Applicants must continue to receive SBCE's generation service at the location where the upgrades will be installed for a minimum of 5 (five) years from the date of installation.

4.1.3. An opted-out customer may re-enroll in SBCE to participate in its programs. By re-enrolling and applying for SBCE programs, customers agree to remain enrolled in SBCE service for five (5) years.

4.1.4. Applicants must be owners of 1 and 2-unit (duplex) residential buildings (including individual townhomes, Accessory Dwelling Units, and mobile/manufactured homes) who are purchasing and installing HPWHs and/or HP HVAC systems at a residence served by SBCE.

4.1.4.1. Single family rental property tenants may participate but property owner must be the applicant unless exemption by SBCE is granted.

4.1.4.2. Mobile/manufactured homes must be individually metered. * Note that mobile/manufactured homes are NOT required to obtain permits from the City of Santa Barbara.

4.2. Income Qualified Applicant Eligibility

4.2.1. To qualify, applicants must meet one of the following two criteria:

4.2.1.1. Active enrollment in California for Alternate Rates for Energy Program (CARE) or Family Electric Rate Assistance Program (FERA).

4.2.1.2. Proof of Qualifying Income.

4.2.2. To verify enrollment in CARE or FERA, applicants must indicate enrollment status. SBCE staff will confirm enrollment in customer account records.

4.2.3. To provide proof of qualifying income, applicants can submit:

4.2.3.1. Redacted copy of the most recent Federal Income Tax Return, showing adjusted income documented on Form 1040, Line 11.

4.2.3.2. Redacted copy of the most recent Award or Notice OR Copy of Checks

from the Federal Social Security Administration.

Contents of submitted proof of income will determine eligibility for income qualified incentives based on the household income limits shown below in Table 1.

Table 1: Maximum Annual Household Income to meet Income Qualified Incentive Requirement

Number Of Persons in Household	Maximum Income*
1	**$102,000**
2	**$116,600**
3	**$131,150**
4	**$145,700**
5	**$157,400**
6	**$169,050**
7	**$180,700**
8	**$192,350**

*Income guidelines are based on the California Department of Housing and Community Development's State Income Limits for "Low-Income" households for Santa Barbara County (2026). "Low-Income" limits are equivalent to less than 80% Area Median Income.

4.3. Measure Eligibility

4.3.1. Eligibility for all measures is shown below in Table 2.

Table 2: Eligibility for Upgrade Measures

Measure	Eligibility
All Measures	1. Purchases and installation of equipment/appliances must be made and completed between July 1, 2026, and June 30, 2027. 2. Incentive amounts, including those from other incentive programs, can't exceed total project costs. 3. Incentives will only be issued if applicants and upgrade measures meet all eligibility requirements.

HPWH Purchase and Installation	1. Must replace an existing electric resistance tank or tankless water heater OR a gas or propane tank or tankless water heater. New construction projects are not eligible. 2. All electric HPWHs qualify, regardless of amperage, voltage, configuration (unitary or split), efficiency rating, or tank size. 3. Proof of decommissioned old equipment and installed new equipment is required. 4. Proof of permitting is required in accordance with the local building permit process, as required by the California Building Standards Code and local ordinance.
HP HVAC Purchase and Installation	1. Must replace an existing electric resistance or gas heater/furnace. 2. All fully electric HP HVAC systems qualify, regardless of types and configuration (packaged/split, ducted/ductless, single/multi-zoned), amperage, tonnage, or efficiency rating. Duel-fuel systems with gas heat as backup do not qualify. 3. Proof of decommissioned old equipment and installed new equipment is required. 4. Proof of permitting is required in accordance with the local building permit process, as required by the California Building Standards Code and local ordinance.
Associated Electrical Work	1. May include any electrical materials and labor that occur in anticipation of (pre-wiring) or during installation of HPWH and/or HP HVAC system – circuits, receptacles, J-boxes, conduit, circuit splitters, circuit pausers, sub-panels, smart panels, electrical service panel upgrades and replacements, or similar equipment as approved by SBCE. 2. Must support the installation of HPWH and/or HP HVAC system and be applied for at same time as the HPWH and/or HP HVAC Incentive.

	3. Proof of installed new electrical equipment and/or materials is required. 4. Dedicated circuits must be for HPWH and wired to the source. 5. Proof of permitting is required in accordance with the local building permit process, as required by the California Building Standards Code and local ordinance.

5. Project Verification

Documentation required to verify the installation and completion of upgrades is shown below in Table 3.

Table 3: Required Upgrade Documentation

Measure	Required Items for Application
HPWH Purchase and Installation	1. Contractor invoice including itemization of all time and/or material costs that occurred. Must show total installed cost of each upgrade separately. If the project is self-installed by customers, receipts for the equipment and any materials used in the installation may be submitted. 2. Photos of original equipment decommissioning (capped gas line or removed equipment) AND newly installed HPWH. 3. Copy of Inspection Summary indicating final approval has been issued and project status is "Complete" in accordance with the local building permit process, and as required by California Building Standards Code and local ordinance. 4. Contractor information (if installed by a plumber or general contractor). 5. **For Income Qualifying Residents not enrolled in CARE/FERA** – a redacted copy of the applicant's most recent federal income tax return (Form 1040 or Form 1099).
	1. Contractor invoice including itemization of all time and/or material

HP HVAC Purchase and Installation	costs that occurred. Must show total installed cost of each upgrade separately. If the project is self-installed by customers, receipts for the equipment and any materials used in the installation may be submitted. 2. Photos of original equipment decommissioning (capped gas line or removed equipment) AND newly installed HP HVAC system. 3. Copy of Inspection Summary indicating final approval has been issued and project status is "Complete" in accordance with the local building permit process, and as required by California Building Standards Code and local ordinance. 4. Contractor information (if installed by an HVAC technical or general contractor). 5. **For Income Qualifying Residents not enrolled in CARE/FERA** – a redacted copy of the applicant's most recent federal income tax return (Form 1040 or Form 1099).
Associated Electrical Work	1. Contractor invoice including itemization of all time and/or material costs that occurred in anticipation of (pre-wiring) or during installation of HPWH and/or HP HVAC system. Must show total installed cost of each upgrade separately. If the project is self-installed by customers, receipts for the equipment and any materials used in the installation may be submitted. 2. Photo(s) of newly installed/completed Associated Electrical Work (e.g. 240V receptacle, inside of new panel, etc.) 3. Contractor information (if installed by an electrician or general contractor). 4. Copy of Inspection Summary indicating final approval has been issued and project status is "Complete" in accordance with the local building permit process, and as required by California Building Standards Code and local ordinance.

	5. **For Income Qualifying Residents <u>not</u> enrolled in CARE/FERA** - a redacted copy of the applicant's most recent federal income tax return (Form 1040 or Form 1099).

6. Terms and Conditions

6.1. Applicants must be an active SBCE customer and the location where the upgrades will be installed must be associated with an active SBCE account in good standing.

6.2. Applicants must own the home where the upgrades will be installed.

6.3. The location where the upgrades will be installed must be a single-unit home, duplex, accessory dwelling unit, or mobile or manufactured home.

6.4. Reservations for incentives must be made prior to the installation of upgrades.

6.5. Purchases and installation of upgrades must be made and completed after July 1, 2026, or date when reservation number was received.

6.6. Incentive reservations are active for 120 days. Upgrades that have not been completed within that timeframe may no longer be eligible for an incentive.

6.7. Incentives are available on a first-come, first-served basis based on application submittal date and while program funds are available.

6.8. Incentives may be considered income and may be taxable. SBCE is not responsible for any tax liability or determining whether tax liability exists.

6.9. Incentive amounts, including those from other incentive programs, can't exceed total project costs.

6.10. Applicants requesting increased incentive levels based on income must provide verification of enrollment in CARE/FERA or qualifying income.

6.11. Applicants must upload a bid from their selected contractor to reserve an incentive. If an upgrade is self-installed, documentation of pricing for materials is required.

6.12. HPWHs must replace an existing electric resistance tank or tankless water heater OR a gas or propane tank or tankless water heater.

6.13. HP HVAC systems must replace an existing electric resistance or gas furnace.

6.14. Incentives for associated electrical work are only available for time and material costs incurred in direct support of the installation of HPWH and/or HP HVAC system. Dedicated circuits must be for a HPWH and/or HP HVAC system and wired to the source.

6.15. Upgrades must be permitted and comply with all applicable codes. Applicants must provide verification of approved and completed inspection to claim an incentive.

6.16. Applicants must provide copies of itemized invoice(s) and verification of installed new upgrades AND decommissioned old equipment to claim an incentive.

6.17. Applicants must continue to receive SBCE's generation service at the location where the upgrades will be installed for a minimum of 5 (five) years from the date of installation.

6.18. An opted-out customer may re-enroll in SBCE to participate in its programs. By re-enrolling and participating in SBCE incentive programs, customers agree to remain enrolled with SBCE for a minimum of five years.

6.19. Applicants may be contacted to participate in surveys, testimonials or interviews, provide or allow photos or videos to be taken, or contribute to other Program related marketing and promotional activities.

6.20. SBCE may enroll equipment that receives an incentive award under this Program in future demand response and/or load shaping programs implemented by SBCE. Future programs will not incur any additional costs or expenses to the Applicant and Applicant will be provided with an opportunity to opt-out before any future program is implemented.

6.21. SBCE or its authorized representatives may access data records to evaluate and measure the efficacy of the Program. Data may pertain to electricity consumption, billing, permitting, demography, and cost and process of installation. All data will be held confidentially and will be used for Program operation and analysis purposes only.

6.22. SBCE makes no representations or warranties, and assumes no liability with respect to the quality, safety, performance, or any other aspect of the equipment purchased and installed with an incentive award pursuant to this agreement and

expressly disclaims any such representation, warranty, or liability.