

# TRAVERSE ELECTRIC COOPERATIVE, INC.

**Wheaton, Minnesota**

## **BOARD POLICY NO. 307**

### **Energy Efficiency, Conservation, Loans, and Rebate Programs**

#### **I. OBJECTIVE**

To establish an energy efficiency and conservation program with incentives that will encourage members of Traverse Electric to purchase and install Energy Star appliances, heating systems, lights, motors, and crop drying equipment.

#### **II. ELECTRIC HEATING SYSTEMS-RESIDENTIAL (Single family, Condos, Townhomes, and Duplexes)**

- A. Traverse Electric will offer incentives and loans to install high efficient heating equipment in unattached single family homes.
  - 1). Must be 2 ton or larger electric heat pump.
  - 2). Must be new equipment.
  - 3). The heat pump (outside unit only) must meet the DOE manufacturing standard for HSPF efficiency. (For 2024 the DOE standard is HSPF = or >8.8, or HSPF2= or > 7.5.)
  - 4). Only one electric heating incentive payment will be paid per structure every ten (10) years.
  - 5). Electric Heat Incentive levels are:

East River Rebate	Traverse Electric Rebate	Total
\$400	\$200	\$600

- 6). Condos, townhomes, and duplexes will be considered as individual units if each living unit has its own heating system and meets the minimum qualifications above or the size of the building's system divided by the number of living units meets the qualifications above.
- B. In conjunction with East River's marketing program, Traverse Electric will loan up to \$10,000 to eligible members/consumers for the following:

- 1). Heating equipment, heat pumps and geothermal systems
- 2). Wiring costs
- 3). Duct work

### III. Ductless Air Source Heat Pumps (Mini-Splits):

- 1). Equipment must be new, under 2 tons and electrical ductless equipment.
- 2). The equipment must meet the DOE manufacturing standard for HSPF efficiency.  
(For 2024 the DOE standard is HSPF = or >8.8, or HSPF2= or > 7.5.)
- 3). Only one ductless electric heating (Mini-Split) incentive payment will be paid per structure every 10 years. A member may apply for and receive both a residential electric heating rebate and a ductless rebate in the same structure within 10 years as long as the rebates cover separate pieces of equipment.
- 4). Condos, townhomes and duplexes will be considered as individual units if each living unit has its own heating system and meets the minimum qualifications above.
- 5). Electric Heat Incentive levels are:

East River Rebate	Traverse Electric Rebate	Total
\$150	\$150	\$300

### IV. ENERGY STAR APPLIANCE POLICY

Traverse Electric offers rebate only on appliances that are replacing existing appliances.

- A). Rebate payments will be processed upon proof of disposal of the old appliance for refrigerators and freezers.
- B). Only new Energy Star appliances will qualify for the rebate.
- C). Payment will be processed from purchase receipts.
- D). Seasonal accounts and farm shops do not qualify for this program.
- E). Only one rebate per appliance will be paid on each location.

F). Energy Star Appliance rebate levels are:

	East River Rebate	Traverse Electric Rebate	Total
Refrigerators	\$0	\$50	\$50
Freezers	\$0	\$50	\$50
Dish Washers	\$0	\$25	\$25
Clothes Washers	\$0	\$25	\$25
Clothes Dryers	\$0	\$25	\$25

## V. ENERGY EFFICIENT LIGHTING INCENTIVES

Traverse Electric will offer incentives for the replacement of inefficient lighting systems in nonresidential settings.

- A). The Member Services person will verify that new lights were installed.
- B). The maximum incentive payment allowed is \$1000 per structure (\$500 from East River & \$500 from Traverse Electric).
- C). The incentives will be calculated based on the total watts reduced. The incentive is 20 cents per watt reduction (10 cents from East River and 10 cents from Traverse Electric).

## VI. APARTMENT, COMMERCIAL, AGRICULTURAL, INSTITUTIONAL AND INDUSTRIAL ELECTRIC INCENTIVES

Traverse Electric will offer the following incentives to address the needs of non-residential accounts: Apartment, Commercial, Institutional and Industrial Buildings.

- A). Electric Heating Systems:
  - 1. Resistance: \$20 (\$10 from East River, \$10 from Traverse Electric) per kW up to a max of 600 kW
  - 2. Electric Heat Pump: \$50 per ton of heating capacity
- B). Natural Air and Electric Crop Drying: A 6% interest rate loan for costs associated with installation of natural air or electric crop drying equipment.
- C). Commercial/Industrial Process Equipment: A 6% interest loan for the cost of new electric equipment used to meet the process requirements of commercial and industrial customers. All applications under this section will require consultation and pre-approval from East River.
- E). Third-Party Irrigation Management Systems: A one-time rebate of \$1,500 (\$1,000

from East River, \$500 from Traverse Electric) will be paid per device for a third-party remote managed irrigation system provided that it meets the following minimum requirements:

1. New system eliminates the need for an East River load control receiver (irrigation controller).
2. Ability to ingest automated notice from East River of shed and restore via email, text, or voice.
3. Provide less than 15-minute latency from East River email to load shed/restore.
4. Provide Traverse Electric notice of customer bypass.
5. If a consumer who received a rebate discontinues third-party control within five years and requests an East River control be re-installed, the consumer is required to pay for a new East River receiver up to \$500.

F). Third-Party Grain Dryer Management Systems: Traverse Electric will pay a onetime \$1,500 (\$1,000 from East River and \$500 from Traverse Electric) rebate per device for a third-party remote managed Grain Dryer Management system provided that it meets the following minimum requirements:

1. New system eliminates the need for an East River load control receiver.
2. Ability to ingest automated notice from East River of shed and restore via email, text, or voice.
3. Provide less than 15-minute latency from East River email to load shed/restore.
4. Provide distribution cooperative notice of customer bypass.
5. If a consumer who received a rebate discontinues third-party control within five years and requests an East River control be reinstalled, the consumer is required to pay for a new East River receiver up to \$500.

This rebate will expire on December 31, 2021 unless approved to continue by the East River Communications and Marketing committee. Retroactive rebates are up to the discretion of Traverse Electric.

## VII: ENERGY AUDIT INCENTIVES

- A). Traverse Electric will perform energy audits for the members at a cost of \$50.
- B). The energy audit shall provide a list of recommended energy efficiency improvements with estimated paybacks of 10 years or less.
- C). East River will provide rebates of 10% of the cost of energy improvements, up to \$500. This rebate is only to homes that have had an energy audit and only one rebate payment will be made per structure.

D). 6% interest rate loans will be available for weatherization and energy efficiency improvements that are recommended in the energy audit per Policy 303. Traverse Electric employees are eligible for loans (but no rebates) under this program.

VIII. Loans for Heating Equipment, Natural Air and Electric Grain Drying Equipment, and Commercial/Industrial Process Equipment:

- A. All loans will carry an interest rate of six percent (6%) per annum and will be amortized for 84 months. The maximum loan amount is \$10,000.
- B. A late payment charge of 18 percent (18%) APR of the payment not to exceed \$3.00 will be assessed to any member-consumer who fails to pay a loan installment by the due date.
- C. Credit Requirement
  1. Prior to ERC loan approval the Cooperative will determine credit worthiness of the consumer using a soft credit check. If the credit check is positive the consumer may borrow up to 75% of the total up to the maximum loan amount allowed. If the credit check is negative, the consumer may borrow up to 50% of the project cost up the maximum loan amount allowed.
  2. Consumer must have a good payment history with Traverse Electric for the previous 12 months.
  3. Execution of Promissory Note: Member-consumer will be required to execute a promissory note to formalize the financial obligation with the Cooperative.
  4. A material falsification of information on the credit application by the member-consumer will constitute grounds for loan denial or cause a previously funded loan to be in default condition and render all principal and interest then owing to become due and payable in full.
- D. The consumer will make payments to the Cooperative for the ERC loan on and with the bill for the consumers' monthly energy bill.
- E. The General Manager will be responsible for approving loan requests per the provisions of this policy.

IX.

- A. The General Manager and department heads are responsible for the administration of this policy.
- B. The Board of Directors is responsible for any changes in or revisions of this policy and for review of loans approved.

Date Adopted: 12-02-86

Date Reviewed: 12-31-07

Date Reviewed: 02-22-10  
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Date Revised: 07-23-19  
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Date Revised: 12-28-21  
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Date Revised: 10-31-23  
Date Revised: 12-22-23  
Date Revised: 12-30-25

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Matthew Glynn, Secretary