

**CITY COUNCIL AGENDA TOPIC**

Resolution authorizing a contract between the City of Bellevue and Gensco to administer rebates and provide community discounts on heat pumps for Energy Smart Eastside (ESE) and to authorize reimbursement of ESE rebates in an amount not to exceed \$1,153,000.

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*Community Development*

**EXECUTIVE SUMMARY****ACTION**

This resolution authorizes a contract between the City of Bellevue and Gensco to administer rebates for ESE at no cost, and to authorize reimbursement of ESE rebates in an amount not to exceed \$1,153,000.

**RECOMMENDATION**

Move to adopt Resolution No. 10481

**BACKGROUND/ANALYSIS**

ESE is a residential energy efficiency program administered by the City of Bellevue on behalf of the Eastside Climate Partnership cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond, and Sammamish. ESE issues heat pump rebates to residents in partner cities through a “distributor model,” whereby a local HVAC distributor manages rebate administration and related services in exchange for leads. Residents of partner cities benefit from the arrangement by receiving access to a qualified and trained heat pump installer network, access to community discounts in the form of a rebate that is split between the distributor and the installer, and the ability to receive their ESE rebate at point of sale with no additional paperwork.

Gensco was selected through a competitive process to serve as one of two distributors to administer heat pump rebates on behalf of ESE. The contract will enable the program to offer rebates on Mitsubishi heat pumps. Gensco will also offer a \$1,000 community discount to residents of the ESE partner cities. The community discount on heat pumps is at no cost to the program cities.

The heat pump reimbursement limit for each distributor is not to exceed the total program funding of \$1,153,000, collectively. The contract administrator for the City of Bellevue will monitor total reimbursement spend-down with each vendor on a bi-weekly basis.

Gensco has over 10 years of experience managing efficiency rebate programs. Most recently, they managed rebates for ESE through a competitive contract with the City of Issaquah, and they hold similar contracts with the City of Seattle Clean Heat Program, the City of Shoreline, Avista, Puget Sound Energy, and Snohomish County Public Utility District.

## POLICY & FISCAL IMPACTS

### Policy Impact

The Resolution supports the following actions in the Sustainable Bellevue Plan.

- C.1.4: **Climate equity.** Prioritize climate mitigation and adaptation investments in historically underserved and underrepresented communities.
- C.1.7: **Climate outreach and education.** Develop a climate outreach and education campaign or program to support ongoing community engagement.
- E.2.2: **Home energy retrofit program.** Develop a home energy retrofit program to support retrofits and incentivize energy efficiency.
- E.2.3: **Equitable access to energy programs.** Improve access to energy efficiency programs for low-income and historically underserved and underrepresented populations.

### Fiscal Impact

Rebate administration services will be provided to ESE at no cost to the program. Rebates offered by ESE are funded by the following previously appropriated sources. No new funding is being requested as part of this resolution. The budget below represents the total available rebates which may be distributed by all vendors providing heat pump reimbursement services to ESE.

Funder	Amount
City of Bellevue – Energy Smart Eastside Program 2025-2026 Budget	\$105,000
Eastside Climate Partnership – Energy Smart Eastside Program 2025-2026 Budget	\$108,000
Washington State Department of Commerce Home Electrification and Appliance Rebates Program( HEAR )Grant	\$792,000
Washington State Department of Commerce Building Electrification Grant	\$148,000
<b>Sub Total by Funding Source</b>	<b>\$1,153,000</b>

## **OPTIONS**

1. Adopt the Resolution authorizing a contract between the City of Bellevue and Gensco to administer rebates and provide community discounts on heat pumps for Energy Smart Eastside (ESE) and to authorize reimbursement of ESE rebates in an amount not to exceed \$1,153,000.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS**

Proposed Resolution No. 10481

## **AVAILABLE IN COUNCIL LIBRARY**

Gensco Professional Services Agreement

Department of Commerce Building Electrification Funding Agreement

Department of Commerce Home Energy Appliance Rebate (HEAR) Funding Agreement

Eastside Climate Partnership Interlocal Agreement

Sustainable Bellevue Plan