

CITY COUNCIL AGENDA TOPIC

Resolution authorizing a contract between the City of Bellevue and Airefco Powered by Ferguson 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.

Emil King, Department Director, 452-7223

Thara Johnson, Planning Director, 452-4087

Sarah Phillips, Energy Smart Eastside Program Manager, 452-5362

Community Development

EXECUTIVE SUMMARY**ACTION**

This resolution authorizes a contract between the City of Bellevue and Airefco Powered by Ferguson 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. 10482

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 at no cost to the program 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 Energy Smart Eastside rebate at point of sale with no additional paperwork.

Airefco Powered by Ferguson 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 Bryant and Carrier heat pumps in addition to the Mitsubishi heat pumps currently being offered through the program’s contract with Gensco, thereby increasing choices and introducing cost competitiveness for the community. Additionally, the relationship with Airefco Powered by Ferguson will enable several large heat pump installers on the Eastside to participate in the program for the first time, which will extend program reach.

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.

Airefco Powered by Ferguson will offer a \$1,000 community discount on heat pumps to residents of the ESE partner cities. The community discount is at no cost to the program cities.

Airefco Powered by Ferguson manages similar rebate programs for Avista Power and Puget Sound

Energy and has had state, local, and utility contracts related to supporting energy efficiency programs at Seattle City Light, Electrify Oregon (Cities of Salem, Corvallis, Bend, Ashland, Lake Oswego, and Portland), Coos Bay, Jackson County, and Oregon Department of Energy.

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 Energy Smart Eastside.

Funder	Amount
City of Bellevue – Energy Smart Eastside Program (ESE) 2025-2026 Budget	\$105,000
Eastside Climate Partnership – Energy Smart Eastside Program (ESE) 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
Sub Total by Funding Source	\$1,153,000

OPTIONS

1. Adopt the Resolution authorizing a contract between the City of Bellevue and Airefco Powered by Ferguson 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. 10482

AVAILABLE IN COUNCIL LIBRARY

Airefco Powered by Ferguson 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