



Memorandum

Date: 3/26/2024

Meeting of: Committee of the Whole - Parks and Environmental Sustainability

File No. CM 24-129

Type: Committee Memo

TO: Committee of the Whole - Parks and Environmental Sustainability

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Lisa Maher, Deputy Director	425.556.2427
-----------	-----------------------------	--------------

DEPARTMENT STAFF:

Executive	Jenny Lybeck	Sustainability Manager
-----------	--------------	------------------------

**TITLE:**

Energy Smart Eastside Program Update

**OVERVIEW STATEMENT:**

Redmond and the Eastside cities of Bellevue, Kirkland, Issaquah, and Mercer Island have worked over the past year and a half to develop and launch a heat pump program to accelerate residential electrification. The program includes multiple tracks, with a focus on low and moderate-income homes earning between 50%-80% AMI. Staff will provide an overview of the 2023 program achievements and review priorities for 2024 and beyond.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

**Receive Information**       **Provide Direction**       **Approve**

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Environmental Sustainability Action Plan, Housing Action Plan
- **Required:**  
N/A
- **Council Request:**  
PES Work Plan
- **Other Key Facts:**  
Energy Smart Eastside (ESE) includes three tracks: Boost, Fuel Switch, and a distributor incentive combined with education.
  - [ESE Boost program <https://www.energysmarteastside.org/>](https://www.energysmarteastside.org/) provides 100% cost coverage heat pump installations for low-income single-family residents earning between <50%-80% AMI. The Boost pilot

program launched in April 2023, and the first cohort of 25 homes across the five cities are finalizing installation. All six of Redmond’s cohort participants installed their heat pumps in December. Lessons learned from the first cohort will inform program updates as ESE prepares to launch a new cohort in Q1 of 2024. Staff will bring a full update on ESE during Q2.

- **Fuel Switching Incentive:** ESE launched a new marketing campaign called [Make the Switch](https://www.energysmarteastside.org/maketheswitch) <<https://www.energysmarteastside.org/maketheswitch>> to drive program participation. The ESE Fuel Switching program provides an additional market-rate incentive of \$1,500 for middle-income residents (80%-150% AMI) who switch from gas, oil, or wood as a primary heat source. Community members can receive up to \$6,400 off the purchase of a new heat pump when ESE incentives are stacked with federal tax credits and utility incentives. After the campaign, the staff will evaluate campaign metrics and opportunities to increase participation.
- **Distributor Incentive:** All community members are eligible for a \$500 Mitsubishi rebate and free educational resources.

The Eastside cities of Redmond, Bellevue, Kirkland, Issaquah, and Mercer Island formalized their collaboration in January 2023 with the Eastside Climate Partnership Interlocal Agreement. The agreement allows the partners to share resources for the Energy Smart Eastside Heat Pump program, including staff capacity and future programs supporting joint climate and clean energy goals.

**OUTCOMES:**

A key strategy to reduce emissions from buildings is to transition to all-electric systems.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
Ongoing
- **Outreach Methods and Results:**  
Direct outreach in partnership with Hopelink, tabling, social media, Focus, enewsletter, workshops, webinars, contractor outreach, etc.
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**  
\$550,000 - CIP

**Approved in current biennial budget:**       Yes       No       N/A

**Budget Offer Number:**  
CIP - High Performing Buildings

**Budget Priority:**  
Healthy and Sustainable

Other budget impacts or additional costs:  Yes  No  N/A

If yes, explain:

N/A

Funding source(s):

CIP

Grants

Budget/Funding Constraints:

N/A

Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

N/A

**ANTICIPATED RESULT IF NOT APPROVED:**

N/A

**ATTACHMENTS:**

Attachment A: Energy Smart Eastside Overview

Attachment B: Energy Smart Eastside Visuals