

FastTrack HVAC PAYS®

Replace on Fail HVAC pathway to PAYS

HVAC industry research shows that a whopping 85% of HVAC systems in the country are only replaced when the existing unit's life has ended. While there ought to be many factors that inform decision making for an expensive purchase like this, but for 85% of us who wait until we find ourselves in this stressful and expensive predicament, our choice is often made for us based on two things; what is the cheapest unit the HVAC contractor can get installed the fastest.

For those of us trying to help people gain access to Utility provided high efficiency HVAC incentives and/or are trying to help customers ease the financial impact of having to pay for highly energy efficiency equipment all at once, ((i.e. PAYS), we have developed a win/win solution for everyone.

Introducing FastTrack HVAC

At an extremely high level, here is what a typical Ameren, Spire and/or Evergy customers journey would be once their HVAC contractor delivers them the always bad news that their HVAC system cannot be fixed.

- 1) Make them aware of their utility's participation in FastTrack HVAC PAYS:
 - Explain the program and/or show the video about the program on their tablet (3 minutes). Once interested:
 - Direct the customer to enroll on the FastTrack HVAC app/tablet that the HVAC contractor provides them.
 - Customer enrolls/following the prompts (5 minutes)

- 2) While customer is enrolling, HVAC contractor:
 - Opens their FastTrack HVAC PAYS app portal and begins to take geo-coded time stamped images of the failed HVAC system documenting the failed units' tonnage, age, and efficiency.
 - Captures photos of various other relevant information (location of the current HVAC unit, duct system details, etc.)

- 3) HVAC contractor returns to visit with the customer:
 - Letting them know that they have completed their photo requirements and ask the customer to give them back the device.
 - Contractor enters the enrollment ID number through the HVAC contractor's portal app and click's "Submit."
 - Contractor waits with customer for 10 to 15 minutes.

- 4) Once the customers FastTrack HVAC PAYS offer is ready, the Contractor will use the tablet and go over the offer.

The Net Price breakdown:

- Historical dollar amount of most recent 12 months customer paid using metered data from each energy source.
- Portion of modeled historic energy costs attributed to operating now failed HVAC equipment from each energy source.
- Recommended highly efficient HVAC system brand, replacement specs, warranty information, service requirements and Gross total of the installed price.
- Incentive amounts and the resulting lowered Installed price for the new unit
- Modeled amounts of Utility(s) upfront payment offer and the resulting lowered price for the new unit.
- If a balance (co-pay) exists, the total amount the customer will need to pay out of pocket once installed. If no copay amount is necessary, this line item will show "ZERO."

Est. annual savings/fixed tariff charge/term details

- Annual \$ savings estimate from all energy sources based on replacing failed HVAC equipment with new highly efficient system.
- Total portion Utility(s) will finance upfront for new unit (following PAYS 80/20 rule)
- Should they accept the offer to finance (if needed) the fixed tariff charge amount added to their monthly bill to facilitate Utility cost recovery only as long as they occupy the premise. The fixed monthly charge, multiplied by 12 months, will show forward savings estimates are 20% higher than total annual pay back to utility including interest (Pay as You Save).
- When the customer is ready to accept the offer, the contract for PAYS will come to the customers email through DocuSign. Once signed, the contractor will schedule the time to perform the installation before departing.
- Geo coded /time stamped photos of the new system installed provided by the contractor through their FastTrack HVAC portal, will facilitate 100% remote QA/QC performed by the operator as a condition of authorizing contractor payment of Utility(s) dollars.
- No sooner than 45 days after the Install, the customer will see their first fixed monthly tariff charge as a line item on their bill.

Benefits of the FastTrack HVAC PAYS enrollment pathway.

- **Utility Customers** whose HVAC units have failed will be in the position to pay a much lower upfront cost for a much higher efficiency unit than the minimum HVAC spec required by code. As well, the highly efficient unit will be in stock and available right when Utility customers need it. The availability of PAYS financing of FastTrack HVAC high efficiency systems on generous tariff terms at this critical time will open the door for Utility customers

who find themselves in this situation who—due to the whole home assessment requirement, simply cannot wait to enroll in PAYS through the whole home traditional pathway.

- **Utilities** will extend the reach and impact of their existing HVAC incentive programs as well as dramatically increase PAYS conversion rates through the new replace on fail pathway to PAYS. Program fees for PAYS operations will be lower because HVAC contractors, rather than program staff, will perform the data collection and educational functions of the offer for FastTrack HVAC pathway participants in PAYS. Fees to the Utility include only one (1) flat fee per modeled offer, and while that fee is yet to be determined, it will be less than T1, T2, T3 fees are then the whole home (traditional) pathway to PAYS. As always, HVAC contractor real time support and QA/QC services, billing, etc., remain job costs, so are included in the Total Gross cost of the new unit.
- **Non-participating customers** will benefit as demand for FastTrack HVAC through PAYS will increase the likelihood of highly efficient units being in stock and available at lower prices than what is currently available through normal retail channels.
- **Missouri officials** will be able to integrate a replace on fail HVAC pathway for Missouri residents that incorporates already existing rebates incentives along with unique financing option with 100% payback to the Utility(s) on extremely friendly terms.