

2022 PROGRAM MANUAL

Small Commercial Solutions Program

El Paso Electric Company

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PROGRAM OVERVIEW

Program Objectives

The Small Commercial Solutions Program (Program) is a market transformation program offered to Small Commercial Customers within El Paso Electric's Texas service territory who pay into the Energy Efficiency Cost Recovery Factor (EECRF). The Program provides Small Commercial Customers and Participating Contractors with direct support, tools and training.

The Program and all associated services are available to Participants at NO COST.

Program objectives include:

- Encourage delivery of energy efficiency products and services to the target market segment(s).
- Transform these markets over time by addressing specific barriers that hinder adoption of energy efficient technologies and practices.
- Provide a suite of educational and supporting services to facilitate the implementation of energy efficiency projects.

The Program seeks to accomplish these objectives through a variety of services. The Program helps enrolled Participating Contractors and Small Commercial Customers, or Participants, make buildings operate more efficiently by demonstrating the technical and financial benefits of energy efficiency investments and assisting with the development of plans to make energy efficiency improvements. Participants receive technical and energy management guidance to help them make informed decisions about investments in cost effective facility energy efficiency measures. Small Commercial Customers receive cash incentives, directly as a Self-Sponsor Participant or indirectly through a Participating Contractor, for their qualified and completed energy efficiency projects.

Other Program services may include the identification and evaluation of energy efficiency opportunities, public relations and communications support. The Program works with Participants to determine the most appropriate set of services to best meet long-term energy efficiency needs.

Although the Program may introduce or provide information about technologies or products that are available, it does not require specific brands, technologies, products or end uses. This provides a framework through which the Participants can evaluate the best solutions to implement and install in order to receive the Program's energy efficiency incentives.

El Paso Electric (EPE) is the Program Sponsor and CLEAResult is the Program Implementer. The roles and responsibilities of each are defined in the "Program Roles & Responsibilities" section below.

NOTES

EPE will not directly market energy efficiency-related products or services to Customers. Entering into an agreement with EPE does not imply EPE's endorsement or approval of any specific product or service. EPE makes no representation of the benefits of any specific technology or energy efficiency

measure that may be eligible for incentives under this Program. The selection of an energy efficiency product or measure is at the discretion of the individual Customer.

EPE is the final authority on measure eligibility for incentive payments. Participants may terminate their participation at any time, for any reason, without liability. Similarly, the Program may be canceled by EPE at any time, for any reason, without liability.

Program Eligibility

The Small Commercial Solutions Program is currently offered to EPE Texas non-residential Customers with a facility maximum annual demand that is less than 100 kW, or with multiple facilities where the total of maximum annual demands is less than 250 kW. Customers with maximum demands that equal or exceed the 100 kW single service or 250 kW multiple services limits are eligible to participate in EPE's Large Commercial Solutions Program. Customers who are in the public K-12, higher education, or local government sectors qualify for participation in the EPE SCORE Program.

A Customer is defined by a single Tax ID number. Multiple locations of one organization are thereby considered a single Customer, regardless of how many EPE account numbers they may have. EPE and/or CLEAResult will work with Participants to confirm Customer eligibility. For a specific facility to be eligible for financial incentives in the Program, the facility must receive electric service from EPE, be located in EPE's Texas service territory, and pay into the EECRF.

EPE and CLEAResult will work with Participants to confirm Customer eligibility.

PROGRAM ROLES & RESPONSIBILITIES

Program Sponsor

EPE is responsible for:

- Conducting and/or assigning formal on-site pre- and post-installation inspections of eligible projects
- Approval of project peak demand (kW), energy savings (kWh) and incentive amounts
- Authorizing and issuing incentive payments for completed projects
- Oversight of the Program Implementer

Program Implementer

CLEAResult was selected by EPE to serve as the Program Implementer for the Small Commercial Solutions Program. CLEAResult is responsible for:

- Conducting outreach and providing Program information to potential Participants
- Approving Participant eligibility and providing enrollment assistance
- Determining demand (kW) and energy (kWh) savings of projects and incentive amounts
- Reviewing and approving energy efficiency measures, project application forms and project submittals
- Making recommendations for high efficiency measures and options
- Conducting pre- and post-inspections of projects

- Providing some or all of the following services depending on Participant's needs: education, training, technical assistance, and PR/communications support.

Program Participant

Participants agree to commit to the following Program requirements:

- Contractors
 - Register as an EPE vendor/supplier from EPE's website, where a W9 and ACH direct deposit form will be uploaded: www.epelectric.com/company/partners-vendors
 - Adhere to the requirements addressed in the "Insurance, Licensing and Permitting Requirements" section of this Program Manual
 - Educate Customers on the Program processes, demand reduction intent of the Program and the incentive award that contributes towards reducing project and energy costs
- Contractors and Self-Sponsor Customers
 - Commit to the terms of the Program Letter of Intent (LOI). Refer to the "Program Enrollment/Contacts" section for additional details.
 - Submit required documentation to enable the Program to process incentive payments, which include and may not be limited to:
 - Incentive Forms, new construction plans and other project supportive documentation
 - Customer Signed Final Invoice (showing the "El Paso Electric Incentive")
 - ✓ Required Date and Time Stamped Photographs (if applicable)
 - ✓ Affidavit – when a Participating Contractor uses a subcontractor
 - To the best of abilities, adhere to the 45-day completion upon project reservation requirement and communicate with the Program Implementer should the project be cancelled or if delays are expected.
 - Utilize best efforts to approve, fund and complete the installation of cost-effective energy efficiency projects identified through the Program by November 30th
 - Notify and schedule pre- and post-inspections with CLEAResult before project's start or when they are completed.
 - Provide access to project facilities and ample lead time, before and after project completion, for inspection of the baseline and post-retrofit condition. New construction projects do not require any inspections prior to completion.

NOTES

EPE will not reimburse Participants for any costs it may incur by participating in the Program. EPE strives to achieve a diversified Participant and measure mix within its Program portfolio. The Program reserves the right to distribute funds based on Program funding and cost effectiveness constraints. Financial incentives for demand savings are paid to Participants upon verification and approval of completed energy efficiency projects.

INCENTIVES

There are several Program incentives available to Participants to assist with identification, evaluation, and implementation of eligible energy efficiency projects. Program incentives include a mix of cash and non-cash incentives. CLEAResult will collaborate with enrolled Participants to determine the appropriate non-cash incentives to provide, while assisting with the identification and development of projects that may be eligible for cash incentives.

Non-Cash Incentives

TECHNICAL ASSISTANCE & PROJECT IDENTIFICATION – The Program provides technical support to help Participants identify, evaluate and qualify energy efficiency opportunities. The Program can assist in selection and identification of qualifying energy efficiency measures for new construction, renovation or retrofits. The Program may also educate senior decision makers in identifying project financing options when funding sources may not be available.

TRAINING – The Program can provide Participants with training on Program processes, energy efficient technologies, energy efficiency measures, energy efficiency strategies, etc.

COMMUNICATIONS & PUBLIC RELATIONS SUPPORT – The Program may provide press releases and other communications support to inform the community about the steps EPE's Program Participating Contractors and Customers are taking to improve the energy performance of facilities, to reduce operating costs, to use budget dollars more efficiently and to be good stewards of the environment.

ADMINISTRATIVE SUPPORT – The Program helps Participants to manage the process of applying for and receiving cash incentives under the Program.

Cash Incentives

The Program provides financial incentives based on reductions in peak electric demand resulting from the implementation of eligible energy efficiency projects at a Participant's facility. For more information on what defines a project, including a list of eligible measures, please see the "Project Eligibility" section.

Cash incentives help Participants to "buy down" the investment costs of purchasing more energy-efficient equipment and encourage the adoption of high efficiency construction and maintenance practices, which will reduce Customers' energy operating costs.

The incentive for eligible energy efficiency measures may be up to \$400 per peak kW reduced, however set rebate incentive amounts for measures, such as the rebate incentive for the small commercial evaporative cooler measure, may be more or less than the \$400 per peak kW reduced (see "Funding Limitations" section for additional details).

Retrofit projects - Participants receive financial incentives from the Program when the installation of all qualified energy efficiency measures for a site have been completed, verified, and approved. **Participating Contractors are to pass on 100% of Program incentives to the Customer.** To ensure

Program transparency, project submissions from Participating Contractors are required to include a Customer's Signed Invoice showing the "EPE Incentive" as a line item deduction. The incentive amount listed on the invoice must match the amount shown on the final calculated Incentive Form.

New construction projects - Cash incentives are paid directly to the business/facility owner. Project submissions must include construction documents and product specification submittals to allow CLEAResult to determine the project's eligibility, estimate demand savings and incentive amount.

Cash incentives are awarded on a first-come, first-served basis by the date the Program Implementer (CLEAResult) approves an Incentive Form, or new construction project, from the Participant. EPE is not liable for Participants who fail to meet the requirements of the Program. EPE has the right to terminate participation of any Participant who fails to meet the requirements of the Program.

Incentive Basis

Funding is available to pay incentives for eligible energy efficiency projects that are approved by the Program and result in a reduction of peak electric demand (kW).

Demand savings will be calculated on the maximum one-hour average reduction in demand on the utility system throughout the utility system's peak period. The summer peak period consists of the hours from 1 p.m. to 7 p.m. during the months of June through September, excluding weekends and Federal holidays. The winter peak period consists of the hours of 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m. during the months of December through February, excluding weekends and Federal holidays.

Except for the established rebate incentive amount of the evaporative cooler measure, cash incentives received through the Program will be based on a project's reduction in peak electric demand, as determined pursuant to this Program Manual and the Public Utility Commission of Texas (PUCT) Technical Resource Manual (TRM). Demand and energy savings are calculated using one of three Measurement & Verification (M&V) approaches:

1. **Deemed or Stipulated Savings:** Deemed savings refer to a savings estimation approach that does not require short-term testing or long-term metering. Instead, demand savings are stipulated based on evaluation data from past energy efficiency programs or other publicly available industry data. The data is used to make assumptions about typical operating characteristics, manufacturer's nameplate efficiency data, and types of equipment likely to be installed. The deemed savings M&V approach is appropriate for energy efficiency measures where savings are relatively certain, including lighting, window films, food service equipment, and some cooling and heating equipment retrofits.
2. **Simplified Measurement and Verification (Simple M&V):** A simple M&V approach may involve short-term testing or simple long-term metering and relies primarily on manufacturer's efficiency data, use of equipment and pre-set savings calculation formulas. Simplified methods can reduce the need for some field monitoring or performance testing. For example, chiller energy and demand savings can be determined using the simple approach by

comparing rated efficiencies of high-efficiency equipment to standard equipment and using post-installation kW spot-metering and long-term kWh metering.

Project measures must meet project specific criteria to determine savings using a simplified M&V approach.

3. **Measured Savings or Full M&V:** Full M&V approaches estimate demand and energy savings using a higher level of rigor than the deemed or simplified M&V approaches through the application of data collection and normalization, end-use metering, billing regression analysis, or computer simulation. All measures that do not meet the criteria for a more simplified approach must follow full, industry-standard M&V procedures. All Full M&V methods should be developed in accordance with the current International Performance Measurement and Verification Protocol (IPMVP).

The savings methodologies described above differ in terms of detail and rigor and some are chosen based upon the predictability of equipment operation, availability of evaluation data from previous programs, and benefits of the chosen measurement and verification approach relative to its cost.

Please note that Participants may be responsible for the arrangement of and costs associated with M&V activities for a project if either simplified or full M&V approaches are selected. These activities and costs may NOT be required for Participants for all projects but may be justified for specific projects.

Projects that require either Simplified or Full M&V methodologies MUST be estimated to provide ≥ 20 kW in peak electric demand savings to qualify for Program incentives.

INCENTIVE RESERVATION

Cash incentives are subject to availability of funds at the time the project has qualified for reservation.

Participant Reservation Process

- Participating Contractors
 - Complete a Project Application Form detailing the scope and timelines for energy efficiency projects
 - Submit the Project Application Form with all necessary supporting project documentation to CLEAResult through the Contractor Portal (see "Project Definition & Requirements" within the "Project Eligibility" section of this manual)
 - CLEAResult will review submitted Project Application Forms, assist Participants with quantifying demand savings and incentive amounts, and approve eligible projects on a project-by-project basis within 3 business days of project submission through the Contractor Portal. Program Incentives will be reserved for 45 days on a first-come, first-serve basis, determined by the date CLEAResult approves and signs the Project Application Form.
- Self-Sponsor Customers

- CLEAResult will provide guidance to assist Self-Sponsor Customers through the Project Application, project submittals, and approval processes.

The initial incentive reservation amount may be adjusted during the Program year, depending on a project's estimated demand savings. CLEAResult will inform Participants of significant changes to a project's reserved incentive amount. Should the adjusted incentive amount exceed the original amount reserved, EPE will not be required to pay Participants the additional incentive amount if the Program is fully subscribed and additional Program funds are not available at the time of project completion. For more information, please see the "Funding Limitations" section below.

More detailed information about the Project Application process for reserving cash incentives from the Program is provided in the "Project Eligibility" section.

Incentive Payment

Program incentives are paid directly to the Participant after the project is completed, a post-installation inspection is conducted, all required documentation is received, and demand savings are verified. Participating Contractors are required to discount and line item the "EPE Incentive" on their service invoice to the Customer. To ensure Customer protection and Program transparency, the Customer is required to sign the Incentive Form before it is submitted to the Program Implementer for review. The Contractor is then reimbursed for the eligible and approved incentive amount based on submission of the Customer signed Incentive Form, Contractor Invoice, and associated documentation.

For all projects, excluding new construction, the following must be submitted for the Program to process incentive payments:

- Customer Acknowledgement Form
- Completed Incentive Calculators
- Customer Signed Final Invoice (showing "EPE incentive")
- Required Date and Time Stamped Photographs (if applicable)
- Supporting Documentation (i.e. Construction Plans, Specifications, and Submittals)
- Affidavit (if applicable)

Funds will be delivered upon the project's completion, verification, and approval. For projects that are utilizing either simple or full M&V savings methodologies, incentive payments will be made upon completion of all verification activities.

Funding Limitations

EPE strives to achieve a diversified Participant and measure mix within its Program portfolio. The Program reserves the right to distribute funds based on Program funding available and cost effectiveness constraints. Both cash and non-cash incentives offered through the Program are limited. It is possible that the Program's budget may not accommodate the number of projects submitted by Participants throughout a Program year.

Program Incentives will be reserved for 45 days on a first-come, first-serve basis, determined by the date CLEAResult approves and signs the Project Application Form. Cash incentives from the Program must be less than 100% of the project cost.

When incentive reservations meet or exceed the Program's budget for incentives, the Program is considered fully or over-subscribed. Project Applications that are submitted to the Program after the Program is fully subscribed will be added to a project waitlist. Any Participant submitting projects that are unable to receive cash incentives in the current Program year due to over-subscription may choose to continue with their installation without incentives or delay the project and reapply for incentive funds during the next Program year, when new funds become available.

PROJECT ELIGIBILITY

Project Definitions & Requirements

A project, for Program purposes, is defined as one or more proposed peak demand saving measures at one (1) small commercial facility.

All measures must meet the following requirements:

- Must result in measurable and verifiable electric demand reduction on the utility system throughout the utility system's peak periods defined as:
 - Summer Peak - the hours from 1 p.m. to 7 p.m. during the months of June, July, August, and September, excluding weekends and Federal holidays.
 - Winter Peak - the hours of 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m. during the months of December, January, and February, excluding weekends and Federal holidays.
- Must produce electric demand savings through an increase in energy efficiency.
- Must be qualified and exceed minimum equipment efficiency standards, as outlined in the PUCT TRM applicable to the current Program year/measure.

Comprehensive projects that include many energy efficiency measure types at one facility are encouraged. Participants are also encouraged to pursue multiple projects at various facilities.

Eligible Measures

The energy efficiency measures in the following table are measurable by deemed savings calculations and are eligible in the Program. Savings based on the deemed savings approach apply where no unusual conditions exist. Deemed savings measures require no short-term testing or long-term metering. Baseline specifications for retrofit and new construction projects can be found in the PUCT TRM applicable to the current Program year/measure.

Eligible Deemed Savings Measures	
Lighting Efficiency	<ul style="list-style-type: none"> • Lamp and ballast replacements • High-intensity discharge (HID) fixture replacements • LED lighting
DX Air Cooled Equipment	<ul style="list-style-type: none"> • Unitary air conditioners • Unitary heat pumps
Water Chilling Equipment (Chillers)	<ul style="list-style-type: none"> • Screw – air cooled • Reciprocating – air cooled • Reciprocating – water cooled • Rotary/screw/scroll – water cooled • Centrifugal – water cooled
Evaporative Cooling	<ul style="list-style-type: none"> • Direct evaporative coolers (small commercial)
Building Envelope	<ul style="list-style-type: none"> • Energy Star Qualified Roofing • Window Treatment
Refrigeration	<ul style="list-style-type: none"> • Solid & Glass Door Reach-Ins • Electronic Defrost Controls • ECM Evaporator Fan Motors • Evaporator Fan Controls • Cooler Night Covers • Strip Curtains • Zero-Energy Doors • Door Heater Controls
ENERGY STAR® Measures	<ul style="list-style-type: none"> • Electric Convection Ovens • Electric Combination Ovens • ENERGY STAR® Dishwashers • ENERGY STAR® Steam Cookers • ENERGY STAR® Fryers • ENERGY STAR® Hot Food Cabinets • ENERGY STAR® Pool Pumps
Lighting & HVAC Controls	<ul style="list-style-type: none"> • VFDs on Air Handlers • Lighting Demand EAFs • Occupancy Controls (Lighting & HVAC) • HVAC Equipment Controls

*Other measures may be eligible if they provide measurable and verifiable peak demand savings, however they require submission and may require implementation of an M&V plan. Please refer to the previous section, "Incentives Basis," for information on preparing and implementing an M&V plan.

PROJECT APPLICATION PROCESS

Once a Participant has joined the Program by signing an LOI, they may begin submitting projects to apply for incentives. There is no financial commitment required to apply for incentives in the Program.

The Participant is required to submit all relevant retrofit, new construction documents and submittals to determine potential incentives related to demand and energy savings. CLEAResult will provide written approval of reserved projects on a project-by-project basis.

For more information on project eligibility, documentation requirements and project protocols for retrofit and new construction projects, please refer to the **Design Guides**, which are available upon request.

Below is the step-by-step process by which a Participant may identify a renovation or new construction project opportunity, have it accepted into the Program and reserve it for financial incentives. The potential cash incentive for a project is paid at the completion of this process:

- Project Identification
- Project Application Submission
- Pre-Installation Inspection (Retrofit or Replacement Projects Only)
- Project Application Review & Incentive Reservation
- Project Installation
- Post-Installation Inspection
- Incentive Payment

Project Identification

CLEAResult works with Participants to assist them with the evaluation of equipment, facilities and operations to identify eligible energy efficiency projects. Participating Contractors may also provide the same services to assist Customers in identifying energy efficiency opportunities. Depending on the time of year, the Program may be fully subscribed. If it is fully subscribed, the Participant may choose to continue with their installation without incentives or delay the project and reapply for incentive funds during the next Program year, when new funds become available.

Project Application Submissions

CLEAResult will work with Participants to assist in completing Project Applications and energy efficiency incentive calculators. Completed submittals must include the following:

- Project scope to include energy efficiency measures and product specification sheets (i.e. lighting, HVAC, roofing, etc.)
- Estimated project timelines (projects must be completed by November 30th)
- Customer Acknowledgement Form and Contractor Invoice with Customer signatures
- For new construction projects, Participants must provide copies of plans/drawings and product submittals

The completion of the project application submittal step will formally place the project into the Program's pipeline and is the first step towards reserving Program incentive dollars. The Participant is responsible for following up with CLEAResult to confirm receipt of submitted documents.

Participating Contractors submit the Project Application Form, incentive calculators, plans, drawings and submittals via the Contractor Portal:

<https://epe-portal.cleareresult.com/contractor>

Self-Sponsor Customers submit the Project Application Form and supporting documentation to the attention of the Small Commercial Solutions Program by email or fax:

epeincentives@cleareresult.com

Fax: (866) 379-5583

Hard copies or CDs with electronic files should be sent to the following address:

**EPE Small Commercial Solutions Program
c/o CLEAResult
Attn: Aaron Aguilera
PO Box 370301
El Paso, TX 79937**

Please contact CLEAResult for online Contractor Portal access or any issues with uploading project information:

**Aaron Aguilera
Sr. Energy Efficiency Program Consultant
PO Box 370301
El Paso, TX 79937
Aaron.Aguilera@cleareresult.com**

Retrofit Project Steps:

1. Participant submits a Letter of Intent (LOI), required documentation and W9 to CLEAResult. Participating Contractors will also submit their contractor license and proof of liability insurance.
 - a. Participating Contractors are required to register in EPE's Supplier Data Base, where they will upload their W9 and ACH Direct Deposit Form:
www.epelectric.com/company/partners-vendors
2. CLEAResult educates the Participant on the elements of the Program.
3. Participant collects required information at the building site and conducts the following:
 - a. Participating Contractors will complete the applicable incentive calculator and associated Customer Acknowledgement Form. *CLEAResult will assist Self-Sponsor Customers.*
 - b. Participating Contractors will disclose the estimated incentive amount to the facility owner. *CLEAResult will provide the estimated incentive amount to Self-Sponsor Customers.*
 - c. Participating Contractors will upload project documentation (i.e. Project Application Form, Construction Documentation and submittals) to the Contractor Portal and

- schedules pre-inspection with CLEAResult. *Self-Sponsors will provide information to CLEAResult by email, fax, mail, etc.*
- d. Participating Contractors will take required date and time stamped photographs of the system prior to equipment removal. *Self-Sponsors will work with CLEAResult to provide the required photos.*
 - e. CLEAResult will review project information for approval and contact Participant if any additional information is required or if there are adjustments to incentive amounts.
4. Upon approval of information received, CLEAResult will sign the Customer Acknowledgment Form and inform Participant of the reserved incentive amount. Participant must complete the project within 45 days from the reservation date.
 5. Participant completes project and schedules a verification post-inspection with CLEAResult.
 6. Upon the completion and approval of the the post inspection, Participant will be required to have submitted the following for incentive payment. Participant will be notified of incentive amount changes if any discrepancies are found with installed measures during the post inspection:
 - a. Fully completed and signed Customer Acknowledgement Forms.
 - b. Project Invoices (i.e. itemized material invoice, labor and material invoice, etc.)
 - c. Participating Contractor must submit a Customer Signed Invoice showing the EPE incentive amount deduction
 - d. Date and Time Stamped Photos (as required)
 - e. Affidavit (if required)
 7. CLEAResult provides EPE with a Participant payment incentive invoice. EPE processes the incentive invoice and direct deposits the payment into the Participating Contractor's bank account, or mails a check to the Self Sponsor Customer.
 - a. The incentive amount cannot be greater than the energy efficiency project investment. This is verified by Contractor, project, equipment and materials invoices.
 - b. The Program is not under any obligation to pay additional incentives in excess of the the amount originally reserved on the Customer Acknowledgement or Project Application Forms.

Pre-Installation Inspection

- New construction projects do not require pre-inspection. Measures are qualified and demand and energy savings are quantified through construction plans and submittals.
- Participants will coordinate with CLEAResult to schedule pre-installation inspections. Please allow up to four weeks notice.
- Participating Contractors - CLEAResult will perform pre-installation inspections on **the first 3 projects, a minimum of 15% of projects, all projects greater than 10 kW savings, and all screw-in lighting projects greater than 1.5 kW savings** within the Program year. Participating Contractors will perform remaining pre-inspections on their own and CLEAResult will provide guidance on the information to submit.

- Random "Spot" inspections may be performed by CLEAResult or EPE, for program quality control and assurance, as deemed necessary.
- Self-Sponsor Customers – All retrofit and replacement projects will require CLEAResult pre-inspections.
- CLEAResult will visit the project location(s) to visually confirm and document the existence, condition and obtain other required information of the equipment to be retrofitted. Information which may include pictures, make, model, serial number, etc.

Post-Installation Inspection

After project energy efficiency measures are installed, the Participant must:

- Notify CLEAResult of the project's completion
- Work with CLEAResult to confirm, and update if necessary, the supporting documentation:
 - Lighting: If quantity, fixture type, etc. differ from original Lighting Survey Form, update form accordingly. Provide ENERGY STAR or design Light Consortium (DLC) certificates.
 - HVAC: If equipment type or AHRI efficiency ratings differ from originally submitted information, update accordingly
 - Provide any required post-project equipment photos
- Coordinate with CLEAResult to schedule a post-installation inspection to verify that the equipment has been installed as indicated.
- All Self-Sponsor Participant projects will require CLEAResult post-inspections.

The Participant must provide a knowledgeable representative to accompany CLEAResult on the pre- and post-installation inspections, as well as provide any equipment needed to access and verify installed measures (e.g., a ladder for verifying ceiling or outdoor installed lighting).

New Construction Project Steps:

- 1) The Small Commercial facility owner serves as the Program Participant and submits a Letter of Intent (LOI), required documentation and W9 to CLEAResult.
 - a. The Small Commercial Customer's facility must meet Program eligibility requirements.
- 2) CLEAResult educates the Program Participant on the elements of the Program.
- 3) Participant must submit a full set of stamped construction drawings (A/M/E/P) and equipment specifications/submittals in electronic PDF file format to CLEAResult for review. These drawings and specifications are the supporting documentation for new construction projects.
 - a. Construction drawings shall be a minimum of 70% complete for review by CLEAResult
 - b. CLEAResult cannot quantify or reserve incentive funds without this complete set of drawings and equipment specifications/submittals for review.
 - c. CLEAResult communicates findings from their review to Program Participant.
- 4) Participant may proceed with project installations once plans have been reviewed, equipment has been qualified, and a Project Application Form has been approved.
- 5) During installation or construction, the Participant must notify CLEAResult of any changes to the project scope, equipment selection, or timeline.
- 6) After project energy efficiency measures are installed, the Participant must:
 - a. Notify CLEAResult of the project's completion

- b. Confirm and update supporting documentation with CLEAResult, if necessary:
 - i. Lighting: If quantity, fixture type, etc. differ from original Lighting Survey Form, update form accordingly
 - ii. HVAC: If equipment type or AHRI efficiency ratings differ from originally submitted information, update accordingly
- 7) Participant must schedule a post-installation inspection with CLEAResult to verify that the equipment has been installed as indicated.
- 8) Once approved, CLEAResult verify's the project's peak demand savings based on the post-installation inspection and informs the Participant of the final incentive amount.
 - a. The Program is not under any obligation to pay incentives in excess of the the amount originally reserved on the Project Application Form.
9. CLEAResult provides EPE with incentive invoice, EPE processes incentive invoice and direct deposits or issues a one time check to the Participant.

Quality Assurance/ Quality Control & Probation

To preserve Program integrity, CLEAResult and/or EPE will conduct scheduled and random inspections throughout the Program period. Inspections will confirm the accuracy of Program submittals and ensure that Participants are representing the Program and EPE accurately and professionally. CLEAResult and EPE may modify the QA/QC protocols based upon inspection results.

If any of the following occur, Participants may be placed on a 30-day "probationary period":

- Misrepresenting the relationship and/or misuse of the EPE logo
- Misrepresentating EPE or the Program to Customers
- Failure to schedule onsite inspections and to follow Program processes
- Have more than 25% of projects submitted that have discrepancies between the application/incentive forms, photographs, and/or invoices, or
- Any other issue calling into question the integrity of the Program

When placed on "probation", the Participant will receive a Probationary Letter. The Participant placed on probation will be required to rectify issues immediately, as well as perform the next five projects without any discrepancies. If these requirements are not met, the Participant may be placed on suspension for 45 days, during which time no projects will be accepted into the Program. A Participant can be on probation no more than twice in one year.

CLEAResult will monitor that Participants are performing work in a professional manner that reflects the intent of the Program. Repeated inspection failures may result in termination of the Participant from the Program.

Project Completion Deadline

Projects submitted to the Program are approved under the condition that project installations will be completed by **November 30th** of the Program year. Projects must be completed by **November 30th** to allow Program staff adequate time to complete necessary QA requirements and to process

incentive payments. Any projects completing after November 30th could potentially be reserved in the next Program year, when new funds become available.

Waitlist

In the event that all incentive funding has been reserved in a Program year, additional Projects submitted will be placed on a waitlist. If additional incentive funding becomes available, waitlisted projects will be approved based on the time reservation requirements are met, project cost effectiveness, participation levels, and measure mix until the Program funds are fully reserved.

Any Participant submitting projects that are unable to receive cash incentives in the current Program may choose to continue with their installation without incentives or delay the project and reapply for incentive funds during the next Program year, when new funds become available.

PROGRAM ENROLLMENT

Participants execute a Letter of Intent (LOI) and submits it to CLEAResult to enroll in the Program. For most projects, a Participating Contractor signs the LOI and commits to the terms of participation. For new construction and Self Sponsor projects, the facility/business owner signs an alternate version of the LOI and commits to the terms.

Electronic copies of the signed LOI may be sent to:

EPE Small Commercial Solutions Program c/o CLEAResult

Attn: Aaron Aguilera

PO Box 370301

El Paso, TX 79937

Aaron.Aguilera@clearresult.com

Toll-Free Fax: (866) 379-5583

Contractor Qualifications & Experience

EPE and CLEAResult require Participating Contractors to demonstrate their financial, technical, and managerial qualifications and experience as part of the application process to help ensure that projects will be successful in delivering the estimated energy savings.

The following requirements must be met for Contractors to participate in the Program:

- Evidence that the Participating Contractor and any subcontractors possess all applicable licenses
- Certificates of insurance demonstrating the required coverage and policy endorsements (see "Insurance Requirements," section below)

Insurance, Licensing & Permitting Requirements

Participating Contractors must adhere to all permitting and licensing requirements as set forth by the local Authority Having Jurisdiction (AHJ), as well as acquire and maintain (at Participating Contractor's sole cost and expense) the following:

- General liability insurance coverage of at least \$1 million;
- Business automobile liability coverage including owned, non-owned, and hired vehicles; and
- Workers' compensation and employer's liability coverage
- Adhere to all requirements set forth by the local AHJ, such as:
 - To Remove or replace a ballast, light fixture or electrical circuit, the worker must:
 - Be a holder of, at minimum, a maintenance electricians license and be under the supervision of a Master Electrician

Each policy of insurance referenced in this section shall be endorsed to (i) provide EPE not less than thirty (30) days advance written notice of the expiration, termination, cancellation, or modification of such policy, (ii) waive subrogation of all claims against EPE (provided that the requirement prescribed by this Clause and (iii) if providing commercial general liability liability coverage, name EPE as an additional insured.

Participating Contractors shall provide CLEAResult with certificates of insurance evidencing the coverage, policy endorsements and required licenses numbers as described in this section. Additionally, Participating Contractors shall provide CLEAResult with a copy of each policy endorsement upon issuance by the applicable insurer. Certificates of insurance submitted to CLEAResult by any person other than the Participating Contractor's insurance company will not be accepted.

Follow-Up to The Letter of Intent

CLEAResult will contact the Contractor after receipt of the LOI to discuss potential project identification and energy solution consultation needs. CLEAResult may offer trainings to provide Participants with resources that assist the Contractor in the identification of energy efficiency opportunities, delivery of value propositions to Customers, and the evaluation of effective technologies and diagnostic equipment.

PROGRAM CONTACTS

For additional information about the Program, please contact one of the following Program representatives:

Don Johnson
 Sr. Program Coordinator
 El Paso Electric Company
 PO Box 982
 El Paso, TX 79960
 (915) 351-4237
Don.Johnson@epelectric.com

Aaron Aguilera
 Sr. Program Consultant
 CLEAResult
 PO Box 370301
 El Paso, TX 79937
 (915) 255-4289
Aaron.Aguilera@clearesult.com

DISCLAIMER

Confidentiality

The Program is subject to oversight by the Public Utility Commission of Texas (PUCT). The PUCT may request a copy of any Program materials received by CLEAResult or EPE. Privileged or proprietary information, such as financial statements and project costs, will be treated as confidential to the fullest extent possible and will not be provided directly to outside parties other than the PUCT. CLEAResult and EPE will not be liable to any Participant or other party as a result of public disclosure of any submittals.

False, Misleading or Incorrect Information

CLEAResult will discontinue its evaluation of all submittals from any Participant who intentionally submits false, misleading or incorrect information. If an evaluation is discontinued under these circumstances, CLEAResult will return all of the Participant's submittals.

DISCLAIMER OF WARRANTIES

Participant acknowledges and agrees that any reviews or inspections by EPE or CLEAResult of Participant's facilities/premises or of the design, construction, installation, operation or maintenance of the energy efficiency equipment installed, or to be installed, is solely for the use of EPE and the Program. Participant acknowledges and agrees that EPE or CLEAResult make no guarantee, representation or warranty whatsoever as to the economic or technical feasibility, capability, safety or reliability of equipment, its installation by a project Contractor or its compatibility with Participant's facilities.

PROGRAM IMPLEMENTER IS AN INDEPENDENT CONTRACTOR

CLEAResult is an independent Contractor and is not authorized to incur obligations on behalf of EPE. EPE is not responsible for the truth, validity or any representation not contained in the Program Manual or LOI.

Formal Complaints

Please contact EPE to raise any issues/concerns that have arisen during participation in the Program:

Don Johnson
Sr. Energy Efficiency Program Coordinator
100 N. Stanton
El Paso, TX 79901
(915) 351-4237
Don.Johnson@epelectric.com

A formal complaint may also be submitted to the PUCT at any time by using the following address and contact information:

Public Utility Commission of Texas
Office of Customer Protection
P.O. Box 13326
Austin, TX 78711-3326
phone: (512) 936-7120, or in Texas (toll-free) 1-888-782-8477
fax: (512) 936-7003
e-mail: customer@puc.state.tx.us
internet address: www.puc.state.tx.us
Relay Texas (toll-free) 1-800-735-2988

DEFINITIONS

Deemed Savings – pre-determined and validated estimates of energy and peak demand savings for specific types or applications of energy efficiency measures. An electric utility may use deemed savings instead of performing measurement and verification activities to determine energy and peak demand savings. Deemed savings methodologies are defined within the PUCT TRM.

Demand Savings (kW) – peak kilo-watt (kW) savings of energy efficiency measures determined by using the deemed or measurement and verification protocols defined within the PUCT TRM.

Letter of Intent – non-binding agreement signed and submitted by Participant, stating their intent to participate in the Program

Participant – An enrolled Program Contractor or an eligible utility Customer who has formally committed to participate in the Program.

Peak demand – highest annual kW of electrical power measured on the utility's system.

Peak demand reduction – kW reduction on the utility's system during the utility system's peak period

Peak periods – the Summer peak period consists of the hours from 1:00 p.m. to 7:00 p.m., during the months of June, July, August, and September, excluding weekends and Federal holidays. The Winter peak period consists of the hours of six a.m. to ten a.m. and six p.m. to ten p.m., during the months of December, January, and February, excluding weekends and Federal holidays.

Post-Installation Inspection – inspection performed after installation of new equipment. Post installation inspection verifies actual installed measure(s) to verify resulting deemed or measured and verified demand and energy savings

Pre-Installation Inspection – inspection performed prior to any replacement of existing equipment, device, or structural energy efficiency measures (windows, window film, roof coatings, etc). to validate and collect data on existing equipment and measures

Customer Acknowledgment Form –the Program form, usually associated with an energy efficiency measure calculator, that a Participant must complete and sign to formally apply for incentive funds. This document details the Customers information, Contractors information, project location, type of measure, start/completion dates and customer authorization for each retrofit/replacement project that is being submitted. This form is NOT required for new construction projects.

FREQUENTLY ASKED QUESTIONS (FAQS)

1. What is the Small Commercial Solutions Program?

The Small Commercial Solutions Program is an energy efficiency program designed to encourage and assist EPE's Texas Small Commercial Customers with their goals of reducing peak electric demand and annual energy consumption by providing technical knowledge, energy assessments, guidance and financial incentives.

2. Who is eligible to participate in the Small Commercial Solutions Program?

The Program is offered to Small Commercial Customers in EPE's Texas service territory and to Contractors who service these facilities. For additional information, please see the "Program Eligibility" section of this Program Manual.

3. What does the Small Commercial Solutions Program cost?

The services provided by CLEAResult are of no charge to the Participant. The financial investment Participants make is for their own energy efficiency measures.

4. What incentives are available through the Small Commercial Solutions Program?

The Program assists Participants with both cash and non-cash incentives. Except for the established rebate incentive amount for the evaporative cooler measure, financial incentives of up to \$400 per kW reduced may be available for qualified energy efficiency projects, dependent upon Program funding at the time a Project Application Form is submitted. Other Program services, such as technical assistance and communications support, are made available throughout the Program year.

5. How does a potential Contractor enroll in the Small Commercial Solutions Program?

A Contractor or Small Commercial Customer may enroll in the Program by submitting a Letter of Intent (LOI), appropriate licenses, references, and a Certificate of Insurance.

6. Who decides what energy efficiency technologies to install and who installs them?

Participants decide the energy efficiency measures they wish to implement and how they are implemented. The Program assists in identifying and evaluating energy efficiency opportunities. The Program does NOT provide any installation of energy efficiency measures.

7. How are energy efficiency opportunities identified?

In most cases, Participating Contractors will assist EPE Small Commercial Customers in identifying energy efficiency opportunities. CLEAResult may assist Small Commercial Self-Sponsor Participants, as well. Where there is a new construction project involved, the Program can assist the facility owner or their building designers directly with energy efficiency recommendations.