



El Paso Electric Program Manual

Residential and Income Qualified Programs

TABLE OF CONTENTS

Table of Contents 1

PROGRAM OVERVIEW 4

 Background 4

 Program Objectives 4

PROGRAM ROLES & RESPONSIBILITIES 5

 Program Sponsor 5

 Program Implementer 5

 Participating Contractor 6

INCENTIVES 6

 Non-Cash Incentives 7

TECHNICAL ASSISTANCE & PROJECT IDENTIFICATION 7

TRAINING 7

COMMUNICATIONS & PUBLIC RELATIONS SUPPORT 7

ADMINISTRATIVE SUPPORT 7

 Cash Incentives 7

 Incentive Basis 8

 Incentive Payment 8

 Funding Limitations 8

PROJECT ELIGIBILITY 9

 Project Definitions & Requirements 9

 Eligible Measures 10

 Energy Efficiency Standards 11

PROJECT PROCESS 11

Projects 11

 Project Submissions 12

 Project Review 12

 Post-Installation Inspection 13

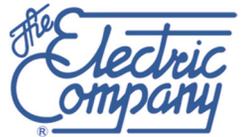
 Quality Assurance/ Quality Control & Probation 13

 Waitlist 13

 Project Completion Deadline 14

PROGRAM ENROLLMENT 14

 Contractor Qualifications & Experience 14



El Paso Electric

Insurance Requirements.....	14
PROGRAM CONTACTS.....	15
DISCLAIMERS	16
CONFIDENTIALITY	16
FALSE, MISLEADING OR INCORRECT INFORMATION	16
FORMAL COMPLAINTS.....	16
DISCLAIMER OF WARRANTIES.....	17
PROGRAM IMPLEMENTER IS AN INDEPENDENT CONTRACTOR.....	17
DEFINITIONS	17
FREQUENTLY ASKED QUESTIONS (FAQs).....	18

PROGRAM OVERVIEW

Background

The El Paso Electric (EPE) Residential and Income Qualified Solutions Programs, herein (the Program), was developed in 2009 to comply with State of Texas energy efficiency goals to reduce peak electric demand. In 1999, the State Legislature passed Senate Bill 7 (SB 7), which restructured the state's electric utility industry and set initial energy efficiency goals for investor-owned utilities. In 2007, House Bill 3693 (HB 3693) was passed and expanded these energy efficiency goals. Senate Bill 1125 (SB 1125) was the latest energy efficiency legislation passed in 2011. This bill will stabilize energy efficiency goals in future years by changing the goal metric from a percentage of load growth to a percentage of total peak load.

The Public Utility Commission of Texas (PUC) Substantive Rule 25.181 (Energy Efficiency Rule) establishes procedures for meeting this legislative mandate. Effective January 1, 2013, the latest Energy Efficiency Rule switches the goal metric from a percentage of load growth to a percentage of peak demand.

The Programs and all associated services are available to participants at NO COST.

Program Objectives

The Program assists residential electric customers and participating contractors by offering the direct support, tools, and training necessary for the Participating Contractor to:

- Identify, evaluate, and undertake efficiency improvements;
- Determine which efficiency improvements will have the greatest impact on energy use/cost, comfort, and durability; and
- Understand how to leverage energy savings to implement demand-saving measures.

A Participating Contractor may receive cash and non-cash incentives, as well as energy management assistance to help them make decisions about cost effective investments in home energy efficiency. Cash incentives are available for qualifying measures installed in existing and new construction homes/residences. In addition, a Participating Contractor may receive communications support from the Program to publicize the benefits of successful energy efficiency projects. The Program may work with a Participating Contractor to determine the most appropriate set of services to offer in order to address both immediate and longer-term needs.

The Program does not require specific technologies or end uses, but instead provides a framework through which the Participating Contractor can receive incentives for implementing and/or installing a wide range of measures in their home.

Program services, including both cash and non-cash incentives, are limited. EPE will be the final authority on whether any measure is eligible for incentive payments. A Participating Contractor may terminate their participation at any time, for any reason, without liability. Similarly, the Program may be cancelled by EPE at any time, for any reason, without liability.

Entering into an agreement with EPE does not imply EPE's endorsement or approval of any products or services. EPE makes no representation of the benefits of any technology or energy efficiency measure eligible for incentives under this Program. The selection of an energy efficiency measure is at the discretion of the individual customer.

INCOME QUALIFIED PROGRAM ELIGIBILITY

The Income Qualified Program is currently offered to select residential customers within the EPE Texas service territory whose household annual income is at or below 200% of the Federal Poverty Guidelines.

Single and multi-family sites are eligible for program services, provided that income guidelines for participation have been met. In order for a multifamily apartment complex to qualify, its units must be individually metered and an excess of 75% of its tenants must meet the low-income guidelines. For purposes of this incentive program, “multi-family housing” means a dwelling or group of dwellings on one lot or contiguous lots containing separate living units for five or more families, but which may have joint services or facilities including duplexes, 3-4 unit structures, and apartment-type structures with five or more units. Multi-family housing also includes condominium units in structures of more than one living unit. The Program Implementer will work with Participating Contractors to confirm customer/site eligibility.

PROGRAM ROLES & RESPONSIBILITIES

Program Sponsor

El Paso Electric is responsible for:

- Conducting and/or assigning formal on-site pre- and post-installation inspections of eligible projects to approve kW and kWh savings and incentive amounts,
- Authorizing and issuing incentive payments for completed projects, and
- Overseeing the Program Implementer.

Program Implementer

EPE has contracted with CLEAResult (the Program Implementer) to promote and administer the Residential and Low Income Residential Solutions Program. CLEAResult is responsible for:

- Conducting outreach to potential Participating Contractors,
- Approving eligibility and enrollment for Participating Contractors,
- Making recommendations for higher efficiency options,
- Conducting and/or assigning formal on-site pre- and post-installation inspections of eligible projects to approve kW and kWh savings and incentive amounts,
- Providing some, or all of the following services, based on the specific Participating Contractor’s needs, as assessed by El Paso Electric and CLEAResult: education, training, technical assistance, and PR/communications support, and
- Reviewing and approving Program Incentive Forms

Participating Contractor

To participate in the Program, a Participating Contractor will be asked to fulfill a combination of the following requirements in conjunction with CLEAResult:

- Commit to the terms of the Program Letter of Intent
- Demonstrate a willingness and ability to adopt energy efficiency best practices
- Educate customers on the intent of the Program and associated incentive dollars used to lower project costs
- Submit Incentive Forms and all supporting documentation necessary for energy efficiency projects to qualify for cash incentives, including but not limited to:
 - Affidavit – in the case when the Participating Contractor uses a subcontractor
 - Photographs – to confirm that measures have been installed
 - Copy of Invoice to Customer – to confirm that the home-owner has received a discount from program incentives
 - Self-Certification Form of Income Eligibility (Income Qualified only)
- Exert its best efforts to approve, fund, and install cost-effective energy efficiency projects identified through the Program before November 30
- Notify CLEAResult about all upcoming projects before projects are initiated.

El Paso Electric will not reimburse Participating Contractors for any costs incurred by participating in the Program. Financial incentives for demand savings are paid to Participating Contractors upon verification and approval of completed energy efficiency projects.

El Paso Electric Company Name and Logo Usage Guidelines

We understand that in some of your promotional material you may mention El Paso Electric, however, please keep the following in mind when you do so:

- Do not use the El Paso Electric logo without prior approval.
- Do not refer to El Paso Electric as a “Partner.” El Paso Electric prefers, “Participant”
- Do not have the words “El Paso Electric Company” or “El Paso Electric” at the top of your flyer before the name of your company.
- Please make sure that customers understand that the promotional material is not coming directly from El Paso Electric. To do that, we ask that you do not make the text/font size of “El Paso Electric Company” or “El Paso Electric” larger than the text of the rest of the flyer.

INCENTIVES

There are a number of program incentives available to Participating Contractors in order to assist with identification, evaluation, and implementation of eligible energy efficiency projects. Program incentives include a mix of cash and non-cash incentives as described below. CLEAResult will work with enrolled Participating Contractors to determine the appropriate non-cash incentives to provide in addition to assisting with identification and development of projects that may be eligible for cash incentives.

Non-Cash Incentives

This Program provides non-cash incentives, which may include:

TECHNICAL ASSISTANCE & PROJECT IDENTIFICATION – The Program provides technical support to help Participating Contractors identify and evaluate energy efficiency opportunities in order to determine which projects are viable.

TRAINING – The Program can provide Participating Contractors with training on energy efficient technologies and installation practices.

COMMUNICATIONS & PUBLIC RELATIONS SUPPORT – The Program provides press releases and other communications support to inform the community about the steps the Participating Contractors are taking to improve the energy efficiency of homes.

ADMINISTRATIVE SUPPORT – The Program helps Participating Contractors 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 (kW) resulting from completed projects that include eligible energy efficiency measures.

The cash incentives are intended to help Participating Contractors “buy down” the incremental cost of purchasing/installing more energy-efficient equipment and are meant to encourage adoption of maintenance practices which will reduce energy operating costs.

Participating Contractors are eligible to receive financial incentives from the Program once all energy efficiency measures for a site have been completed, verified, and approved. Contractors are expected to pass on 100% of the incentives earned through the Program by deducting the incentive amount from the final invoice total. In order to ensure transparency in this process, each project submission is required to include the Customer Invoice, showing a line item deduction called “El Paso Electric Incentive”. The Incentive amount listed on the Customer Invoice must match exactly the Incentive amount calculated on the Incentive Form.

The cash incentives for eligible energy efficiency measures are based on a dollar per unit calculation.

Contractors participating in the Income Qualified Program receive higher incentive payments when the customer is income eligible, and the Self-Certification Form of Income Eligibility is completed and submitted along with all other corresponding documentaion. The purpose of the higher payment to the Participating Contractor is to provide the improvements at a low cost to the customer.

Cash incentives are awarded on a first-come, first-served basis by the date the Program Implementer, CLEAResult, approves an Incentive Form from an eligible Participating Contractor. El Paso Electric may not provide incentives to any one contractor beyond 30% of a Program’s goal. El Paso Electric has absolutely no control over the exact amount of the incentives that are passed on to the end user. El Paso Electric is not liable for Participating Contractors who fail to meet the requirements of the Program and has the right to terminate participation of any Participating Contractor who fails to meet the requirements of the Program at any time.

Incentive Basis

Funding is available to pay incentives for eligible energy efficiency projects in residential homes, which are paid on reductions in peak electric demand (kW).

Incentive Payment

Any cash incentives received through the Program are paid directly to the Participating Contractor after the project is completed, verified, and, if necessary, an installation inspection is conducted. In most cases, the Participating Contractor is a contractor who is installing energy efficiency measures on existing homes. Although the incentive payment goes directly to the contractor, the contractor is required to discount their services by the incentive amount and indicate such in writing on their invoice to the customer. The contractor is then reimbursed for the eligible incentive amount based on submission of the Incentive Form and associated documentation (described below). To ensure customer protection and program transparency, the homeowner is required to sign the Incentive Form once the job has been completed in its entirety, before it is submitted to the Program Implementer for review.

For all projects the following must be submitted in order to process incentive payments:

- Incentive Form
- Final Customer Invoice (showing “El Paso Electric Incentive”)
- Required Photographs
- Affidavit (if applicable)
- Self-Certification Form of Income Eligibility (Income Qualified only)

Incentive payments will be made upon completion of all verification activities.

Funding Limitations

Both the cash and non-cash incentive budgets available through the Program are limited. In addition, a Participating Contractor may not reserve, or be provided incentives beyond 30% of a Program’s goal.

Any Participating Contractor submitting projects that are unable to receive cash incentives in the current program year due to oversubscription may choose to continue with their installation without incentives or delay the project and reapply for incentive funds during the next program year when additional incentive budget becomes available.

PROJECT ELIGIBILITY

Project Definitions & Requirements

For this Program, a project is defined as a proposed peak demand savings measure. Comprehensive projects that include a range of measure types are encouraged and Participating Contractors should make every effort to complete multiple projects in any given program year.

All measures must meet the following requirements:

- Must result in a measurable and verifiable electric demand reduction during the summer peak period, defined as between 1 PM and 7 PM, Monday through Friday, for the months of June through September, excluding federal holidays.
- Must produce electric demand savings through an increase in energy efficiency.
- Full incentives are based on measures that have a useful life of at least 10 years. Equipment with shorter measure lives may receive a pro-rated incentive amount but require documentation of their useful life.
- New equipment must exceed minimum equipment efficiency standards.

Eligible Measures

The energy efficiency measures in the table below are measurable by deemed savings calculations.

Eligible Measures/Projects	Ineligible Measures/Projects
<p><u>Envelope Measures</u></p> <ul style="list-style-type: none"> • Ceiling Insulation • Attic Encapsulation • ENERGY STAR® Windows and Sliding Doors • Solar Screens • Air Infiltration • ENERGY STAR® Cool Roofs <p><u>Heating, Ventilation, and Air Conditioning</u></p> <ul style="list-style-type: none"> • Duct Sealing without Leakage Testing • Evaporative to Refrigerated Air Conversions • HVAC Upgrades • HVAC Tune-up • Evaporative Coolers <p><u>Appliances Measure</u></p> <ul style="list-style-type: none"> • ENERGY STAR® Pool Pumps • ENERGY STAR® Ceiling Fans <p><u>Water Heating</u></p> <ul style="list-style-type: none"> • Water Heater Pipe Insulation 	<ul style="list-style-type: none"> • Measures that do not raise efficiency above current standards • Cogeneration and self-generation projects, except renewable technologies • Load shifting/load management measures • Load reductions caused by building vacancies • Measures that rely solely on customer behavior or require no capital investment • Measures that decrease building plug loads, such as “Green Plugs” or computer inactivity time-out controls • Measures for which incentives were received under another EPE program • Repair and maintenance projects • Energy efficient gas measures when replacing non-electric technologies • Measures that result in negative environmental or health effects

Energy Efficiency Standards

El Paso Electric has designed the Residential Solutions Program to encourage electric energy-efficiency improvements that exceed the efficiency gains typically achieved in projects. Consequently, demand savings credit will be based only on reductions that exceed current industry accepted minimum efficiency standards, where applicable.

The equipment efficiency standards must meet those listed in the Texas Technical Resource Manual for the current program year.

PROJECT PROCESS

Once a Participating Contractor has joined the Program, the Participating Contractor may begin submitting Incentive Forms for project approval through the online Contractor Portal. Below is a step-by-step process by which a Participating Contractor identifies a project opportunity, has it accepted into the Program, and is paid a financial incentive after following this process:

PROJECTS:

- 1) Participating Contractor submits a Letter of Intent to participate in the energy efficiency Program (and required documentation, including proof of liability insurance).
- 2) Program Implementer educates the Participating Contractor on the elements of the Program and provides the Participating Contractor with login information for project submittal.
- 3) Program Implementer accompanies the Participating Contractor on the first three inspections.
- 4) Participating Contractor collects required information at the building site and conducts the following (for all projects to be submitted):
 - a. Completes the applicable Incentive Form
 - b. Discloses incentive amount to the facility/home owner
 - c. Takes applicable photographs of the system(s) prior to equipment installation/removal
- 5) Participating Contractor completes product installation and/or service.
 - a. Participating Contractor completes remainder of Incentive Form with pertinent information after equipment and/or service installation. Facility/home owner signs Incentive Form to confirm they are satisfied with the work done by Participating Contractor.
 - b. If using subcontractor, Participating Contractor provides to the facility/home owner an "All Bills Paid" Affidavit.
- 6) Facility/home owner pays Participating Contractor for completed installation and/or service.
- 7) Participating Contractor submits to the Program Implementer within 45 days¹, starting from the day the Participating Contractor invoices the customer:
 - a. Incentive Form
 - b. Customer Invoice (showing El Paso Electric Incentive amount)
 - c. Self-Certification Form of Income Eligibility (Income Qualified only)
 - d. Photos
 - e. Affidavit (if required)
- 8) Program Implementer reviews required documents (see step #7), and approves or denies each submission. If denied, the Program Implementer contacts the Participating Contractor regarding requirements for approval.

¹ Excluding windows due to average completion time of window retrofits

- 9) Once approved, the Program Implementer informs the Participating Contractor of the final incentive amount approved, indicated on the final Customer Invoice to the home/facility owner.
- 10) El Paso Electric processes incentive and mails, or direct deposits, incentive check to Participating Contractor

The Program Implementer has the authority to conduct pre- and/or post-installation inspections as desired or needed. Typically, the Program will require full pre- and post-installation inspections on the first three (3) projects conducted by a new Participating Contractor. Provided that the first inspections are approved without difficulty or concern, Participating Contractor is responsible for conducting their own inspections and ensuring the accuracy of the information they submit to the Program.

Participating Contractors are required to notify the Program Implementer of any upcoming projects prior to initiating work. This allows the Program Implementer the ability to schedule random inspections as deemed necessary as per the Program requirements. Discrepancies in documentation submitted or items noted during the inspection process will be monitored, with “probation” as a potential outcome.

Project Submissions

For all projects, Participating Contractor must submit a completed Incentive Form for Program Implementer to review.

The Incentive Form may only be submitted at:

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

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

CLEAResult
Attn: Ivan Faudoa
5822 Cromo Dr. Suite 201
El Paso, TX 79912

Project Review

The Program Implementer will review each project for completeness, accuracy and whether the listed measures qualify for incentive funding under the Program. CLEAResult will communicate with Participating Contractor regarding any corrections and/or modifications that are necessary upon review of the documents (additional information may be required).

The Program may deny approval of a particular Incentive Form for a variety of reasons, including, but not limited to:

- The information is incomplete;
- The project/form is received after all funding has been reserved by other Participating Contractors (see below “Waitlist” section);
- The Participating Contractor fails to meet program eligibility requirements;
- The Participating Contractor fails to submit the required supporting documentation;
- The Participating Contractor is found to have made material misrepresentations in the Form; or
- The Participating Contractor fails to comply with applicable federal, state and local laws and regulations.

If the Program denies approval of a particular project, CLEAResult will follow up with the Participating Contractor to request missing documentation or recommend specific steps to make the project eligible. Failure to submit missing documentation may result in project not being paid.

Post-Installation Inspection

Once energy efficiency measures have been installed, the Participating Contractor will use the Incentive Form to capture post-installation information. Required photographs will be taken (in the same manner as the pre-installation inspection, according to the requirements of the QA/QC process) once installation is complete.

Random post-installation inspections will be conducted by the Program Implementer throughout the agreement. Inspections will take place at a frequency to be determined by CLEAResult, and will be modified, if appropriate, to ensure that Participating Contractors are conducting inspections correctly.

Quality Assurance/ Quality Control & Probation

To preserve program integrity, the Program Implementer and/or Program Sponsor will conduct scheduled and random inspections throughout the Program year. Inspections will confirm the accuracy of the Incentive Forms and ensure that Participating Contractors are accurately representing the Program on behalf of El Paso Electric.

Pre- and post-installation inspections will be conducted on 100% of the first three (3) projects for each Participating Contractor, and randomly on a minimum of 15% of the projects thereafter. The Program Implementer has the right to modify the QA/QC protocol for some or all Participating Contractors based upon inspection results.

Participating Contractors may be placed on a 30 day probationary period for any of the following, but not limited to:

- Misrepresent the relationship and/or misuse the El Paso Electric logo
- Fail to schedule onsite inspections
- Have more than 25% of projects submitted that have discrepancies between the Incentive Form, photographs, and/or invoice
- Any issue calling into question the integrity of the program

When placed on probation, the Participating Contractor will receive a Probationary Letter and be required to coordinate a larger percentage of QA/QC inspections and may need to provide additional data for each submitted project. The Participating Contractor placed on Probation will be required to rectify any issues immediately, as well as perform the next five projects without any discrepancies. If these requirements are not met, the Participating Contractor will be placed on suspension for 45 days, during which time no projects will be accepted into the program. A Participating Contractor can be on probation no more than twice in one year before being suspended for the remainder of the Program year.

The Program Implementer will inspect projects to ensure that Participating Contractors are performing work in a professional manner. Repeated inspection failures may result in termination of the Participating Contractor from the Program.

Waitlist

In the event that the incentive budget becomes fully allocated, additional projects submitted will be placed on a waitlist in the order they are received by CLEAResult. Participating Contractors will be notified of their project's position on the waitlist. If additional incentive funding becomes available, waitlisted projects will be approved in the order received until the additional funding is fully reserved.

Project Completion Deadline

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

PROGRAM ENROLLMENT

To enroll in the Program, the Participating Contractor executes a Letter of Intent (LOI) and submits it to CLEAResult.

Electronic copies of the signed LOI may be emailed to:

epeincentives@CLEAResult.com

Hard copies of the signed LOI may be faxed or mailed to:

CLEAResult

Attn: Ivan Faudoa

5822 Cromo Dr Ste 201 El Paso, TX 79912

Toll-Free Fax: (866) 379-5583

Contractor Qualifications & Experience

El Paso Electric and the Program Implementer 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 state and local licenses,
- Evidence that the Participating Contractor has a local office to ensure availability to service customers even after incentive funds have been exhausted and up to a year after installation,
- Three Client/customer references for projects similar in nature to those proposed for the Program, or be in good standing with the Better Business Bureau (BBB)
- Certificates of Insurance demonstrating the required coverage and policy endorsements.

Insurance Requirements

At all times during the term of the Letter of Intent, the Participating Contractor must carry and maintain at Participating Contractor's sole cost and expense the following, and must provide the Program Implementer with a copy of each policy endorsement upon issuance by the applicable insurer:

- General liability insurance coverage of at least \$1 million and produce evidence of current coverage upon request by EPE or the Program Implementer
- Business automobile liability coverage including owned, non-owned, and hired vehicles

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 or business automobile liability coverage, name EPE as an additional insured.

Neither CLEAResult nor EPE is responsible for the late arrival of any certificates submitted by the insurance company and will not waive deadlines for any applicant.

PROGRAM CONTACTS

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

Joyce Horton
Energy Efficiency Program Coordinator
El Paso Electric Company
P.O. Box 982
El Paso, TX 79960
(915) 351-4268
joyce.horton@epelectric.com

Ivan Faudoa
Program Consultant
CLEAResult
5822 Cromo Dr Ste 201
El Paso, TX 79912
(915) 255-4285
ivan.faudoa@clearesult.com

DISCLAIMERS

CONFIDENTIALITY

The Program is subject to oversight by the Public Utility Commission of Texas (PUCT), which may request a copy of any program materials received by CLEAResult or El Paso Electric. A Participating Contractor's sensitive company and project information submitted to the Program, such as financial statements and project costs, will be treated confidentially to the fullest extent possible and will not be provided directly to outside parties other than the PUCT. Neither CLEAResult nor EPE will be liable to any Participating Contractor 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 Participating Contractor who submits false, misleading or incorrect information. If an evaluation is discontinued under these circumstances, CLEAResult will return all of the Participating Contractor's submittals.

FORMAL COMPLAINTS

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

Joyce Horton
Energy Efficiency Program Coordinator
El Paso Electric Company
P.O. Box 982
El Paso, TX 79960
(915) 351-4268
joyce.horton@epelectric.com

Also, a formal complaint may 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) 1-800-735-2989

DISCLAIMER OF WARRANTIES

Participating Contractor acknowledges and agrees that any review or inspection by El Paso Electric or CLEAResult of Participating Contractor's facilities/premises or of the design, construction, installation, operation or maintenance of the energy efficiency equipment installed or to be installed in connection with the Program is solely for the information of El Paso Electric. In performing any such inspection or review or in accepting the installed equipment for the award of incentives, Participating Contractor acknowledges and agrees that EPE or CLEAResult makes no guarantee, representation or warranty whatsoever as to the economic or technical feasibility, capability, safety or reliability of the equipment, its installation by a project contractor or its compatibility with Participating Contractor's facilities.

PROGRAM IMPLEMENTER IS AN INDEPENDENT CONTRACTOR

CLEAResult is an independent contractor and is not authorized to incur obligations on behalf of El Paso Electric. EPE is not responsible for the truth or validity of any representation not contained in the Program Manual or Letter of Intent.

DEFINITIONS

Deemed Savings – a set of pre-determined, validated estimates of energy and peak demand savings attributable to energy efficiency measures in particular types of application that an electric utility may use instead of energy and peak demand savings determined through measurement and verification activities.

Demand Savings (kW) – peak demand savings that have been approved using one of the eligible measurement and verification protocols as set forth in this Program Manual.

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

Peak demand – electrical demand at the times of highest annual demand on the utility's system.

Peak demand reduction – reduction in demand on the utility system throughout the utility system's peak period.

Peak period – For the purpose of this section, the peak period consists of the hours from one p.m. to seven p.m., during the months of June, July, August, and September, 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.

Incentive Form – in order to apply for financial incentives through the Program, Participant must complete and sign this document, which details the location, scope, and start/completion dates for each project that is being submitted.

FREQUENTLY ASKED QUESTIONS (FAQS)

1. What is the Residential & Income Qualified Program?

The Program is an energy efficiency program designed to assist El Paso Electric's residential customers to reduce peak electric demand and annual energy usage by providing access to technical knowledge, energy assessments, and financial incentives to improve the efficiency of their homes.

2. Who is eligible to participate in the Program?

The Program is offered to residential customers and the contractors who service them.

3. What does the Program cost?

Participating Contractors PAY NOTHING for the Program. El Paso Electric provides all the support and incentives for the Program. THE FINANCIAL INVESTMENT ANY PARTICIPATING CONTRACTOR MAKES IS FOR THE ENERGY EFFICIENCY MEASURES THAT ARE INSTALLED ON ELIGIBLE FACILITIES.

4. What incentives are available through the Program?

The Program offers both cash and non-cash incentives to Participating Contractors in order to assist with a specific organization's needs. Financial incentives may be available for energy efficiency projects. Other program services, such as technical assistance and communications support, are made available according to the needs of each Participating Contractor.

5. How does a potential Participating Contractor enroll in the Program?

A Contractor may participate in the Program by submitting a Letter of Intent to the Program Implementer.

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

The Participating Contractor decides what energy efficiency measures to implement and how they are implemented. The Program offers only improved access to assistance for identification and evaluation of energy efficiency opportunities. The Program does NOT provide any installation of energy efficiency measures.

7. How are energy efficiency opportunities determined?

In most cases, participating contractors will assist residential customers of EPE to identify energy efficiency opportunities.