

# **Residential & Hard-to-Reach Standard Offer Programs**



**2025 Program Year**

**Version 1.0**

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## Program Objective

In May 1999, the Texas Legislature passed a bill to deregulate most of the electric utilities serving Texas customers. This bill also made provisions for the utilities to offer incentives to acquire cost-effective energy efficiency measures from competitive energy service providers. The Public Utility Commission of Texas (PUCT) was given the responsibility of defining a set of procedures by which these incentives would be offered and guidelines for the energy efficiency programs to be implemented by the utilities.

The PUCT rules and requirements are outlined in the 16 Tex. Admin. Code § 25.181 (TAC), also known as the Energy Efficiency Rule. The statewide Technical Reference Manual (TRM) provides data and methodologies to be used for evaluating energy and demand savings from energy efficiency measures installed in Texas, and is updated annually. Energy service providers (Project Sponsors) participating in Standard Offer Programs (SOPs) must comply with all program rules and procedures.

Southwestern Electric Power Company (SWEPCO) offers residential SOPs for its Texas customers, including the Residential Standard Offer Program (RSOP) and the Hard-to-Reach Standard Offer Program (HTR). The purpose of this document is to explain the program requirements and serve as a reference for Project Sponsors interested in participation.

As a participant in SWEPCO's SOPs, Project Sponsors will install energy efficient measures that deliver peak demand savings (kW) and/or annual energy savings (kWh). SWEPCO will pay a fixed price in the form of incentives for kW and kWh savings provided by the energy efficient measures installed.

Key reminders and guidelines for the 2025 SWEPCO SOPs include:

- Revised eligibility forms and processes for the HTR SOP.
- HVAC systems with non-compliant EER are eligible to claim energy and winter demand savings.
- The application review timeline has been extended to 60 business days.
- Duct Sealing measure is only eligible for Single-Family projects.
- Air Infiltration measure is only eligible in the HTR SOP. Pre-CFM cap reduced to 4.6 CFM<sub>50</sub> per square foot of house floor area for the pre-retrofit infiltration rate on eligible projects. The maximum CFM reduction percentage is capped at 30%. Pre and post photos are required for all Air Infiltration projects.
- A < R5 value has been added for the Ceiling Insulation and Attic Encapsulation measures.
- A reduction factor will be applied for space heating.
- Photo documentation required for all electric resistance heated homes regardless of measure.
- All photos must be geotagged.
- Documentation requirements for all measures are outlined in Appendix G.
- Project Sponsors shall not charge a trip or assessment fee when visiting a SWEPCO customer's home.
- TRM 12.0 has been approved for 2025 and includes updates to savings calculations, protocols and documentation requirements for all residential measures. Project Sponsors are required to review the TRM and understand these changes prior to installing measures. The SOPs rely on the PUCT approved TRM for reported savings.
- New requirements to use photo verifications to support before and after conditions.
- Project Sponsors will need to upload the ENERGY STAR® Certificate matching the installed model number, as proof of purchase for LEDs.
- Host Customer Agreement & Acknowledgement (HCA) Form will no longer be provided. Similar to all other documents, this document will be located in P3 or in the Contractor Center on [swepco.com/savings](http://swepco.com/savings) (*two copies per customer will be needed. Upload one in P3 and leave a copy with the customer*).
- A revised Field Notes Form for 2025.

- Projects Sponsors must leave a copy of the SWEPCO energy efficiency flyer and consumer educational material documents after work is completed. These documents will be available to approved Project Sponsors P3 or in the Contractor Center on [swepco.com/savings](http://swepco.com/savings).
- Residential dwellings, or additions, completed after January 1, 2023, do not qualify for retrofit projects.
- Program Administrators will cancel/delete any measure or project entered into P3 and not submitted on an invoice within 45 days.
- An area-weighted, average R-value is to be calculated for all homes consisting of two or more levels of Ceiling Insulation. Use of the the SWEPCO provided calculator found in the P3 database is required.
- Each Project Sponsor will have a maximum allocated budget cap. This allocation cap will be determined at the sole discretion of SWEPCO and will be based on the Project Sponsor's program experience, historical performance and budget availability.
- The allocated budget is a cap and not a guaranteed Project Sponsor budget allotment.
- Project Sponsors shall provide SWEPCO customers with a positive customer experience, including the satisfactory resolution of any customer complaints.
- There is a \$25,000 per sponsor annual budget cap on Multi-Family projects. The program budget will be evaluated regularly to verify the limit will not prevent achievement of the energy efficiency goal. If the cap is raised, all Project Sponsors will be notified via email.
- Project Sponsors must collect and report accurate customer email addresses in order for SWEPCO to provide each customer with information for completing an online post-install survey.
- Project Sponsors shall provide each customer with a survey notification.
- Project Sponsors are not allowed to use telemarketing of any kind to promote energy efficiency services to SWEPCO customers. *Any use will result in immediate termination from the program.*
- Added weighted baseline for single/double pane windows.
- Air Purifiers - Updated dust clean air delivery rate (CADR) references to refer to smoke CADR.
- Incorporated reinstated EISA 45 lumen/watt backstop.
- Central & Mini-Split AC/HPs must comply with SEER2 ratings
  - Adjusted new measure baselines for SEER2 compliance; incorporated updated federal standard
  - Algorithm savings methodology consistent with other RES HVAC measures.
  - While EER was previously used only as a minimum requirement to claim summer demand savings, summer kW savings now directly correlate with EER2 ratings.
- Added compressor type for newly installed unit as recommended documentation requirement (single-stage, multi-stage, variable speed).

**Although SWEPCO has summarized key program reminders here, it is the Project Sponsor's responsibility to review the current year manual in its entirety prior to submitting an application. It is also the Project Sponsor's responsibility to review the current TRM requirements and any additional requirements indicated in this manual prior to installing any measure.**

NOTE: SWEPCO reserves the right to modify the program design at any time and incorporate any or all changes resulting from proceedings and/or changes recommended by the PUCT into the 202 SOPs as they are approved. Project Sponsors will be provided with adequate notice of any changes affecting their projects.

## **Program Design**

### **1.1. PROGRAM DESCRIPTION**

The primary objective of the SOPs is to achieve cost-effective reduction of peak demand. This performance-based program offers incentive payments for “deemed” demand and energy savings generated by installing energy efficient measures.

Approved Project Sponsors are responsible for verifying there are available funds in the program budget, marketing their services to residential customers served by SWEPCO, contracting with the homeowners, installing the measures and reporting their work to SWEPCO. SWEPCO then inspects a randomly generated customer sample. Payment is made for the demand reductions and energy savings based on the percentage of installations that are approved by inspection as capable of delivering the reported savings.

SWEPCO has designed the Program Manual to provide Project Sponsors with the specific requirements of the SOPs. By contracting with SWEPCO, Project Sponsors agree that they have reviewed and understand the program manual and the applicable TRM as it pertains to measures the Project Sponsor will install and that they will comply with the requirements of the program in order to receive incentive payments for the installation of qualifying measures.

For a definition of terms used in this Manual, please consult the Glossary, included as Appendix A.

### **1.2. PROJECT SPONSOR ELIGIBILITY**

A Project Sponsor is any organization, group or individual who contracts with SWEPCO to provide energy savings under the terms of this SOP document. The following types of organizations are among those eligible to participate as Project Sponsors:

- Energy service companies
- Local contractors
- National or local companies that provide energy-related products (e.g., insulation or HVAC)
- Product retailers, if they install the particular energy-efficient products sold as part of this program

#### **Requirements:**

- Project Sponsors in the SWEPCO SOPs must meet minimum eligibility criteria and demonstrate their financial, technical and managerial qualifications.
- Any subcontractor must be identified in the application. A subcontractor can be added at a later date with Program Administrator approval. Project Sponsors and their subcontractors are required to carry all statutorily required insurance, as described in the SOP Agreement.
- A certified Home Energy Rater (HERs) or Building Performance Institute (BPI) individual is required to be on staff for any Project Sponsor performing Duct Efficiency and/or Air Infiltration measures. The HERs or BPI individual is required to be listed on the Project Sponsor application.
- Project Sponsors may be required to complete the SWEPCO customer service and safety training.

### 1.3. CUSTOMER ELIGIBILITY

All participants must be customers of SWEPCO Texas as identified by use of the meter number, or ESI ID. SWEPCO Texas customer ESI ID numbers begin with 101 769 896 and are located on the electric bill. ESI IDs or meter numbers are required to enter customers in the program database.

Dwellings in major disrepair that result in less than an expected 10-year life will be considered not eligible.

Participants may include:

- **Single Family** – A residential dwelling consisting of two or less units (i.e., a duplex or less).
  - For pier and beam construction, a licensed HVAC contractor must inspect and provide written approval verifying drain lines and equipment sizing are accurate for the home before any work on the underside of the home can be performed.
- **Manufactured/Mobile Home** – A manufactured home on a chassis with wheels so it can be moved to different locations. It is considered pier and beam floor construction, usually with the perimeter skirting from the floor to the ground.
  - Manufactured and mobile homes must have complete belly board and belly insulation. Homes with diminished belly boards or belly insulation will need to have those areas repaired prior to installing measures.
  - A thorough inspection (including photos) must be made of the belly from below. This inspection must include looking for water leaks, condensate leaks, holes/tears as well as wet or missing floor insulation.
  - All water or condensate leaks, holes/tears and wet or missing insulation must be repaired by the customer/owner or at a cost agreed upon by the customer/owner and Project Sponsor prior to any program measures being installed.
  - All A/C drain lines are required to be routed outside of the crawlspace of the home.
  - A licensed HVAC contractor must inspect and provide written approval verifying drain lines and equipment sizing are accurate for the home before work can be performed.
- **Multi-Family** - A residential building containing three or more dwelling units.
  - Individually metered multi-family buildings are considered separate residential accounts. Each unit is counted as a residence. The common areas are considered commercial accounts and are not eligible in the SOPs.
  - Master-metered multi-family buildings are considered commercial facilities and are not eligible in the SOPs.
  - Individually metered town homes are considered multi-family.

NOTE: All multi-family projects must be approved by SWEPCO prior to installation. Pre-approval shall include work site address, estimate of the incentive and work schedule for completion of measure installation. *No work may begin at a multi-family project prior to SWEPCO approval of work site, incentive estimate and work schedule.*

### 1.4. HARD-TO-REACH CUSTOMERS

Hard-to-Reach (HTR) customers are Texas residential customers served by SWEPCO with an annual household income at or below 200% of the federal poverty guidelines and who have properly completed a PUCT-approved income verification form, or who have been designated as HTR through another PUCT-approved verification methodology.

HTR customers will qualify under the following categories:

- **Category 1A:** Eligibility through other programs or services. Examples include but are not limited to Medicaid, Supplemental Security Income (SSI), Section 8 Housing Voucher.
- **Category 1B:** Eligibility through community action or social service agencies.

- **Category 1C:** Eligibility through geographic location. The home/premise must be located within a Housing and Urban Development (HUD) Low-Income Housing-Qualified Census Tract or Block.
- **Category 2:** Eligibility through income verification.

Dwellings in major disrepair that result in less than an expected 10-year life are not eligible. The U.S. Department of Health and Human Services (HHS) Poverty Guidelines are established separately for households of different sizes. Income guidelines and certification forms are updated in January every year and posted on the PUCT website, <https://www.puc.texas.gov/industry/electric/forms/Default.aspx>. Project Sponsors shall use the updated guidelines and income certification forms when they become available in January.

**Income Eligibility Verification Forms (for HTR participants only)**

The Project Sponsor must use the approved forms for the purpose of verifying the income eligibility of customers participating in the HTR program. The Project Sponsor will present the form to the customer, and she/he will check appropriate boxes, provide other information where required and sign the form. The Project Sponsor should make a good faith effort to observe recent (within the past 18 months) backup documentation verifying customer eligibility in Category 1A, Category 1B and Category 2.

1. Self-Certification Form of Income Eligibility: To document a single-family customer’s income eligibility status, the Project Sponsor must have the participant complete and sign the Self-Certification Form of Income Eligibility.
2. Property Owner Certification Form of Tenant Income Eligibility: If a Project Sponsor is implementing a project at a multi-family building, the Project Sponsor must have the property owner or agent complete and sign the Property Owner Certification Form of Tenant Income Eligibility verifying that at least 75% of the units are rented by income eligible customers with each unit having a separate electric meter.

**1.5.ENERGY EFFICIENT MEASURE ELIGIBILITY**

A link to the TRM is available at <http://www.texasefficiency.com/index.php/emv> and provides a listing of approved measures and their corresponding deemed savings values. The Texas TRM includes deemed savings for retrofit residential measures that have been approved by the PUCT and which may, at the utility’s discretion, be included in the SOPs. All measures installed should be installed in such a way to provide an expected life of at least 10 years and deliver the energy savings intended. Installation methods and materials used should take this into consideration. When it can reasonably be assumed that the installation will not be in place for at least 10 years, the installation may not be reported in the SOPs. SWEPCO will consider the permanent electric meter installation date as the home’s completion date.

In addition to the criteria outlined above and, in the Texas TRM, SWEPCO has incorporated additional criteria to ensure that the expected energy savings will be delivered.

**If any of the baseline equipment at a project site has been removed prior to the execution of the Program Agreement, or if any of the proposed energy-efficient measures have been installed prior to the execution of the Program Agreement, the project or the affected portions thereof shall be disallowed.**

SWEPCO shall have final authority on whether any particular measure is eligible for incentives.



EXAMPLES OF ELIGIBLE MEASURES	EXAMPLES OF INELIGIBLE MEASURES
<p><b>Envelope Measures</b></p> <ul style="list-style-type: none"> <li>• Insulation: ceiling, wall and floor</li> <li>• Air infiltration</li> <li>• ENERGY STAR® windows</li> </ul> <p><b>HVAC Measures</b></p> <ul style="list-style-type: none"> <li>• A/C and heat pump installations</li> <li>• Duct efficiency improvement</li> <li>• ENERGY STAR® thermostats</li> </ul> <p><b>Lighting Measure</b></p> <ul style="list-style-type: none"> <li>• ENERGY STAR® LED Lamps</li> </ul> <p><b>Electric Water Heating Measures</b></p> <ul style="list-style-type: none"> <li>• Faucet aerators and low-flow showerheads</li> <li>• Water heater pipe and tank insulation</li> <li>• ENERGY STAR® Heat Pump water heaters</li> </ul>	<ul style="list-style-type: none"> <li>• Measures for which incentives were received under another SWEPCO program</li> <li>• Cogeneration and self-generation projects, including solar photovoltaic systems</li> <li>• Load shifting/load management measures</li> <li>• Repair and maintenance projects</li> <li>• Energy-efficient gas measures when replacing non-electric technologies</li> <li>• Measures that result in negative environmental or health effects</li> <li>• Compact Fluorescent Lamps (CFLs)</li> </ul>

### 1.5.1. Envelope Measures

At least one of the three following measures must be installed in order for secondary measures to be eligible. The secondary measures must be installed in conjunction or at the same time as primary measures.

1. Insulation measures such as insulating the ceiling, floor or all exterior walls. Photographs required as stated in the most recent Texas TRM.
2. Air infiltration control measures that meet the minimum of 10% air leakage reduction, as calculated by the difference between pre- and post-installation blower door tests. There is an upper limit of 4.6 CFM<sub>50</sub> per square foot of house floor area pre-retrofit infiltration rate. Photographs required as stated in the most recent Texas TRM.
3. HVAC duct integrity measures such as repairs, replacements and sealing with mastic or aerosol-based duct sealants.

### 1.5.2. Secondary Energy Usage Measures

#### Lighting

- Light-Emitting Diodes (LEDs) in hard-wired fixtures with a minimum 2.2 hour daily usage. A hard-wired fixture is a fixture that is permanently installed in the residence. Examples of fixtures that are not hard-wired are table lamps and floor lamps.
- LEDs are allowed in fixtures except for “Hollywood”-style fixtures with four or more lamps found primarily in bathrooms.

#### Water Heating

- Pipe insulation
- Water heater jackets

## Program Incentives

SWEPCO shall pay Project Sponsors a fixed incentive per kW and kWh of savings as determined by the PUCT-approved demand and energy savings. Demand (kW) payment is based on peak demand savings. Energy (kWh) payment is based on the first-year energy savings. All payments are made directly to the Project Sponsor, not customers. Project Sponsors are not required to provide any direct incentives to customers but are required to execute a Host Customer Agreement (HCA) with the customer that indicates the Project Sponsor is participating in a SWEPCO program and will receive an incentive.

### 1.6. INCENTIVES BY MEASURE

In an effort to provide a more comprehensive program, SWEPCO will pay incentives by measure, as shown in the following table.

2025 Program Incentive Rates by Measure						
Measure Group	Measure	EUL	RSOP		HTR SOP	
			kW	kWh	kW	kWh
<b>Lighting</b>	ENERGY STAR® LEDs	Var.	\$4 per bulb/20 per home max			
<b>HVAC</b>	Duct Efficiency Improvement	18	\$260	\$0.12	\$340	\$0.13
	Duct Efficiency- Alternative Approach		\$125		\$200	
	Duct Efficiency Improvement - Gas	18	\$330	\$0.12	\$415	\$0.13
<b>Building Envelope</b>	Air Infiltration	11	N/A		\$230	\$0.10
	Air Infiltration - Gas	11			\$270	\$0.12
	Ceiling Insulation	25	\$360	\$0.16	\$480	\$0.16
	Insulation (Wall & Floor)	25	\$300	\$0.13	\$400	\$0.13
	Attic Encapsulation	25	\$360/kW & \$0.16/kWh			
<b>Water Heating (WH)</b>	Low-Flow Showerheads	10	\$40/Showerhead			
	Faucet Aerators	10	\$7/aerator			
	Water Heater Jacket	7	\$125	\$0.07	\$160	\$0.09
	Pipe Wrap	13	\$225	\$0.12	\$310	\$0.10
	ENERGY STAR® Heat Pump Water Heater	13	\$1,150/unit			
<b>Appliances/Customer Rebate options</b>	Advanced Power Strip (APS)	10	\$40/APS			
	Room A/C	10	\$100/unit			
	ENERGY STAR® Heat Pump Water Heater	10	\$1,150/unit			
	ENERGY STAR® Connected Thermostats	11	\$75/unit			
	ENERGY STAR® Electric Vehicle (EV) Supply Equipment – EV Charging Station	10	\$250/unit			
	ENERGY STAR® Air Purifier	9	\$125/unit			
	ENERGY STAR® Dishwasher	15	\$100/unit			
	ENERGY STAR® Refrigerator	17	\$100/unit			
	ENERGY STAR® Clothes Washer	11	\$100/unit			
	ENERGY STAR® Clothes Dryer	16	\$100/unit			
	ENERGY STAR® Windows	25	\$2.50/square ft			
	ENERGY STAR® Induction Cooktop		\$250/unit			
ENERGY STAR® Pool Pumps	10	\$275/unit				
<b>New Construction</b>	Please contact program administrator					

## Income Qualified HVAC

SEER2	IQ AC	SEER2	IQ HP	IQ HP Replacing Electric Resistance Furnace (No upsizing)
15.2-15.9	\$150/ton	14.8-15.9	\$450/ton	\$3,500/system Systems with a 14.8+ SEER2 rating qualify
16-16.9	\$200/ton	16-16.9	\$500/ton	
17-17.9	\$250/ton	17-17.9	\$600/ton	
18+	\$300/ton	18+	\$700/ton	

## Residential HVAC

SEER2	Residential AC	SEER2	Residential HP	Residential HP Replacing Electric Resistance Furnace (No upsizing)
15.2-15.9	\$100/ton	14.8-15.9	\$350/ton	\$3,000/system Systems with a 14.8+ SEER2 rating qualify
16-16.9	\$150/ton	16-16.9	\$400/ton	
17-17.9	\$200/ton	17-17.9	\$500/ton	
18+	\$250/ton	18+	\$600/ton	

SEER2	Multi-Family HVAC Projects
15.2-16.1	Please contact program administrator
16.2-17.1	
17.2+	

### 1.7. INCENTIVE EXAMPLE

A Project Sponsor installs a measure yielding savings of 0.69 kW and 2,125 kWh. With incentive rates for that measure of \$360/kW and \$0.16/kWh, the incentive payment calculated is:

$$(0.69 \times \$360) + (2,125 \times \$0.16) = \$588.40$$

NOTE: In all cases, payment procedures specified in the Program Agreement supersede this and any other documents, and all payments are subject to the limits set forth in this chapter.

SWEPSCO may modify its incentive payments during the program year if it is deemed necessary to meet its goals. At least 30 day notice will be provided to participating project sponsors before any such change is made.

### 1.7.1. Project Sponsor Limits

To ensure that funding will be available to multiple participants, SWEPCO has set a maximum limit on incentives paid to any one Project Sponsor. Project Sponsors may not receive more than the Project Sponsor Limit for the program year, as noted in the table below.

#### SOP Sponsor Incentive Limits\*

RSOP Project Sponsor Limit for Year**	\$70,000
HTR Project Sponsor Limit for Year**	\$50,000

*\*The annual limit is not a guaranteed amount reserved for or paid to each Project Sponsor. \*\*These limits may be waived or adjusted if SWEPCO determines that such limits would prevent it from achieving its energy efficiency goal.*

NOTE: SWEPCO reserves the right to base Project Sponsor limits on prior year performance.

### 1.7.2. General Incentive Information

Project Sponsors participating in SWEPCO's SOPs may only submit projects up to the Project Sponsor limit, the annual maximum allocated budget cap. This limit is not a guaranteed amount. It is the responsibility of the Project Sponsor to monitor the overall program budget and their Project Sponsor limit to determine there are ample funds before implementing installations.

The first-time Project Sponsor limit is \$25,000. The cap can be raised at the discretion of the program administrator once work quality is reviewed and passes inspection.

Projects can be submitted until the annual limit per Project Sponsor cap is reached or all program funds have been used. There is a \$25,000 annual limit per Project Sponsor on multi-family projects. Funds will be taken out of the program budget upon the submission of a project. Please note that when funds reach zero in the program, there is no guarantee that SWEPCO will be able to pay incentives on non-submitted projects.

### 1.7.3. Program Release Dates and Funding

Program	Release Date	Funding
RSOP	January 9, 2025	\$500,000
HTR	January 9, 2025	\$425,000

*No Project Sponsor has unconditional entitlement or preferential rights to any incentive funds. Failure to comply with all program requirements may result in a Project Sponsor's termination from the program.*

## Program Process and Timeline

SWEPCO’s program website, <https://www.swepco.com/save/>, will be the key informational resource for the SOPs. Project Sponsors should check this website regularly for program updates.

### Program Process

The following steps are to be followed by all prospective Project Sponsors.

1. Complete the online application for Project Sponsor.
2. Submit applications online from the link located at <https://swepco.p3.enertrek.com>. Applicants must specify which measures the Sponsor plans to install.
3. Applications enter formal review process and are either approved or denied.
4. Applicants are notified of approval status.
5. Contracts are signed with approved Project Sponsors.
6. Only after final approval and under contract, the Project Sponsors will have a status of ‘Approved’ in the database. Once approved, and after the official program opening date, the Project Sponsor is free to market their services to SWEPCO homeowners, contract with the homeowners and install the measures.
7. Project Sponsors report their work in the P3 database. As each home site is reported, the incentive is reduced from the budgeted funds for that particular component. The database automatically calculates the incentive amounts based on the approved deemed savings values.
8. SWEPCO personnel inspect a percentage of customer homes where measures have been installed. The target inspection rate is a minimum of 10% of projects submitted.
9. Incentive payment is made based on the percentage of installations that pass inspection.

### 1.8. APPLICATION PROCESS

All applications must be completed and submitted online. All information **MUST** be entered in the application. If necessary, use the designation NA for “not applicable.” *All information must be correct for serious consideration of the application.*

SWEPCO will not reimburse any Project Sponsor for any costs incurred by participating in the SOPs, including costs of preparing the Project Application, reviewing or executing the Program Agreement, or preparing and submitting projects.

#### 1.8.1. Application & Program Timeline

November 14, 2024 @ 10:00 am CST	Project Sponsor registration and application submission
January 9, 2025 @ 10:00 am CST	Program year begins
November 30, 2025 @ 12:00 am CST or funds depleted	Program year ends

SWEPCO will accept applications until it determines that it has enough approved Project Sponsors to meet its goals.

#### 1.8.2. Supplemental Documentation Requirements

All applicants wishing to install Duct Efficiency or Air Infiltration measures must submit a document stating the step-by-step process of your testing procedures, including the type of testing equipment

you will be using. This document must be uploaded and included when the application is submitted. Verification of the latest calibration detail for the testing equipment shall be included with the application.

Project Sponsors applying to install HVAC equipment will be required to provide a current copy of the Texas Department of Licensing and Regulation license.

Project Sponsors applying to install water heaters will be required to provide a current copy of the Texas State Board of Plumbing Examiners license.

Applications may be rejected for failure to submit documentation at the required time.

## **1.9. APPLICATION REVIEW PROCEDURES**

To ensure a comprehensive program targeting all eligible customers and measures while achieving its demand and energy goals, SWEPCO will award contracts based upon the Project Sponsor's qualifications and targeted counties and measures until the SOPs have been fully subscribed. Previous program participation does not guarantee acceptance.

The application review process will take into consideration the project sponsor's previous record including, but not limited to, the following criteria:

- Areas served compared to targeted areas listed on prior years' project application(s)
- Measures reported compared to targeted measures listed on prior project application(s)
- Comprehensive list of measures offered and performed
- Level of workmanship and professionalism shown
- Ability to follow program guidelines for reporting
- History of customer complaints received
- Past inspection results history
- Overall quality of work, and adherence to all program requirements

### **1.9.1. Application Confidentiality**

SWEPCO SOPs are subject to oversight by the PUCT, which may request a copy of any materials that SWEPCO receives. Sensitive information identified as such and submitted by the Project Sponsor will be treated confidentially to the fullest extent possible, and will not be provided directly to outside parties other than the PUCT. SWEPCO shall have no liability of any kind to any Project Sponsor or other party as a result of public disclosure of any submittals.

### **1.9.2. Application Evaluation**

SWEPCO may reject a Project Application if:

- The Project Sponsor fails to meet program eligibility requirements.
- The Project Sponsor fails to respond to any request for additional information.
- The Project Sponsor fails to submit supplemental documentation when requested.
- The Project Sponsor is found to have made material misrepresentations in the Project Application.
- The Project Sponsor fails to comply with applicable federal, state and local laws and regulations.
- The Project Application is found to be incomplete or insufficient.
- The Project Sponsor has performed poorly in previous SWEPCO programs.

- SWEPCO, in its sole judgment, determines that the Project Sponsor is incapable of fulfilling the terms and conditions of the Program Agreement.
- The Project Sponsor fails to submit required insurance documentation.
- The Project Sponsor has a history of applying for measures that are never installed. SWEPCO may deny approval of specific measures for which the Project Sponsor cannot clearly demonstrate experience installing those measures.

SWEPCO may request clarification of, or additional information about, any item submitted as part of the Project Application. Project Sponsors will have seven (7) business days to respond to such requests. If the clarification or additional information provided is not sufficiently responsive, SWEPCO may, at its sole discretion, request additional information, or discontinue its evaluation of the submittal.

### 1.9.3. Project Sponsor Approval

SWEPCO will notify each Project Sponsor of its application status within thirty (30) business days of the submittal of the application. Within seven (7) business days *after notification via email of Project Application approval*, the Project Sponsor must provide SWEPCO with the following:

- An electronically signed Residential Agreement issued through the SOP database via DocuSign.
- Evidence of Insurance as required. Certificates of Insurance (COI) *must be emailed directly from the insurance agency* to the attention of the SWEPCO Program Administrator listed below. Failure to submit or maintain the required insurance will result in a lock-out of the Project Sponsor from the database and possible dismissal from program participation. All COIs shall show the certificate holder as:

American Electric Power Company, Inc. and its Subsidiaries  
 American Electric Power Service Corporation, as agent  
 [to the attention of the appropriate Program Administrator shown on the following page].

- Any other documentation noted in the approval email.

#### **SWEPCO SOP Program Administrator**

Southwestern Electric Power Company

Attn: Leslie Williams

Inwilliams1@aep.com

It is the sole responsibility of the Project Sponsor to ensure that SWEPCO receives the required supplemental materials by close of business on the applicable due date. *Faxed submittals are not acceptable.*

Once a Project Sponsor's application has been approved and the Agreement executed, the Program Administrator will open the Implementation section of the database to the Project Sponsor.

SWEPCO reserves the right to discontinue review of applications when it determines that enough applications have been received to fully subscribe the SOPs and to meet its program goals.

*Application in the SWEPCO RSOP and/or HTR does NOT automatically entitle an applicant to receive an agreement to participate as a Project Sponsor.*

## **PROGRAM IMPLEMENTATION**

Work will be performed from date of SOP program start date until November 30, 2025, or funds are depleted. Upon receipt of the “approved” email notice from the database or receipt of the countersigned contract and approval of marketing materials, the Project Sponsor may begin marketing and installation activities. All projects must be submitted within 45 days of creation in P3.

### **1.10. MARKETING**

Under PUCT rules, SWEPCO may only conduct informational activities to explain the program to energy efficiency service providers and vendors. As a result, SWEPCO must rely upon the marketing capabilities of Project Sponsors to sell projects to its customers.

Project Sponsors may not use the SWEPCO name or logo in any correspondence or promotional material; however, Project Sponsors are encouraged to use the one-page flyer provided by SWEPCO and available in the P3 database. *Any other marketing materials must be approved by SWEPCO prior to their use and should be included in the application process. Any mass media advertising such as newspaper must be pre-approved along with the market area for the advertising.* Examples of acceptable and unacceptable phrases are in Appendix D. SWEPCO reserves the right to terminate the contract of any Project Sponsor using marketing materials containing any unapproved language or reference to SWEPCO.

A listing of participating Project Sponsors is kept on the main program website, [www.swepcosolutions.com](http://www.swepcosolutions.com). A prospective customer may use this site for Project Sponsor verification.

SWEPCO strongly encourages Project Sponsors to register with the Better Business Bureau(s) in those areas in which work is planned. Solicitation permits or other requirements by local authorities are the responsibility of the Project Sponsor.

Entering into an agreement with SWEPCO as a Project Sponsor does not imply SWEPCO’s endorsement or approval of any company, product or service.

### **1.11. HOST CUSTOMER AGREEMENT, FIELD NOTES FORM AND PHOTOS**

#### **1.11.1. Host Customer Agreement**

The Host Customer Agreement and Acknowledgement (HCA) is the primary agreement executed between the Host Customer and the Project Sponsor prior to measure installation. The PUCT requires that HCAs contain certain consumer protection provisions and disclosures.

All Project Sponsors are required to use the 2025 SWEPCO-provided HCA form. The HCA must be signed by the Project Sponsor, the Host Customer and if applicable, the subcontractor. Make sure the Host Customer phone number is a working daytime number. HCA forms will be provided to Project Sponsors upon approval and contract execution. Additional forms will be provided to Project Sponsors when requested via email. A copy will be left with the Host Customer and a copy will be uploaded to the P3 database. Installation and equipment standards are included in the TRM.

#### **1.11.2. Field Notes Form**

All Project Sponsors are required to complete and submit the 2025 SWEPCO Field Notes Form, which is available for download in the P3 database. A Field Notes Form shall be completed for each customer and uploaded to the P3 database.



NOTE: For all customers receiving Infiltration and/or Duct Efficiency measures, the customer must initial the form to confirm that the pre and post Blower Door, Duct Blaster and CO tests were performed, where applicable. Each customer must initial the bottom of the form indicating the appropriate tests were performed.

## 1.12. PRESCRIPTIVE REQUIREMENTS

### 1.12.1. Infiltration Measures

To qualify for incentives, a minimum air leakage reduction of 10% of the pre-installation Blower Door CFM reading is required. This measure must be completed, including the post-installation CFM reading, prior to starting the duct efficiency measure, if applicable. In addition to meeting the installation standard in the TRM, unless contraindicated for health and safety reasons, the following interior leakage points shall be treated as part of this measure, if applicable:

- Attic access when in the conditioned space.
- All plumbing penetrations.
- Weather-stripping and a door sweep or threshold with door bottom on all exterior doors.
- Missing or broken window panes and other building envelope penetrations.
- Furnace closet door: For homes with gas space heating, louvered doors or open ceilings to gas space heater closets may not be sealed off to reduce air infiltration unless an outside air source is installed according to applicable building and safety codes. Any sealing of louvered doors and the installation of an outside air source must be inspected by appropriate local, county, or state governmental building inspectors.

*Failure to complete the prescriptive requirements will result in a total measure failure, regardless of the CFM reading.*

**Homes treated for air infiltration reduction must have electric, central air conditioning to qualify. Homes cooled with window air conditioning units are not eligible for this measure. The maximum CFM reduction percentage is capped at 30%. The minimum ventilation rate still applies. Refer to the TRM for a complete description of the measure and all requirements.**

The TRM stipulates an upper limit of 4.6 CFM<sub>50</sub> per square foot of house floor area for the pre-retrofit infiltration rate as part of eligibility criteria. For homes where the pre-retrofit leakage exceeds this limit, energy and demand savings must be calculated using the pre-measure installation leakage cap. Therefore, when the pre-retrofit leakage is capped, energy and demand savings can only be claimed for a 30% reduction in CFM compared to the capped pre-CFM value. When the pre-retrofit leakage is not capped, energy and demand savings can only be claimed for a 30% reduction in CFM compared to the tested, actual pre-retrofit infiltration rate of the home.

*When applying Infiltration and/or Duct Efficiency measures, the Project Sponsor should make every effort to address areas needing attention in that particular home.*

Infiltration Example: If window caulking is old, dried and ineffective, the Project Sponsor should include this in the work performed. It is not acceptable to simply pass by this need due to being overly busy or behind schedule. In an example like this, where other Infiltration measures were applied, but the windows were not caulked, despite the need, the customer suffers because this home is now ineligible to participate in the program for 10 years for any additional infiltration measures.
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### **1.12.2. Duct Efficiency Measures**

If both Infiltration and Duct Efficiency measures are installed, Infiltration measures must be done prior to performing Duct Efficiency measures. To qualify for incentives for Duct Efficiency measures, in addition to meeting the installation standard in the TRM, the following prescriptive requirements also apply, if applicable:

- Seal return air chase and supply plenum
- Seal all supply and return registers
- Check the condition of duct work in unconditioned space and seal or repair as necessary
- When reporting installations in the database, project sponsors must identify any required measures that are not applicable with “n/a,” and explain the reason in the sponsor notes field for that measure.

*Failure to complete the prescriptive requirements will result in a total measure failure regardless if it meets the CFM reading requirement.*

*Leakage-to-Outside testing is required for all Duct Efficiency measures.*

*This measure involves sealing leaks in supply and return ducts of the HVAC distributions systems of homes with central air conditioning. Homes without central air conditioning but with a ducted heating system are not eligible.*

#### **Health & Safety Precautions**

Duct and Air Leakage testing should not be conducted in homes where either evidence of asbestos, mold and/or other potentially hazardous material is present or suspected due to the age of the home. Blower Door Depressurization tests are prohibited if there is a risk of asbestos becoming airborne and being drawn into conditioned space.

### **1.13. PRIOR TO INSTALLATION**

- Subcontractors must be approved by SWEPCO prior to beginning installations.
- A CO test is required for all air infiltration installations with gas space heating.
- Customer must sign the HCA before work is started agreeing to allow the Project Sponsor to perform the work.

Additional information for multi-family sites:

- Require pre-approval of the site and measures by the Program Administrator.
- SWEPCO will not consider payment for installations submitted without the proper pre-approvals.

### **1.14. POST-INSTALLATION**

- Each customer must sign the HCA upon completion of the project to verify the measures were installed as stated. The HCA provides SWEPCO with permission to inspect the installation, which may be required before incentive payments are approved. The customer copy of the completed and signed HCA must be provided to the customer.
- SWEPCO-approved energy efficiency education material must be left with each customer.
- If a subcontractor was used, the Project Sponsor must provide the customer with an *All Bills Paid Affidavit*. A copy of the document is available in the P3 database.

## Installation Reporting

All reporting will be done via the database. Installations must be recorded in the database as completed to ensure availability of funds. All required fields must be completed. Required information includes, but is not limited to, the following:

- Customer type (Single Family, Multi-family or Manufactured/Mobile Home)
- Customer name and address
- Customer email address
- SWEPCO ESI ID number \*
- Best day-time phone number
- County
- Type of heating
- Measures installed
- Number of bedrooms

*\*SWEPCO ESI IDs begin with 101 769 896.*

For apartment complexes, SWEPCO will allow use of a single ESI ID for the multi-family approval request and one HCA and income eligibility form (for HTR projects only) signed by the appropriate authority of the apartment complex. *Installations for each apartment must be entered using the ESI ID of the actual apartment unit.*

### 1.15. MONTHLY REPORTING

All installations must be reported within 45 days of installation. Due to the nature of the first-come, first-served program design, Project Sponsors are encouraged to submit projects as early and as often as possible. Before submitting projects, ensure that all required documents are uploaded for each project. Project Sponsors have two options for submitting projects:

#### **One-by-One Submission**

1. Access your Project List and select the project you wish to submit.
  - a. NOTE: Only projects that are in the “Work Completion Pending” status can be submitted.
2. Within the Project Details page, select “Submit” from the dropdown menu (in the top right panel under the project status).
3. Click the “Submit” button in blue to submit project.
4. Project will be submitted if it meets all of the program requirements.

#### **Batch Submission**

1. Access your Project List and select the checkboxes in the far left column for each project that you wish to submit.
  - a. NOTE: Only projects that are in the “Work Completion Pending” status can be submitted.
2. Select the “Batch Action” dropdown menu.
3. Select “Submit” from the dropdown menu. A confirmation message will appear.
4. Click “Go” within the confirmation window.
5. Projects will be submitted if they meet all of the program requirements.

SWEPCO will review and process the submitted projects. Once the reviewed projects are approved and ready for incentive payment, SWEPCO will batch up the approved projects for that month and pay them within 45 days.

## **1.16. INCENTIVE REVIEW PROCEDURES**

### **1.16.1. Installation Inspections**

All measures installed in the SOPs must conform to or exceed the standards listed in the TRM. SWEPCO will make random sample field inspections to determine if each measure has been installed properly and is capable of performing its intended function. Generally, up to 10% of the customer sites may be inspected. However, more sites may be inspected at the discretion of the Program Administrator. If measures installed do not meet the inspection standards, or if required documentation photos are not provided, those measures will not be eligible for incentives.

If SWEPCO is unable to inspect measures installed at the customer's location, those measures may be counted as failures.

## **PROJECT PAYMENTS**

### **1.17. INCENTIVE PAYMENT ADJUSTMENTS**

After field inspections are completed, all installations will be evaluated on a measure-by-measure basis to calculate an adjustment factor for the incentive payment. This adjustment factor will be the ratio of the incentive total for all measures that pass inspection to the total incentive for all measures tagged for inspection. The adjustment factor will then be applied to all sites on the Invoice.

The algorithm for calculating the adjustment factor is described below:

$$\text{Adjustment Factor} = \frac{\text{Incentive total for measures that pass inspection}}{\text{Incentive total for all measures tagged for inspection}}$$

In instances where all measures pass inspection, the adjustment factor is 1.00. This assumes all figures on the invoice are correct. If only 75% of the inspection sample passes inspection, the adjustment factor will be 0.75 and only 75% of the incentives will be paid.

If the Project Sponsor disagrees with the payment adjustment, the Project Sponsor may request that all information be reviewed again after the Project Sponsor provides additional clarifying information. If the Project Sponsor and SWEPCO cannot agree on the adjustments after the review, the Project Sponsor and SWEPCO must use the dispute resolution mechanisms that are specified in the program agreement.

The customer may contact SWEPCO representatives at any time with any issues concerning the program design or sponsors working in the program.

### **1.18. ACCURATE REPORTING**

Accurate reporting is of key importance in calculating savings achieved. SWEPCO may prohibit a project sponsor from submitting certain measures if problems occur repeatedly in accurate reporting of required information such as square footage and air conditioner size. All installations will be entered and submitted within 45 days of the installation date. Failure to adhere to the reporting requirements may be used for termination of the contract.

### **1.19. EXCESSIVE FAILURES**

SWEPCO reserves the right to limit the measures a Project Sponsor is allowed to install or to terminate contracts due to excessive failures.

### **1.20. PAYMENT OF INVOICE**

Payment terms are net 45 days. Payment will be processed when the inspections are completed and the incentives have been adjusted.

**SWEPCO'S PAYMENT OF INCENTIVE PAYMENT(S) TO PROJECT SPONSOR IS EXPRESSLY AND SPECIFICALLY CONDITIONED UPON SWEPCO RECEIVING ALL REQUIRED NOTICES, SUBMITTALS AND MATERIALS FROM PROJECT SPONSOR WITHIN THE APPLICABLE PERIOD SPECIFIED IN THIS MANUAL AND THE AGREEMENT. FAILURE BY PROJECT SPONSOR TO DELIVER ANY REQUIRED NOTICE, SUBMITTAL OR MATERIAL WITHIN THE APPLICABLE PERIOD SPECIFIED IN THIS AGREEMENT SHALL BE DEEMED A MATERIAL BREACH OF THE AGREEMENT.**

## **8. SUMMARY OF PROCEDURES**

### **Application and Approval Process**

1. Fully read the revised manual.
2. Complete Application Forms through link found at <https://www.swepco.com/save/>.
3. Submit the following within 24 hours of application, if applicable:
  - a. Summary of the step-by-step process of your testing procedures.
  - b. The type of testing equipment you will be using.
  - c. The date of last recalibration (Duct Efficiency or Infiltration measures only).
4. SWEPCO will notify applicants of the application's status within thirty (60) business days.
5. Submit all items requested in the contract approval email within seven (7) business days.
6. Once all required items have been received and approved, SWEPCO will execute the Residential agreement.

### **Prior to Installation**

1. Complete work schedule in P3 database and keep it updated.
2. Subcontractors must be approved by SWEPCO prior to beginning installations.
3. All marketing materials must be approved by SWEPCO including multi-media such as newspaper advertising.
4. Customer must sign the Host Customer Agreement (HCA) before work begins.
5. Prior to installations at multi-family sites, Project Sponsors must submit the work site address, estimate of the incentive and work schedule for completion of measure installation to Program Administrator via email for pre-approval.

### **After Installation**

1. Complete the Field Notes Form and have the customer initial the bottom if IN and/or DT measures installed.
2. Customer must sign the HCA indicating measures were installed.
3. Project Sponsor must provide customer with their signed customer copy of the HCA.
4. If using subcontractors, provide the customer with the All Bills Paid Affidavit.

### **Reporting**

1. Report installations online within the appropriate time frame.
  - a. Projects must be submitted within 45 days of creation in P3.
  - b. SWEPCO will review and process the submitted projects. Once the reviewed projects are approved and ready for incentive payment, SWEPCO will pay the approved projects within 45 days.
2. Upload the following to the database:
  - a. Field Notes Form for each customer with Air Infiltration or Duct Efficiency work including pre- and post-CFM numbers.
  - b. SWEPCO copy of the HCA form for each customer included in the Incentive Report.
  - c. Photos as required by TRM.

### **Payment**

1. A sample of sites will be inspected.
2. Payment will be issued based on the percentage of measures that pass inspection.

*SWEPCO has designed the Residential manual to provide the specific requirements for participating in the Residential Standard Offer Programs. By contracting with SWEPCO, Project Sponsors agree that they have read the program manual and will comply with the requirements of the program in order to receive incentive payments for the installation of qualifying measures.*

## APPENDIX A – GLOSSARY

### - A -

**Affiliate:** As adopted by the PUCT, an Affiliate is:

- A) a person who directly or indirectly owns or holds at least 5.0% of the voting securities of an energy efficiency service provider;
- B) a person in a chain of successive ownership of at least 5.0% of the voting securities of an energy efficiency service provider;
- C) a corporation that has at least 5.0% of its voting securities owned or controlled, directly or indirectly, by an energy efficiency service provider;
- D) a corporation that has at least 5.0% of its voting securities owned or controlled, directly or indirectly, by:
  - i. a person who directly or indirectly owns or controls at least 5.0% of the voting securities of an energy efficiency service provider; or
  - ii. a person in a chain of successive ownership of at least 5.0% of the voting securities of an energy efficiency service provider; or
- E) a person who is an officer or director of an energy efficiency service provider or of a corporation in a chain of successive ownership of at least 5.0% of the voting securities of an energy efficiency service provider;
- F) a person who actually exercises substantial influence or control over the policies and actions of an energy efficiency service provider;
- G) a person over which the energy efficiency service provider exercises the control described in subparagraph (F) of this paragraph;
- H) a person who exercises common control over an energy efficiency service provider, where "exercising common control over an energy efficiency service provider" means having the power, either directly or indirectly, to direct or cause the direction of the management or policies of an energy efficiency service provider, without regard to whether that power is established through ownership or voting of securities or any other direct or indirect means; or
- I) a person who, together with one or more persons with whom the person is related by ownership, marriage or blood relationship, or by action in concert, actually exercises substantial influence over the policies and actions of an energy efficiency service provider even though neither person may qualify as an affiliate individually.

### - B -

**Baseline:** For purposes of determining estimated and measured energy savings for equipment replacement projects implemented under the SOP, the baseline is generally defined as the energy consumed by equipment with efficiency levels that meet the applicable current federal standards and reflects current market conditions. In certain limited circumstances, the baseline may be determined by the equipment or conditions currently in place. This is likely to occur only when federal energy efficiency standards do not apply, or when the existing equipment can be shown by the Project Sponsor to have a remaining service life of at least ten years. For determining estimated and measured savings for building shell improvements, the baseline is generally determined by the building's current condition, e.g., existing insulation 'r' values, air infiltration rates, etc.

- D -

**Deemed Savings:** A pre-determined, validated estimate of energy and peak demand savings; attributable to an energy efficiency measure in a particular type of application that a utility may use instead of energy and peak demand savings determined through measurement and verification activities.

**Demand Savings:** A quantifiable reduction in the rate at which energy is delivered to or by a system at a given instance, or average over a designated period, usually expressed in kilowatts (kW) or megawatts (MW).

- E -

**Energy-Efficiency Measures (EEM):** Equipment, materials, and practices that when installed and used at a customer site result in a measurable and verifiable reduction in either purchased electric energy consumption, measured in kilowatt-hours (kWh), or peak demand, measured in kW, or both.

**Energy Efficiency Project:** An energy efficiency measure or combination of measures installed under an SOP Agreement or a market transformation contract that results in both a reduction in customers' electric energy consumption and peak demand, and energy costs.

**Energy Efficiency Service Provider:** A person who installs energy efficiency measures or performs other energy efficiency services.

**Energy Savings:** A quantifiable reduction in a customer's consumption of energy, or the amount by which energy consumption is reduced as a result of the installation of qualifying Energy-Efficiency Measures. Energy savings are determined by comparing the efficiency of the installed Measures to that of an appropriate Baseline.

**Evaluation, Measurement and Verification (EM&V):** A catch-all phrase used in the energy industry to refer to a systematic, third-party review of the delivery and impacts of energy efficiency programs. The Public Utility Commission of Texas (PUCT) hires the EM&V contractor.

**Existing Equipment:** The equipment that is installed at the Host Customer's site prior to the customer's participation in the SOP.

- H -

**Host Customer or Customer:** A residential distribution customer of SWEPCO that owns or leases facilities at a Project Site or Sites and that has entered into a Host Customer Agreement with Project Sponsor for the installation of Measures as a part of Project.

- I -

**Implementation Payment:** The first of two incentive payments made to a Project Sponsor. The implementation payment is for 40% of the total estimated incentive amount as specified in the SOP Agreement. A Project Sponsor may submit an invoice for this payment following SWEPCO's approval of the Project Sponsor's Project Implementation Report (PIR).

**Incentive Payment:** Payments made to an Energy Efficiency Service Provider based on the level of approved demand and energy savings (expressed as kW and kWh). Incentive rates are based on Commission approved avoided costs and incentive caps.

**Inspection:** Onsite examination of a project to verify that a measure has been installed and is capable of performing its intended function.

- M -

**Market Actor or Project Sponsor:** Any organization, group, or individual under contract with SWEPCO to provide Energy Savings and/or Peak Demand Savings within the parameters of this SOP.



**Measurement and Verification Plan:** The Project Sponsor's specific plan for verifying measured savings estimates. The measurement and verification (M&V) plan should be consistent with the International Performance Measurement and Verification Protocol.

**Measured Energy Savings:** The Energy Savings derived during the Performance Period; from the Measures installed at the Project Site as determined in accordance with the Measurement and Verification Plan set forth in Exhibit C of the SOP Agreement.

**- P -**

**Peak Demand:** The electrical demand at the time of the highest annual demand on the utility's system, measured in 15 minute intervals.

**Peak Demand Reduction:** Peak demand reduction on the utility system during the utility system's peak period, calculated as the maximum average demand reduction over a period of one hour during the peak period.

**Peak Period:** For the purposes of this program, the peak period is defined as the hours from 1 PM to 7 PM CDT weekdays, from June 1 through September 30 and the hours of 6 AM to 10 AM and 6 PM to 10 PM CST through the months of December, January, and February (federal holidays and weekends excluded).

**Performance Period:** The one-year period, for weather-dependent measures or shorter for non-weather-dependent Measures, following the approval of a Project Sponsor's Project Implementation Reports. It is during this period that measurement and verification is to take place.

**Performance Payment:** The second of two incentive payments made to a Project Sponsor under the terms of an SOP Agreement. The performance payment is based on the one-year measured energy savings documented in SWEPCO's M&V Report and may be up to 60% of the total estimated incentive included in the SOP Agreement.

**Program Manual:** The complete set of SWEPCO RSOP materials, including the program description, procedures and forms.

**Program Portfolio Portal (P3):** Software application utilized in RSOP to report and track project savings and incentives.

**Project Application:** The Project Application, comprising of a set of standard forms, is submitted by an organization wanting to participate in the SOP as a Project Sponsor.

**Project Site:** The location of a Host Customer's facilities at which approved Measures will be installed. And from which Peak Demand Savings and/or Energy Savings, will be obtained. A single Project may include Measures installed at multiple Project Sites.

**Project Sponsor or Market Actor:** Any organization, group, or individual under contract with SWEPCO to provide Energy Savings and/or Peak Demand Savings within the parameters of this SOP.

**Prudent Electrical Practices:** Those practices, methods, standards, and equipment commonly used in prudent electrical engineering and operations to operate electrical equipment lawfully and with safety, dependability, and efficiency and in accordance with the National Electrical Safety Code, the National Electrical Code, and any other applicable federal, state and local codes. In the event of a conflict, the applicable federal, state, or local code shall govern.

**PUCT:** Public Utility Commission of Texas.

**- R -**

**Renewable Demand Side Management (DSM) Technologies:** Equipment that uses a renewable energy resource that, when installed at a customer site, reduces the customer's net purchases of energy (kWh), electrical demand (kW), or both.

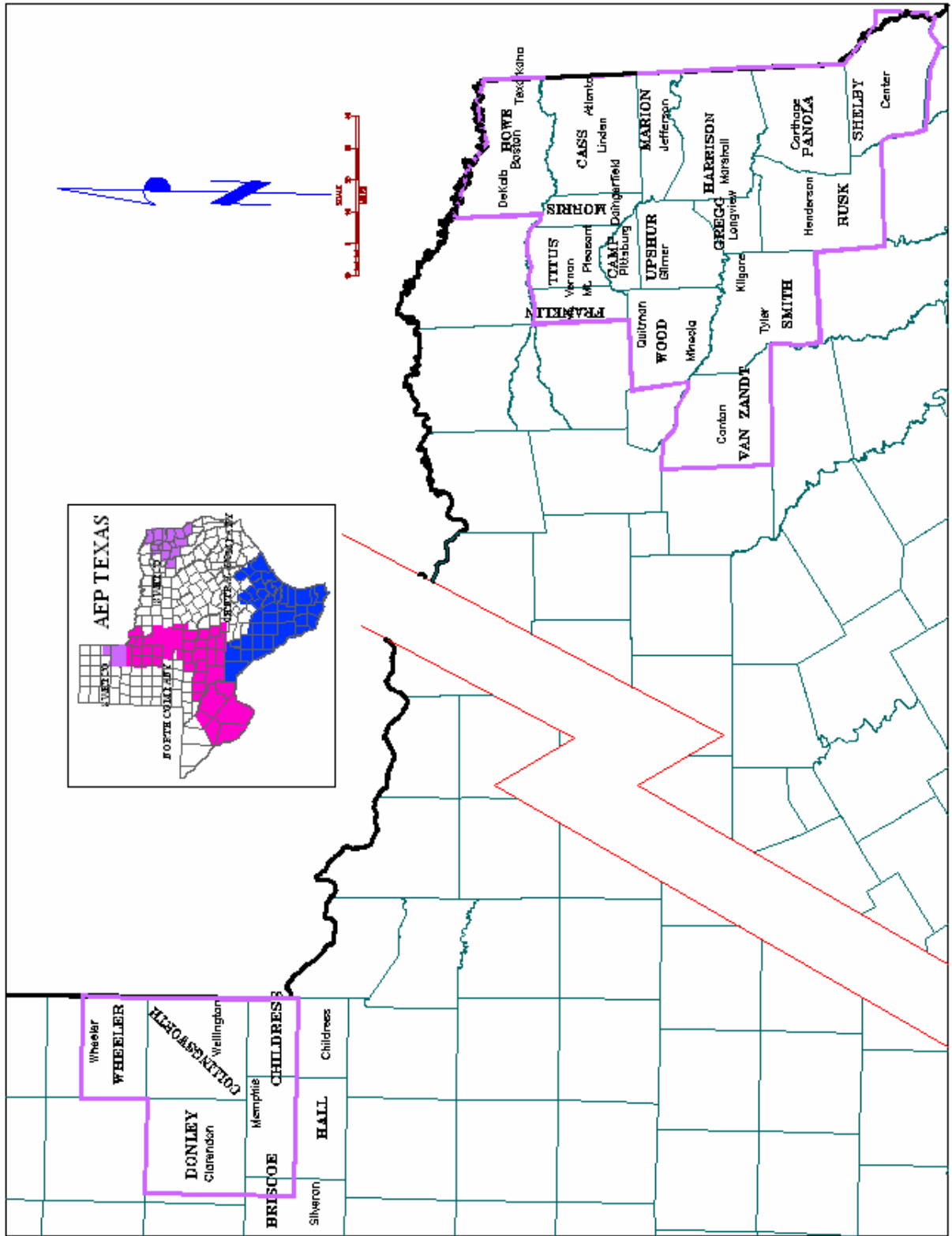
**- S -**

**SOP Agreement:** A contract entered into by the Project Sponsor and SWEPCO following the approval of the Project Sponsor's project application and SWEPCO's design of a project-specific M&V plan. The SOP Agreement specifies the energy-efficiency measures to be installed, the expected energy savings, the expected total incentive payment, and the agreed-upon M&V approach.

**- T -**

**Technical Reference Manual (TRM):** A resource document compiled by the PUCT's EM&V contractor that includes information used in program planning and reporting of energy efficiency programs. It can include savings values for measures, engineering algorithms to calculate savings, impact factors to be applied to calculated savings (e.g., net-to-gross values), protocols source documentation, specified assumptions, and other relevant material to support the calculation of measure and program savings.

# APPENDIX B – SERVICE AREA MAP



## APPENDIX C – COUNTIES & CITIES SERVED

### Northeast Texas, Weather Zone 2

Bowie	DeKalb Hooks Leary Maud Nash New Boston Red Lick Texrakana Wake Village	Shelby	Center Joaquin Tenaha
Camp	Pittsburg	Smith	Winona
Cass	Atlanta Bloomburg Hughes Springs Linden McLeod Queen City	Titus	Cookville Millers Cove Mount Pleasant Winfield
Franklin	Mount Vernon	Upshur	Bettie Big Sandy Gilmer Pritchett Union Grove
Gregg	Clarksville City East Mountain Gladewater Kilgore Lakeport Longview Rolling Meadows Warren City White Oak	Van Zandt	Fruitvale Grand Saline
Harrison	Hallsville Marshall Scottsville Waskom	Wood	Alba Golden Hawkins Mineola Winnsboro
Hopkins	Pickton Saltillo		
Marion	Jefferson Trees City		
Morris	Daingerfield Naples Omaha		
Panola	Beckville Bethany Carthage Gray Tatum		
Red River	Avery		
Rusk	Henderson Mount Enterprise New London Overton		

### Northwest Texas, Weather Zone 1

Childress	Carey Loco Tell
Collingsworth	Dodson Lutie Shamrock Wellington
Donley	Clarendon Hedley Lelia Lake
Hall	Estelline Lakeview Memphis Newlin
Wheeler	Lela Twitty

## APPENDIX D – MARKETING MATERIAL

### ACCEPTABLE AND UNACCEPTABLE

Information has sometimes been relayed to customers that is incorrect or misleading, giving the customer a misrepresentation of the responsibility of the Utility Company. SWEPCO will provide an approved marketing flyer. But here are also suggestions for correct verbiage that can be used. Statements in the second section are incorrect and must NOT be used.

#### ACCEPTABLE phrases:

"The local electric utility company has started an energy conservation program for their customers..."

"This program is offered at subsidized or no cost to the homeowner."

"The electric delivery companies are purchasing the energy savings we have provided you."

"The State of Texas has developed programs to assist qualified electric customers with installing energy saving improvements to help reduce consumption of energy..."

"Current State law requires local electric utilities to make funds available to independent contractors so that you have the opportunity to improve the energy efficiency of your home."

"The Utility Companies typically call about 10% of the customers we do work for to ensure we are following guidelines and proper upgrades have been done."

"...your only obligation may be to allow the utility to inspect our work."

"(Project Sponsor) provides free upgrades to your home to lower costs on your electric bill."

"(Project Sponsor) is not part of, or endorsed by the PUC-T or the local electric utility. We are an independent company that provides energy efficiency measures under the programs for electric utilities."

"These funds are provided by ratepayers and are regulated by the Public Utility Commission."

"The State of Texas has developed programs to encourage energy service providers to offer energy conservation services to electric customers of investor-owned utilities."

#### NOT ACCEPTABLE phrases:

*These phrases, or anything similar, are NOT to be used.*

"All costs are paid by your electric company."

"Would you like your utility company to pay for energy efficiency upgrades to your home at no cost to you?"

"It is free because we are paid by the utilities."

"We are getting paid but not from you, but by your utility company."

"(Project Sponsor) bills your electric utility for the work performed on your home."

## **APPENDIX E – CARBON MONOXIDE TEST SPECIFICATIONS AND HEALTH & SAFETY PRECAUTIONS**

### **Test Equipment**

Carbon monoxide sensing device must have a range from 0-2000 ppm, accuracy +/- 5% of readout and readout resolution = 1 ppm adjustable to 0.

### **Ambient Air Test**

Conduct test at initial assessment. Every housing unit that has combustion equipment shall be tested. If more than 9 ppm CO is detected, air infiltration reduction measures shall not be installed until the CO problem has been corrected. Host Customer should always be informed of the existence of high levels of CO and advised to take precautions until abatement can be performed.

No energy efficiency measure that could result in a decreased ventilation rate for that housing unit shall be installed if the installation of such measure would or could result in ambient air CO levels exceeding 9 ppm within the housing unit.

### **Health & Safety Precautions**

Duct and Air Leakage testing should not be conducted in homes where either evidence of asbestos, mold and/or other potentially hazardous material is present or suspected due to the age of the home. Blower Door Depressurization tests are prohibited if there is a risk of asbestos becoming airborne and being drawn into conditioned space.

For Air Infiltration measures, it is extremely important NOT to violate the minimum ventilation rate for health and safety reasons. If the minimum ventilation rate is violated, no incentive will be paid for the measure.

## APPENDIX F – FREQUENTLY ASKED QUESTIONS

*What if the measures I actually install are slightly different from what was described in the original Small Project application?*

A Project Sponsor may only install the measures approved in the application.

*Can customer sites be combined?*

Yes. Project sites may be combined. It is the responsibility of the Project Sponsor to ensure funds are available prior to installation and to record and submit each project in the database as soon as completed to ensure funds are committed.

*Do I have to give the incentive to the customer?*

No. The Project Sponsor may use the incentive in any manner they see fit. In the Host Customer Agreement that the customer and the Project Sponsor are required to sign, the customer acknowledges that the Project Sponsor is receiving incentives through a ratepayer-funded program.

*What happens if there were funds available when I checked, but when I completed the project no program funds remain?*

Incentive funds are committed to a specific project only when it has been submitted in the program database. It is the sole responsibility of the Project Sponsor to ensure funds are available and to add the project and submit it in the database as soon as it is complete.

*What happens if I don't report the measure installation data within 45 days?*

A Project Sponsor records each installation individually. Any installation must be recorded while program funds are still available. All recorded installations must then be submitted monthly. Any and all completed installations must be submitted within 45 days for accurate reporting. Failure to report installations within 45 days may result in total incentive failure or cause for termination of the contract regardless of the current availability of program funds. Program Administrators have the authority to cancel/delete any measure entered into P3 and not submitted within 45 days.

## APPENDIX G – REQUIRED FORMS AND PHOTO VERIFICATION

### Required Forms

**All Bills Paid Affidavit:** This form is provided to Host Customers by Project Sponsors after the completion of measure installations. It provides Host Customers protection against claims of subcontractors.

**Field Data Collection Form:** This form is to be used by crews/installers in the field to capture all relevant measure data that is entered into tracking databases and used to calculate savings. AHRI certificate will be required in lieu of this form for all HVAC installations.

**Host Customer Agreement & Acknowledgement Form:** This is the primary agreement executed between the Host Customer and the Project Sponsor. It includes all the customer protection provisions and disclosures required by the PUCT.

**Income Eligibility Verification Form and/or Property Owner Income Eligibility Verification Form:** These PUCT-approved forms are used by customers and property managers for the purpose of verifying HTR eligibility.

**Consumer Educational Materials:** This material must be provided to all customers. It provides tips to help customers learn how to save energy at home.



## Documentation Requirements

Measure	HCA	Income Eligibility Form (HTR ONLY)	Field Data Collection Form	ENERGY STAR® Certificate	Pre/Post Photos	Proof of Purchase	Electric Resistance Heat Validation	Pre/Post Photos of Leakage Test Readings	Pre/Post Photos of Blower Door Test Readings	AHRI Certificate	Photos of Leak Repairs
<b>LIGHTING</b>											
ENERGY STAR® LED	✓	✓	✓	✓		✓	✓				
<b>HVAC</b>											
Duct Sealing	✓	✓	✓		✓		✓	✓			✓
Central & Mini-Split AC/HP	✓	✓			✓	✓	✓			✓	
Smart Thermostats						✓					
<b>BUILDING ENVELOPE</b>											
Air Infiltration	✓	✓	✓		✓		✓		✓		✓
Ceiling Insulation	✓	✓	✓		✓		✓				
Attic Encapsulation	✓	✓	✓		✓		✓				
Wall Insulation	✓	✓	✓		✓		✓				
Floor Insulation	✓	✓	✓		✓		✓				
ENERGY STAR Windows	✓	✓	✓			✓	✓				
Solar Screens	✓	✓	✓			✓	✓				
<b>WATER HEATING</b>											
Faucet Aerators	✓	✓	✓								
Low-Flow Showerheads	✓	✓	✓								
Water Heater Pipe Insulation	✓	✓	✓								
Water Heater Tank Insulation	✓	✓	✓								
Heat Pump Water Heater	✓					✓				✓	
<b>APPLIANCES</b>											
ENERGY STAR Air Purifiers	✓	✓	✓			✓					
Advanced Power Strips	✓	✓	✓			✓					
ENERGY STAR Pool Pumps						✓					