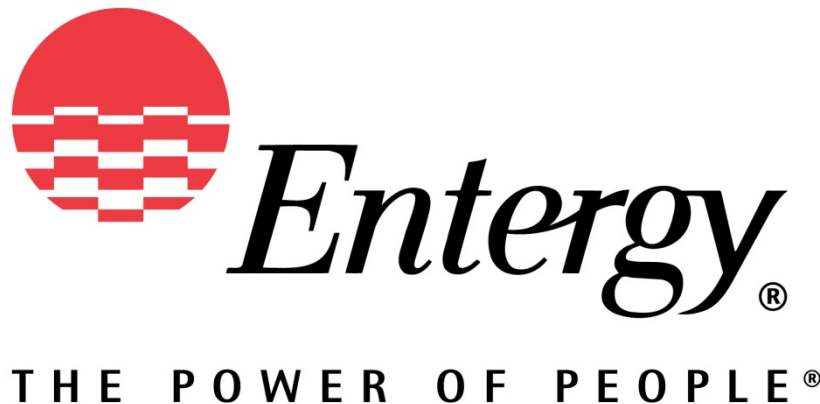


**Entergy Texas, Inc.**  
**2012 Residential / Hard To Reach / AC and HP**  
**Standard Offer Program**



**For program inquiries, contact:**

**Kelley Carson**  
Entergy Texas, Inc.  
Energy Efficiency  
9425 Pinecroft  
The Woodlands, TX 77380

**Prepared by:**  
Entergy Texas, Inc.  
&  
Frontier Associates LLC

October 2011

## Table of Contents

Table of Contents .....	ii
1. General Program Guidelines .....	5
1.1 Introduction.....	5
1.2 Residential, Hard-to-Reach and AC/HP Standard Offer Program (Res/HTR/AC/HP SOP) Design .....	6
1.3 Res/HTR/AC/HP SOP Program Template .....	6
1.4 Program Marketing / Entergy Endorsement.....	6
2. Program Description .....	6
2.1 Project Sponsor Eligibility.....	6
2.2 Participant Eligibility.....	7
2.3 HTR Income Eligibility Verification .....	9
2.4 Multi-Family Property Eligibility .....	9
2.5 Energy Efficient Measures Eligibility .....	10
2.6 Ineligible Measures .....	11
2.7 Carbon Monoxide, Blower Door Testing and Duct Blaster™ Testing .....	11
2.8 Updates and Additional Information .....	13
3. Program Incentives .....	14
3.1 Incentive Budget and Project Funding Limits.....	14
3.2 Incentive Rates .....	14
3.3 Adjustments to Incentive Payments .....	15
3.4 Program Payments .....	15
4. Program Process and Timeline.....	16
4.1 Application Process .....	16

---

- 4.2 Implementation Period ..... 17
- 5. Project Application ..... 18
  - 5.1 AC / HP Program vs. Large Projects ..... 18
  - 5.2 General Application Requirements ..... 19
  - 5.3 AC / HP Project Application Guidelines ..... 20
  - 5.4 Large Project Application Guidelines ..... 21
  - 5.5 Large Project Sponsor Application Requirements ..... 21
  - 5.6 Customer Affidavits ..... 22
  - 5.7 Project Application Review Procedures for All Programs ..... 22
  - 5.8 Large Project Sponsor Approval ..... 23
  - 5.9 AC and Heat Pump Project Sponsor Approval ..... 23
  - 5.10 Program Contact ..... 23
  - 5.11 Other Important Program Information ..... 24
- 6. Implementation Procedures for All Project Sponsors ..... 25
  - 6.1 Required Forms ..... 25
  - 6.2 Program Implementation Timeline ..... 26
  - 6.3 Required Submittals ..... 28
  - 6.4 Submittal Review Procedures ..... 29
- Appendix ..... 30
  - A. Deemed Savings ..... **Error! Bookmark not defined.**
    - A.1 Introduction ..... **Error! Bookmark not defined.**
    - A.2 General Installation Standards ..... **Error! Bookmark not defined.**
  - B. Measure Eligibility and Installation Standards ..... 31
  - C. Carbon Monoxide Test Specifications ..... 34
    - C.1 Test Equipment ..... 34

C.2 Ambient Air Test ..... 34

D. Glossary ..... 35

# 1. General Program Guidelines

## 1.1 Introduction

Beginning in 2000, electric utilities in Texas began implementing energy efficiency programs under new rules developed to increase the level of energy efficiency in Texas. In 2007, House Bill 3693 increased the energy efficiency savings goals from 10% of its projected growth and demand to 20% each year. In 2010, Substantive Rule § 25.181 increased the energy efficiency goal from the current 20% of the growth in electric demand each year, to 25% of growth in demand in 2012, and 30% in 2013 and beyond.

Below are some of the highlights of the new rule:

1. Each electric utility will provide, through market-based standard offer programs (SOPs), incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency for residential and commercial customers equivalent to at least:
  - 10% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2007
  - 15% of the utility's annual growth in demand of residential and commercial customers by December 31, 2008
  - 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009
  - 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2010
  - 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2011
  - 25% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2012
  - 30% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2013
2. Utilities are required to ensure that 5% or more of these energy savings come from "Hard-to-Reach" customers.

Hard-to-Reach (HTR) customers are customers with an annual household income at or below 200% of federal poverty guidelines, or who meet certain other qualifications.

In a Standard Offer Program (SOP), Project Sponsors will propose to deliver certain levels of peak demand savings (measured in kilowatts, or kW) and annual energy savings (measured in kilowatt-hours or kWh). Entergy will pay a fixed ("standard offer") price to Project Sponsors for each kW and kWh of savings. All payments to Project Sponsors will be based solely on kW and kWh savings. Entergy will pay all incentives directly to the Project Sponsors, not to customers. Project Sponsors are not required to provide any direct incentives to customers, but are required to execute a contract with customers. The contract must disclose that the Project Sponsor is participating in an Entergy program and receiving incentives for their participation. Entergy is offering three standard offer programs: one for residential

(Res) customers; one for hard-to-reach (HTR) residential customers who meet certain income guidelines; and one for air conditioning (AC) and heat pump (HP) residential customers. Entergy is also implementing the Energy Star® new homes market transformation program. More information about Entergy's other programs can be found at [www.ENERGYefficiency.com](http://www.ENERGYefficiency.com).

### 3. Who can submit an application to be a Project Sponsor?

The program is open to a wide range of contractors, service companies, community agencies and other organizations. Since, the PUCT issued a wide range of rules and requirements for the Standard Offer Programs (SOPs), the purpose of this manual is to identify and explain these program requirements, and to act as a reference for Project Sponsors. Please refer to the Glossary in Appendix D for definitions of key terms used in this Manual.

## 1.2 Residential, Hard-to-Reach and AC/HP Standard Offer Program (Res/HTR/AC/HP SOP) Design

The Residential, Hard-to-Reach and AC/HP Standard Offer Program (Res/HTR/AC/HP SOP) were developed by Entergy to provide financial incentives to suppliers of energy services for implementing electric energy efficiency projects at Entergy's existing single family, mobile home and multifamily customers' residences. **New construction projects are not eligible under this program.**

The primary objective of the Residential and Hard-to-Reach SOP is to achieve cost-effective reduction in peak summer demand.

## 1.3 Res/HTR/AC/HP SOP Program Template

All Res/HTR/AC/HP SOPs to be implemented by the investor-owned electric utilities in Texas are required to comply with a number of program conditions approved by the PUCT. The primary objective of these program requirements is to ensure that comprehensive energy-efficiency retrofits are provided, and that the residents' health and safety are not jeopardized.

The PUCT has approved a program template for the different SOPs. This template specifies who may participate as a Project Sponsor and specifies criteria for selecting measures to be installed at a Project Site.

## 1.4 Program Marketing / Entergy Endorsement

Entergy can provide some advertising, but the majority of advertising and marketing is the Project Sponsors' responsibility.

When Project Sponsors consent to an agreement with Entergy, it does not imply that Entergy endorses or approves the company, product or service.

## 2. Program Description

### 2.1 Project Sponsor Eligibility

Project Sponsors in the Res/HTR/AC/HP SOP are strongly encouraged to attend the 2012 Entergy Kick-off meeting on October 11, 2011. In order to participate in the SOP programs, project sponsors must

meet minimum eligibility criteria, maintain required insurance coverage (refer to the standard Res/HTR/AC/HP SOP Agreement Contract for more detail), comply with all Res/HTR/AC/HP SOP rules and procedures, and execute Entergy's standard Res/HTR/AC/HP SOP Agreement Contract. A copy of the Res/HTR/AC/HP SOP Agreement Contract may be downloaded from their Program Login Web site after the Project Sponsor's application has been preapproved.

A Project Sponsor is any organization, group, or individual who contracts with Entergy to provide demand and energy savings under the Res/HTR/AC/HP SOP. The following are examples of the types of organizations that are eligible to participate as Project Sponsors:

- Owners or operators of multifamily residential buildings;
- Not-for-profit housing and community service organizations;
- Energy service companies (ESCOs);
- Local contractors;
- National or local companies that provide energy-related products and services (e.g., weatherization, appliances, lighting or HVAC); and
- Retailers are also eligible if they can provide the necessary analyses and install the particular energy-efficient products included in the Res/HTR/AC/HP SOP.

Project sponsors hoping to participate in either the Residential Large Projects program or the Hard-to-Reach Large Projects program must apply to both of those programs. Entergy will be awarding two contracts to each large project sponsor selected, one for the Residential Large Projects program and one for the Hard-to-Reach Large Projects program. For the large project programs, the application review priority will be determined by the submission timestamp of each project sponsor's Residential Large Projects program application. Entergy will consider additional criteria during the application review process to determine which project sponsors will be awarded contracts.

## 2.2 Participant Eligibility

Residential electric distribution customers of Entergy are eligible to have measures installed at their homes or facilities as part of this program. Only houses or apartments built before January 2002 qualify for the Standard Offer Program.

For the Hard-to-Reach (HTR) programs, documenting the eligibility of HTR customers is mandatory. Hard-to-Reach customers are defined as those customers with a total household income of less than 200% of current federal poverty guidelines. These income levels are as follows:

**2011 HTR Annual Income Eligibility Guidelines\***

Size of Family	HTR Household Income Threshold 200% of Federal Poverty Guideline
<b>1</b>	≤ \$21,780
<b>2</b>	≤ \$29,420
<b>3</b>	≤ \$37,060
<b>4</b>	≤ \$44,700
<b>5</b>	≤ \$52,340
<b>6</b>	≤ \$59,980
<b>7</b>	≤ \$67,620
<b>8</b>	≤ \$75,260
<b>More than 8</b>	Add \$7,640 for each additional person

*\*Effective January 20, 2011*

Examples of target populations include:

- Apartment complexes subsidized by the U.S. Department of Housing and Urban Development that provide housing for households at or below 80% of household medium income, such as Section 8 and Public Housing Authorities.
- Households denied weatherization or utility assistance program benefits because income exceeds 125% of federal poverty guidelines.

Target populations identified above whose income are verified by an appropriate social service agency or organization would require no additional income verification effort. Project Sponsors interested in serving other target populations would be responsible for verifying the customer's eligibility.

For multi-family projects, the property manager will provide eligibility information, not the individual tenants. A multi-family property automatically qualifies if the residential units are individually-metered and if the property participates in one or more of the following programs:

The following is a list of eligible types of developments:

- Public Housing Authority
- Multi-Family Bond Program
- Project-Based Section 8
- HOME Rental Housing Development
- Housing Trust Fund
- Low-Income Housing Tax Credit Program
- Affordable Housing Disposition Program
- Rural Rental Section 515 (FMHA)

For multi-family projects, Project Sponsors are eligible to receive the higher hard-to-reach incentive payments for measures installed in all units if 75% or more of the residents qualify as hard-to-reach.

### 2.3 HTR Income Eligibility Verification

The PUCT has approved two forms for the purpose of verifying the income eligibility of customers:

- Property Owner Certification Form of Tenant Income Eligibility
- Self Certification Form of Income Eligibility<sup>1</sup>

These forms outline the various methods in which participants may certify their eligibility. The procedure for verifying eligibility is based on “self-certification.” The Project Sponsor first presents the form to the customer. Then, the customer checks the appropriate boxes, provides other information where required, and signs the form. It is not the Project Sponsor’s responsibility to verify the information provided by the participants.

Copies of the income eligibility forms for individual customers and property managers are available on the program website. With the permission of Entergy, Project Sponsors may change the layout of either of these documents, as long as nothing in the wording or the order of the wording is changed, and the font remains clearly legible. Project Sponsors may replace page 2 of the Property Owner Certification Form of Tenant Income Eligibility with a computer printout, so long as the printout provides all the required information.

### 2.4 Multi-Family Property Eligibility

Multi-family property is defined as buildings with three or more dwelling units.

Eligible multi-family properties include the following:

- Each individually metered multi-family residence is considered a separate residential account and is eligible under this program.

Ineligible multi-family properties consist of the following:

- Common areas are classified as commercial accounts, and are **NOT** eligible under this program.
- Master-metered apartments are also considered as commercial accounts, and are likewise **NOT** eligible under this program.

For multi-family properties of five or more dwelling units, the Project Sponsor must submit the proposed project to Entergy prior to the installation of any measures. Entergy reserves the right to conduct a pre-installation inspection of the property, and to approve the proposed project prior to the installation of any measures. Entergy has ten days from the date of submission to approve or disapprove the project.

---

<sup>1</sup> Medicare recipients do NOT always qualify for the HTR program. The Self Certification Form of Income Eligibility states that the customer should qualify for “Qualified Medicare Beneficiary” which is defined as being below 100% of the federal poverty levels, having an income of less than \$887 for individuals or \$1,187 for couples and assets not over \$4,000 for individuals or \$6,000 for couples. Also, if your HTR customer is a Qualified Medicare Beneficiary and owns two homes, the recipient would qualify only for the primary home (home in which he/she resides) and the other home should be submitted under the Residential Program (if sponsor is approved for Residential Program).

## 2.5 Energy Efficient Measures Eligibility

Energy-efficient retrofit measures in residential applications that reduce electric energy consumption and system peak demand as defined in the glossary at the host customer site(s) are eligible for the SOP. Eligible measures do not include repair or maintenance activities, or behavioral changes. In addition, all measures eligible for SOP incentive funds must exceed applicable current federal minimum efficiency standards. Appendix A contains a list of deemed savings values for most common energy-efficiency measures. A list of minimum efficiency standards is provided in Appendix A. All energy and peak demand reductions must be measurable and verifiable.

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

Energy may consider other measures not contained in Appendix A for eligibility at the time a project application is submitted. Proposed energy efficiency measures must meet the following requirements:

- Measure must produce a measurable and verifiable electric demand reduction during the peak period and produce electricity consumption savings.
- Measure must produce savings through an increase in energy efficiency or a substitution of another energy source for electricity (provided the substitution results in overall lower energy costs, lower energy consumption, and the installation of high efficiency equipment).
- Measure must have a minimum useful life of 10 years.
- Measure must meet or exceed minimum federal or other efficiency standards as provided in the program manual.

As a general rule, measures involving “plug loads” (equipment or appliances that are plugged into standard electrical outlets) are not permitted. This restriction may be waived by the utility if the Project Sponsor provides the utility with reasonable assurance that the energy and/or demand savings associated with such measures are likely to persist over a 10-year period of time and that quantifiable energy and/or demand reduction meeting the requirements of the Commission’s Energy Efficiency Rule can indeed be achieved through the proposed measure(s).

Energy will be the final authority on whether any particular measure is eligible for incentives.

Energy efficiency measures in residential applications shall be evaluated by category and priority in order to reduce electric energy consumption and system peak demand at the host customer site(s).

1. Envelope Measures: **At least one of the measures listed below must be installed in order for any measure to be eligible for incentives.**

- Single-family dwelling insulation measures (insulate the ceiling, floor, or all exterior walls)
- Multi-family insulation measures (insulate the ceiling, floor, or all exterior walls). If an insulation measure is adopted for a particular building, that measure shall be applied to the entire building.

- Air infiltration control measures (minimum of 10% air leakage reduction, calculated from pre and post-installation blower door tests)
  - HVAC duct integrity (repairs, replacements, and sealing with mastic or aerosol-based duct sealants)
2. Interior Energy Usage Measures
- Lighting Hard-wired replacements, or compact fluorescents (minimum 3 hour daily usage)
  - Water Heating
  - Showerheads, aerators, pipe insulation and water heater jackets
  - Refrigerator Replacement (Energy Star® models)
3. HVAC Measures
- Central unit
  - Split System (Complete coil and compressor replacement)
  - Packaged unit (Installed to manufacturer's specifications)
  - Window air conditioners for HTR Programs only
  - See Appendix A for additional details on measures and standards

## 2.6 Ineligible Measures

The following measures are ineligible to receive incentives under the Res/HTR/AC/HP SOP:

- Measures that do not raise efficiency above current standards
- Measures with an expected life of less than 10 years
- Cogeneration and self-generation projects
- 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 Entergy program
- Repair and maintenance projects
- Energy-efficient gas measures when replacing non-electric technologies
- Measures that result in negative environmental or health effects
- Measures installed in new residential construction

## 2.7 Carbon Monoxide, Blower Door Testing and Duct Blaster™ Testing

Prior to all pre-installation testing, the Project Sponsor should fix severe residential maintenance issues (e.g. repair all large holes or other damage). And prior to the installation of any air infiltration control or duct sealing measure, a pre-installation blower door test and Duct Blaster™ test is required, and a carbon monoxide (CO) test shall also be conducted for each residence with combustion (e.g., natural gas or propane) equipment or appliances.

Project Sponsors will be required to measure and record pre- and post-installation CO readings and must not install any air infiltration control or duct sealing measure that would result in the ambient air CO level exceeding 9 parts per million (ppm) at project completion. Appendix C contains additional information on CO testing. If the result of the pre-installation carbon monoxide test indicates that the installation of air infiltration control measures or duct sealing could possibly result in a post-installation CO level not meeting program standards, then the Project Sponsor should exclude these measures from the list of those to be evaluated for installation.

The Project Sponsor shall use the pre- and post-installation Duct Blaster™ testing for all duct sealing measures. The testing should be measured in cubic feet per minute at 25 Pascal per square foot of conditioned area. Project Sponsors are encouraged to use the Leakage-to-Outside duct leakage testing methodology. To learn more about leakage-to-Outside testing, visit [The Energy Conservatory website](#).

The savings associated with the duct sealing measure will be calculated by the Duct Deemed Savings Tool developed by Frontier Associates LLC. There are no air flow eligibility requirements (i.e. minimum pre-measure leakage percentage and maximum post-measure leakage percentage). However, there will be a 35% cap placed on the pre-measure leakage value. As such, when the pre-measure leakage percentage exceeds 35%, the deemed savings tool will perform the calculations as if the pre-measure leakage percentage is exactly 35%. This being the case, no incentives would be paid for the duct leakage measure if a duct system's post-measure leakage percentage is 35% or greater.

The Project Sponsor shall use the pre- and post-installation blower door air infiltration test results to verify that the final air exchange rate of a household treated with air infiltration control shall not be less than the standards set forth in the following table:

**Minimum Final Air Exchange Rate\***

Shielding	Single Story	Two Story	Three or More Stories
<b>Well Shielded</b>	1.18	0.95	0.83
<b>Normal</b>	0.99	0.79	0.69
<b>Exposed</b>	0.89	0.71	0.62

\* Measured in cubic feet per minute at 50 Pascal per square foot of conditioned area.

Well Shielded is defined as urban areas with high buildings or sheltered areas, and building surrounded by trees, bermed earth, or higher terrain.

Normal is defined as buildings in a residential neighborhood or subdivision setting, with yard space between buildings. Eighty to ninety percent of houses fall into this category.

Exposed is defined as an open setting with few surrounding buildings or trees.

As an example, the minimum post-installation air exchange rate for an 1800 square foot, one-story home with normal shielding is 1782 CFM<sub>50</sub> (1800 x 0.99). In order to qualify for the air infiltration control deemed savings, there must be a minimum 10% reduction between the pre- and post-

installation ventilation rate. Therefore, the pre-installation ventilation rate must be at least 1960 CFM50 (1782 x 110%) in order to be considered for air infiltration control measures.

If the result of the pre-installation air infiltration test indicates that the installation of air infiltration control measures could possibly result in a post-installation CFM level not meeting program standards, then the Project Sponsor should exclude the air infiltration measure from the list of those to be evaluated for installation.

Please review Appendix A for more details on the Air Infiltration and Duct Sealing measures, baseline CFM requirements, installation and efficiency standards, and deemed savings.

## **2.8 Updates and Additional Information**

Entergy's Program web site ([www.ENERGYefficiency.com](http://www.ENERGYefficiency.com)) is the key informational resource for the SOP. This web site should be checked regularly for any program updates. Company representatives will post answers to questions of general interest on the web site.

### 3. Program Incentives

Note that in all cases, payment procedures and amounts specified in the SOP Agreement Contract supersede this and any other documents.

#### 3.1 Incentive Budget and Project Funding Limits

For the 2012 Res SOP, Entergy budgeted a total of \$1,900,000 in incentives for the Residential Large Projects program. There will not be a residential small projects program in 2012.

For the 2012 HTR SOP, Entergy budgeted a total of \$1,300,000 in incentives for the Hard-to-Reach Large Projects program. There will not be a hard-to-reach small projects program in 2012.

For the 2012 Residential AC / HP SOP, Entergy budgeted a total of \$200,000 in incentives for air conditioning and heat pump type measures. The AC / HP SOP is a small projects program.

To ensure that program incentives are available to multiple recipients, no Large Project Sponsor or Affiliate may receive more than 12.5% of the total budget in incentives. This limit may be waived if Entergy determines that this limit would prevent it from achieving its energy efficiency goal. The minimum project size is 10 kW of peak demand savings.

Small Project Sponsors can apply for any incentive amount up to a maximum reservation of \$5,000. The maximum Small Project Sponsor limit is \$40,000, or 20% of the total budget. This limit may be waived if Entergy determines that this limit would prevent it from achieving its energy efficiency goal. Large Project Sponsors may also participate in the Residential AC / HP Program.

A Project Sponsor can submit multiple applications and participate in multiple projects, either as a prime or sub-contractor, as long as the total incentive from all such projects does not exceed the set limits. **Large Project Sponsors may NOT subcontract to Small Project Sponsors.** No Project Sponsor has unconditional entitlement to the SOP incentive funds.

#### 3.2 Incentive Rates

The Project Sponsor will be paid entirely on the basis of the “deemed” kW and kWh savings calculated according to the types and quantities of the measures installed. The savings values were calculated by third-party energy efficiency consulting firms as part of a collaborative process, and approved by the Public Utility Commission. The incentive rates are:

Program	Incentive Rate \$/kW	Incentive Rate \$/kWh
Residential – All Measures	250	0.081
Hard-to-Reach – All Measures but CFLs*	440	0.15
Residential AC/HP Program	477	0.16

*\*CFL incentive rates are set at 75% of the HTR incentive rates (\$330/kW & \$0.1125/kWh)*

The kW payment is based upon Peak Demand Savings. The kWh payment is based on the first-year kWh savings.

### **3.3 Adjustments to Incentive Payments**

A Project Sponsor's incentive payments may be adjusted based on the results of Entergy's site inspections as described elsewhere in this document and in the SOP Agreement. As inspection adjustments are made to the installation details, incentives may be reduced for that particular installation. Furthermore, Entergy may apply an incentive reduction to the uninspected sites within a project sponsor's invoice based on the results of inspected sites' incentive adjustments.

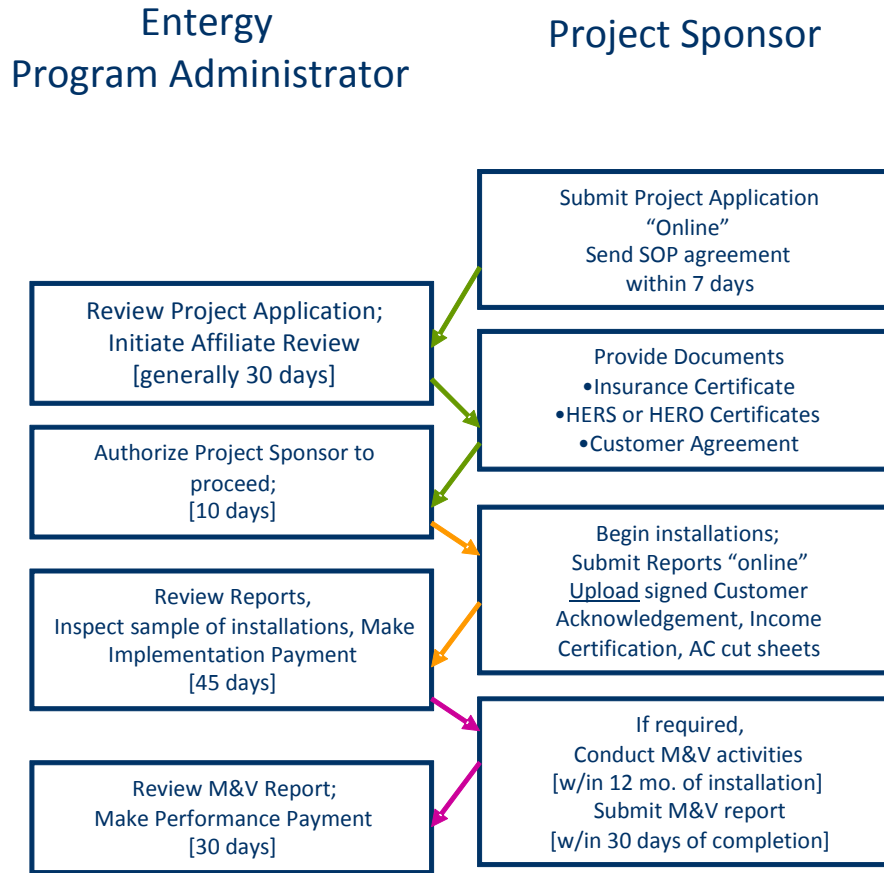
Entergy reserves the right to cancel some or all funds for a Project Sponsor that fails to meet the standards and requirements set forth by this program manual, its appendices, and the program agreements.

### **3.4 Program Payments**

Entergy will make the Incentive Payment within forty-five (45) days of its receipt and approval of the invoice. Sections 6 and 7 of this Program Manual describe the process for submitting Project Implementation reports (PIRs), documentation, and invoices.

## 4. Program Process and Timeline

This section contains a brief description of the key steps necessary for participation in the Program. Detailed descriptions of these steps can be found in their respective Sections five through seven. Figure 1 shows the flowchart of the program process and timeline.



**Figure 1. Energy 2012 Res/HTR/AC/HP SOP Program Process Flow Chart**

### 4.1 Application Process

Energy’s Res/HTR/AC/HP SOP application process includes the following steps:

The first step in the Res/HTR/AC/HP SOP process is for the Project Sponsor to submit a Project Application for its proposed project. In 2012, there is a Res Large Project Application, HTR Large Project Application, and Residential AC / HP Project Application Process. Each Project Application includes information about the Project Sponsor, the estimated kW and kWh impacts, and information regarding the proposed measurement and verification approach.

Submittal of Project Applications will be via a designated web site, and Project Applications will be reviewed on a first-come, first-served basis as well as past performance. The designated web site will be open for all Projects from **November 1, 2011 at 10:00 AM CST**.

Res Large Project Applications will be accepted beginning on **December 1, 2011, at 10:00 AM CST**.

HTR Large Project Applications will be accepted beginning on **December 1, 2011, at 10:00 AM CST**.

Project sponsors hoping to participate in either the Residential Large Projects program or the Hard-to-Reach Large Projects program must apply to both of those programs. Entergy will be awarding two contracts to each large project sponsor selected, one for the Residential Large Projects program and one for the Hard-to-Reach Large Projects program. For the large project programs, the application review priority will be determined by the submission timestamp of each project sponsor's Residential Large Projects program application. Entergy will consider additional criteria during the application review process to determine which project sponsors will be awarded contracts.

The Residential AC / HP Project Application process consists of two steps. Project Sponsors may submit their qualifications beginning **December 1, 2011, at 10:30 AM CST**. Once a Small Project Sponsor or Residential AC / HP Project Sponsor is approved, they will be authorized to access the Program web site anytime after thirty days, and reserve incentive funds without further approval, until all Project incentive funding has been allocated. Entergy will post updates of available funds on its Web site.

A copy of the SOP Agreement Contract to be signed by Entergy and the Project Sponsor is available on the Program Login Web site after the Project Sponsor's application has been preapproved.

## **4.2 Implementation Period**

During the implementation period, the Large Project Sponsor performs marketing and implementation activities, and reports their progress if requested by Entergy. Installations should be completed so that all implementation data can be reported to Entergy no later than November 30, 2012.

Small Project Sponsors and Residential AC / HP Project Sponsors will have 45 days from the date funding has been reserved to complete installations. These Project Sponsors will likely have already identified both a customer site and the measures to be installed before reserving incentive funds. The Small Project Sponsor's and Residential AC / HP Project Sponsor's implementation period responsibilities include completing the installations and reporting the installation information via the Program Web site by the end of the 45 day period.

Installation and equipment standards are included in Appendix B.

## 5. Project Application

Energy outlined in Section 3 the allocated budget for each program.

Energy has determined that the fairest and least-cost application procedure is to accept applications only via the Internet. The application forms, instructions, frequently-asked questions, and helper applications will be accessible on an Entergy web site. On the Web site (<http://entergy.tx.ressop.com/Login/Login.aspx>), Project Sponsors interested in submitting an application will be asked to select a user name and password. This user name and password will allow the Project Sponsor to access his/her application, complete all required sections, review and modify data, etc., for an indefinite period.

### 5.1 AC / HP Program vs. Large Projects

While the term “Small” is meant to be applied to the size of the project, and not to the size of the Project Sponsor, this process is targeted towards:

- Smaller HVAC dealers,
- Insulation contractors,
- Local contractors, and
- Community organizations.

The following is a comparison of the Small AC/HP and Large Projects:

Small AC / HP Projects	Large Projects
No minimum project size	Minimum project size: 10 kW
Max project size: \$40,000 for AC / HP	Max project size: \$237,500 for Res and \$162,500 for HTR
Funds reserved for 45 days	Funds reserved for entire program year
No milestone schedule	Sponsors must meet installation milestones
Web-based application process	Web-based application process
Single family, mobile home or multifamily	Single family, mobile home or multifamily

The Small Project Application process is ideal for local companies or community organizations that may want to participate in 2012 on a trial basis, or who may wish to apply for incentives on a one-job-at-a-time basis. With this process, it is not necessary for the Project Sponsor to request incentives until after the customer agrees to an installation. The disadvantage is that the incentive money is only allocated for a 45-day period, requiring Project Sponsors to complete installations and report installation information within a relatively short timeframe.

After completing a Small Project, Sponsors may request more incentives under the AC/HP Program process (if funding is still available), up to maximum of \$40,000 of the total small project budget.

Project Sponsors who want to ensure that incentives will be available to them throughout the season should submit a Large Project Application. Every multi-family property is required to have both pre and post inspections. Large Sponsors are not allowed to begin installations until they pass the pre inspection and are approved by the Program Administrator.

## 5.2 General Application Requirements

### 5.2.1 Project Sponsor Information

The information listed below is required of all Project Sponsors:

- Project Sponsor name
- Federal tax identification number of Project Sponsor
- Parent company (if any) and affiliated firms (if any)
- Contact name, address, phone number, fax number, e-mail address
- Names, addresses, etc., of all subcontractors

### 5.2.2 Project Sponsor's Qualifications

Entergy requires Project Sponsors to demonstrate their qualifications and experience as part of the application process to help ensure that the proposed projects will be successful in delivering the estimated energy savings. The Project Sponsor's application should include the following:

- A brief statement of the Project Sponsor's capabilities and experience (500 word maximum)
- Evidence that Project Sponsor and any subcontractors possess all applicable licenses, such as a certified HERS, HERO or BPI rater. Evidence includes a list of applicable licenses, license holders, and license numbers
- Three client/customer references for projects similar in nature to that proposed in this application (include contact name, address, and phone number)
- Disclosure of any legal judgments pending, or entered in the previous two years, against Project Sponsor, as well as a current list of pending litigation filed against Project Sponsor

### 5.2.3 Additional Requirements for Project Sponsors Proposing to Perform Duct Sealing

For project sponsors proposing to include duct sealing as part of their projects, the following additional information is required. Project sponsors who do not provide this information will not be allowed to include duct sealing as part of their projects:

- The project sponsor should indicate whether duct sealing will be performed by direct employees of the project sponsor, or by a subcontractor (**Only large project sponsors may use subcontractors**). If the project sponsor intends to utilize subcontractors for any part of the implementation of this measure, then the subcontractor(s) must be identified, and the information provided in this section should pertain to the

subcontractor(s). Project sponsors who do not identify their proposed subcontractor(s) as part of this application process will not be allowed to use subcontractors for this measure.

- The project sponsor should provide a description of previous experience in providing this service. This should include, if applicable, a list of other Texas utility projects completed by the project sponsor or subcontractor, including the number of homes treated with this measure. All project sponsors that are installing duct sealing are required to have a certified HERS or BPI rater on staff. Employees that actually install the duct sealing measure must have at least a HERO certification. If HERO, HERS or BPI rater is not present at the work site, then infiltration and duct sealing installations are not allowed. Provide a listing of certifications or licenses held (e.g., HVAC license, HERS, HERO, BPI rater certification, etc.), or relevant third-party training courses completed.

#### ***5.2.4 Additional Requirements for Project Sponsors Proposing to Install Ceiling or Wall Insulation***

For project sponsors proposing to include ceiling and/or wall insulation as part of their projects, the following additional information is required. Project sponsors who do not provide this information will not be allowed to include ceiling or wall insulation as part of their projects.

- The project sponsor should indicate whether insulation services will be provided by direct employees of the project sponsor, or by a subcontractor (**Only large project sponsors may use subcontractors**). If the project sponsor intends to utilize subcontractors to implement any part of the insulation measure, then the subcontractor must be identified, and the information provided in this section should pertain to the subcontractor. Project sponsors who do not identify their proposed subcontractor(s) as part of this application process will not be allowed to use subcontractors for this measure.
- The project sponsor should provide a description of previous experience in providing insulation services. This should include, if applicable, a list of other Texas utility projects completed by the project sponsor or subcontractor. Provide a description of the training provided by the project sponsor or subcontractor to its installers.

### **5.3 AC / HP Project Application Guidelines**

The AC / HP Project Application process has two steps. Beginning on **December 1, 2011, at 10:30 AM CST**, these Project Sponsors can send in their initial applications. The initial application consists of the Project Sponsor's corporate information, qualifications, and references. After this information has been reviewed by Entergy, the Project Sponsor will be notified of their application status. All documentation must be provided electronically to Entergy utilizing the document upload feature, with the exception of the signed Program Agreement and the Insurance Certificates which must be sent via mail.

After a Project Sponsor Application has been approved, the Project Sponsor will be able to access the Small Project Sponsor or AC / HP Project Sponsor page of the program Web site, wherein they will be able to reserve up to \$5,000 in incentives. These incentive requests do not need to be approved by Entergy.

#### **5.4 Large Project Application Guidelines**

For all Project Sponsors, applications open **November 1, 2011 at 10:00 AM CST**. Res Large Project Sponsors can submit their applications **December 1, 2011 at 10:00 AM CST**. HTR Large Project Sponsors can submit their applications any time after **December 1, 2011 at 10:00 AM CST**. Project sponsors hoping to participate in either the Residential Large Projects program or the Hard-to-Reach Large Projects program must apply to both of those programs. Entergy will be awarding two contracts to each large project sponsor selected, one for the Residential Large Projects program and one for the Hard-to-Reach Large Projects program. For the large project programs, the application review priority will be determined by the submission timestamp of each project sponsor's Residential Large Projects program application. Entergy will consider the past program performance and the comprehensiveness of the measures offered by the project sponsors during their application review process to determine which project sponsors will be awarded contracts.

After the application information has been reviewed by Entergy, the Project Sponsor will be notified of its project award status.

#### **5.5 Large Project Sponsor Application Requirements**

In addition to the application information outlined in Section 5.2, large project sponsors will be required to provide the following information about their proposed projects. Entergy will incorporate estimated maximum kW and kWh incentive payments into the Res/HTR/AC/HP SOP Agreement.

##### **5.5.1 Project Description**

Provide a description of the proposed project in the space provided. Briefly describe the proposed project, including target customers, end-uses, and marketing approach.

##### **5.5.2 Project Description – Estimated Impacts**

Please refer to the deemed savings measure list (Appendix A), and/or the excel spreadsheet file named deemedsavingshelper.xls (may be downloaded from Entergy's website) to create estimates of average kW and kWh savings per installation site. The minimum project size is 10kW of deemed or measured peak demand savings. The maximum project size is determined by the limit on incentives that can be paid to any one Project Sponsor.

### **5.5.3 Marketing Plan**

Describe the customer types being targeted and/or building/dwelling characteristics being targeted. Describe the marketing mechanisms to be used. Describe previous projects that were successfully completed by the Project Sponsor utilizing similar marketing methods.

Retailers should indicate how they will conduct air infiltration and carbon monoxide testing, and how they will oversee measure installations and ensure overall compliance.

### **5.5.4 Project Implementation Schedule**

On this form, the milestone dates are generated for the Project. No inputs are required from the Project Sponsor. Measure installations must be completed and invoiced by the following milestone schedule:

- 50% of each Contract invoiced by 6/1/2012
- 80% of each Contract invoiced by 9/30/2012
- 100% of each Contract invoiced by 11/30/2012

Entergy reserves the right to withdraw some or all of the Project Sponsor's incentive reservation for failure to achieve these milestones. For Project Sponsors who fail to meet the milestones, but who have achieved a substantial percentage of their milestone goals, Entergy may withdraw incentive reservation according to the percentage below the specified milestone. For example, if a Project Sponsor has only achieved 40% of the 50% goal for the June 1, 2012 milestone, 10% of the incentive reservation for that Project Sponsor may be withdrawn. However, in the event the Project Sponsor has achieved little or no progress toward achieving the goal by the set milestone dates, Entergy reserves the right to withdraw the Project Sponsor's entire incentive reservation.

## **5.6 Customer Affidavits**

If a Project Sponsor anticipates requesting more than \$10,000 in incentives for measures installed at any one customer site, an affidavit of participation signed by that host customer must be submitted within ten business days of Internet application.

## **5.7 Project Application Review Procedures for All Programs**

### **5.7.1 Application Evaluation**

Entergy may reject a Project Application if:

- The Project Application is received after the Project Application period has expired
- The Project Application is received after the Res/HTR/AC/HP SOP has been fully subscribed
- The Project Sponsor fails to meet program eligibility requirements
- The Project Sponsor fails to respond to any request for additional information

- The Project Sponsor is found to have made material misrepresentations in the Project Application
- Changes occur in laws or regulations directly affecting the Res/HTR/AC/HP SOP
- Entergy, in its sole judgment, determines that the Project Sponsor is incapable of fulfilling the terms and conditions of the SOP Agreement Contract

Entergy reserves the right to disqualify or limit the participation of Project Sponsors who have performed poorly in previous Entergy standard offer programs. In addition, Entergy will consider the comprehensiveness of the measures offered by a Project Sponsor during the application review process.

Entergy will notify each Project Sponsor of its application status within 10 business days of the submittal of the application. If a Project Application is found incomplete or insufficient, Entergy may, at its sole discretion, reject it.

Entergy may request clarification of, or additional information about, any item submitted as part of the Project Application. Project Sponsors will have **five** business days to respond to such requests. If the clarification or additional information provided is not sufficiently responsive, Entergy may, at its sole discretion, request additional information, or discontinue its evaluation of the submittal. Any Project Sponsor submitting an unsuccessful Project Application may reapply for project funding by submitting another Project Application. However, the Project Sponsor will lose its initial position in the order of submittal for Budget Reservation purposes.

## 5.8 Large Project Sponsor Approval

If Entergy approves the Project Application, the Project Sponsor will be expected to sign and return the SOP Agreement Contract as soon as possible after notification of Project Application approval. (Project Sponsors are reminded that once the application period has begun, Entergy will not entertain proposed modifications to the SOP Agreement Contract.)

## 5.9 AC and Heat Pump Project Sponsor Approval

Once a HVAC and Heat Pump Project Sponsor's application has been approved, the Entergy Program Administrator will allow the Project Sponsor to access the HVAC and Heat Pump Project section of the SOP Web site. From this section, HVAC and Heat Pump Project Sponsors will be able to see how much project incentive money is left in Entergy's HVAC and Heat Pump Project incentive budget, and Sponsors will be able to reserve incentive funds for their individual projects. No further approvals are required from Entergy to begin installation.

## 5.10 Program Contact

The program contact is Mr. Kelley Carson. For most program correspondence, reports, signed forms, and other required materials shall be submitted through the online tracking system via document upload feature. Refer to the EnerTrek user guide for questions on this feature.

All signed program agreements and insurance certificates should be directed to the program administrator at:

ATTN: Kelley Carson  
Entergy Energy Efficiency  
9425 Pinecroft  
The Woodlands, TX 77380

### **5.11 Other Important Program Information**

Entergy will not reimburse any Project Sponsor for any costs incurred by participating in the SOP, including costs of preparing the Project Application, reviewing or executing the SOP Agreement Contract, or preparing and submitting implementation or performance reports.

Entergy's SOP is subject to oversight by the PUCT, which may request a copy of any SOP material that Entergy receives. Sensitive information submitted by the Project Sponsor to Entergy will be treated confidentially to the fullest extent possible, and will not be provided directly to outside parties other than the PUCT. Entergy will have no liability to any Project Sponsor or other party as a result of public disclosure of any submittals.

## 6. Implementation Procedures for All Project Sponsors

The implementation period shall begin upon Entergy's start date in January and as long as the SOP Agreement Contract has been signed and sent to Entergy. All installations must be completed and invoiced no later than November 30, 2012 so that Entergy can perform year-end reporting.

During the implementation period, the Project Sponsor will be performing marketing activities, implementation activities, and reporting progress when requested by Entergy and the Program Administrator. This allows Entergy and the Program Administrator to monitor each Project Sponsor's progress in a timely manner and allows Entergy the ability to reallocate program funding, if necessary, in order to achieve its overall energy savings goals.

### 6.1 Required Forms

Prior to commencing any installation activities, Project Sponsor shall submit its insurance certificate to the Program Administrator.

**Customer Agreement Form.** This is a standard agreement executed by the Project Sponsor and the host customer. It includes all the customer protection provisions and other information outlined in the SOP Agreement. Entergy requires the Project Sponsor to use the Customer Agreement, but does not require Project Sponsors to turn signed copies of the Agreements into the Program Administrator.

After the Project Sponsor installs the measures at their customer's site and inputs the details into the online tracking system, then the following forms must be uploaded into the online tracking system by utilizing the document upload feature:

1. **Customer Acknowledgement Form.** This is a one-page form in which the customer acknowledges that he/she has entered into a Customer Agreement with the Project Sponsor for the installation of measures and that Entergy is allowed access to the host customer site. Copies of signed Customer Acknowledgement forms must be sent to the Program Administrator. This form may be downloaded from the Program Web site.
2. **Customer's Self-Certification of Income Eligibility Form.** This form is only required for the HTR Large and HTR Small customers that are single family or mobile home. Copies of signed forms must be sent to the Program Administrator along with the Invoice Report Detail and Customer Acknowledgement Forms. This form may be downloaded from the Program Web site.
3. **Property Owner Certification Form of Tenant Income Eligibility.** This form is only required for the HTR Large and HTR Small customers that are Multifamily. Copies of signed forms must be sent to the Program Administrator along with the Invoice Report Detail and Customer Acknowledgement Forms. This form may be downloaded from the Program Web site.

4. **Cut Sheets.** These sheets are only required for AC and Heat Pump measures. Manufacturer cut sheets or factory performance test results that show the full load performance of the equipment under ARI condition are required to be emailed or faxed to the Program Administrator.

## 6.2 Program Implementation Timeline

### 6.2.1 *Prior to Marketing*

1. Certificate(s) of Insurance due.
2. Submit draft Customer Agreement to Program Administrator for approval, or download pre-approved Customer Agreement from Web site.
3. Submit draft Customer Acknowledgement form to Program Administrator for approval, or download pre-approved form from Web site.

### 6.2.2 *Prior to Installation*

1. If installing air infiltration control or duct sealing measures, then perform the pre-installation blower door, duct leakage, or CO tests, as required. Also, it is mandatory to enter the customer implementation schedule (or work schedule) online at least by the previous business day at noon before installation if there is air infiltration, duct sealing or ceiling insulation measures so that pre-installation inspections can be scheduled.
2. Have the customer sign the Customer Agreement form and all other required forms.
3. For Large Project Sponsors whose customers are multi-family properties of five or more dwelling units, then submit the proposed project online for pre-approval. The Program Administrator has up to ten days to approve or disapprove the project. No installations can occur before Program Administrator provides an approval. Pre-inspections are required for all multi-family properties.
4. Verbally inform the customer about the inspection process and that they could be selected. If selected, then the customer needs to cooperate with the inspector.
5. If air infiltration or duct sealing measures are being performed, then verbally explain to the customer about the Pre and Post Blower Door testing and Pre and Post Duct Blaster™ testing.

### 6.2.3 *After Installation:*

1. If air infiltration control or duct sealing measures were installed, then perform the post-installation blower door, duct leakage, or CO tests, as required.
2. Have the customer or property manager sign the appropriate Customer Acknowledgement form and all other required forms.

3. Report installation data and submit the implementation report via the Web site.

#### **6.2.4 Installation Period and Milestones**

Small Project Sponsors and AC / HP Project Sponsors must perform installations and report the installation data within 45 days from the date of the incentive request/reservation.

Large Project Sponsors must complete at least 50% of their installations by June 1, 2012. Entergy reserves the right to withdraw some or all of the Project Sponsor's Budget Reservation for failure to achieve this milestone. For Project Sponsors who fail to meet the milestone, but who have achieved a substantial percentage of their milestone goal, Entergy may withdraw Budget Reservation according to the percentage below the 50% milestone. For example, if a Project Sponsor has only achieved 40% of the goal by the end of the second milestone period, 10% of the incentive Budget Reservation for that Project Sponsor may be withdrawn. However, in the event the Project Sponsor has achieved little or no progress toward achieving the goal by the end of the milestone period, Entergy reserves the right to withdraw the Project Sponsor's entire Budget Reservation.

#### **6.2.5 Frequently-Asked Questions**

Q: What happens if I reserve incentive funding, but don't get to do the Small project?

A: Then your reservation will expire after 45 days, and you will have to make a new reservation.

Q: What happens if I don't report the measure installation data within the 45-day period?

A: After the 45-day period expires, the incentive money that has been reserved will be withdrawn from the Project Sponsor, and will go back into the Small Project incentive budget. Other than the fact that incentive money is no longer available for that project, there is no immediate penalty. Small Project Sponsors should be cautioned, however, against abusing this process. Small Project Sponsors' performance will be measured in part by their ratio of incentives earned to incentives requested. Poor performance in this area may be used by Entergy to limit a Project Sponsor's future participation.

Q: Can customer sites be combined?

A: Yes. Project sites may be combined in a Project Application, up to the sponsor incentive limit.

Q: Do I have to give the incentive to the customer?

A: 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.

## 6.3 Required Submittals

### 6.3.1 *Project Implementation Report (PIR)*

The primary reporting instrument during the Program Implementation Period is the Invoice Report Detail (also called “Project Implementation Report”). After Project Sponsors complete the installations, the Project Sponsor should input the implementation information on the Program Web site as soon as possible. The following information is required for each Project completed:

- Customer name
- Service address
- Telephone number
- List of installed measures
- kWh, kW and incentive amounts by measure type
- **Manufacturer cut sheets or factory performance test results that show the full load performance of the equipment under ARI condition if Air Conditioner or Heat Pump measures are installed**

From the Project Implementation page on the Web site, Project Sponsors can select from among the various menu options to add or edit customer installation information, or to print reports. When all the installations for a project or a month have been entered, Project Sponsors may submit this data to the Program Administrator. The Project Sponsor will then provide copies of the Customer Acknowledgement forms, along with any other required material directly to the online tracking system utilizing the document upload feature.

### 6.3.2 *Customer Acknowledgements*

As indicated above, copies of Customer Acknowledgements shall be included with each Invoice Report Detail Summary. Among other things, the Acknowledgement provides the Project Sponsor with a release for Program Administrator, allowing energy use and billing information to be provided to the Project Sponsor, which may be used for measurement and verification. The Acknowledgement also provides Entergy with permission to inspect the installation, which may be required before incentive payments are approved.

### 6.3.3 *Income Certification Forms for HTR Programs Only*

To document a single-family customer’s hard-to-reach status, the Project Sponsor should have the host customer complete and sign the PUCT Customer’s Self Certification of Income Eligibility Form.

If the Project Sponsor is implementing a project at a multi-family building, the Project Sponsor must complete a PUCT Property Owner Certification Form of Tenant Income Eligibility. Both forms are available on the SOP web site ([www.ENERGYefficiency.com](http://www.ENERGYefficiency.com)).

### **6.3.4 Project Invoices**

AC / HP Project Sponsors report installation data along with the Invoice Report Detail within the 45-day time period. If the Project Sponsor completes multiple Projects within that month, then they are allowed to have a maximum of two reservations per month (if budget incentives are still available) and a maximum of two invoices per month.

All Project Sponsors may submit project invoices twice a month. The Customer Acknowledgement forms and all other required forms must be uploaded to the online tracking system upon the submission of the invoice.

Entergy may adjust the incentive payment based on findings from field inspections. Payment terms are net 45 days.

## **6.4 Submittal Review Procedures**

### **6.4.1 Administrative Review**

Once the monthly or bi-monthly report is submitted to the Program Administrator, it will be reviewed for accuracy. If any discrepancies are found in any of the reports, the Program Administrator will notify the Project Sponsor. The Project Sponsor shall have 10 business days from the date of the Program Administrator's notification to correct any discrepancies.

### **6.4.2 Installation Inspections**

During the review process, Entergy will take a random sample of customer sites and make field inspections to determine if each measure has been installed properly, and is capable of performing its intended function. All measures installed must conform to or exceed the standards listed in Appendices A and B. If measures installed do not meet these standards, they are ineligible for incentives.

Entergy may adjust the incentive payment for an invoice based on findings from field inspections.

## Appendix A

\*Refer to the [Entergy's energy efficiency website](#) for the latest version of the "Deemed Savings Measure List" document within the Resources section.

## **B.Measure Eligibility and Installation Standards**

**CONTROL ENVELOPE ENERGY WASTE**

MEASURE	MATERIAL	MINIMUM CRITERIA FOR INSTALLATION
Infiltration	Acrylic Latex plus Silicone Sealing Compounds Caulk  Polyurethane Foam  Elastomeric Sealant (including polysulfide, polyurethane and silicone) caulk	<ul style="list-style-type: none"> <li>• Conforms to ASTM C834-95 with silicone</li> <li>• Conforms to ASTM C920-98</li> <li>• Conforms to ASTM C920-98</li> <li>• All visible caulk should be clear</li> <li>• A minimum 10 year life expectancy for ALL materials used.</li> </ul>

MEASURE	MATERIAL	MINIMUM CRITERIA FOR INSTALLATION
Weather-stripping	Foam Tape	<ul style="list-style-type: none"> <li>• Must be closed cell</li> <li>• Must be UV resistant</li> </ul>
	Rigid Gaskets	<ul style="list-style-type: none"> <li>• Must be adjustable and attached permanently.</li> <li>• Gaskets must be attached to an aluminum carrier.</li> <li>• A minimum 10 year life expectancy for ALL materials used.</li> </ul>
Insulation	Mineral Fiber Blanket	<ul style="list-style-type: none"> <li>• Conforms to ASTM C665-98</li> </ul>
	Mineral Fiber Loose Fill	<ul style="list-style-type: none"> <li>• Conforms to ASTM C764-98</li> </ul>
	Cellulose	<ul style="list-style-type: none"> <li>• Conforms to ASTM C739-97</li> <li>• Conforms to ASTM C1149-97</li> </ul>
	Vermiculite (loose fill) Perlite (loose fill)	<ul style="list-style-type: none"> <li>• Conforms to ASTM C516-80</li> <li>• Conforms to ASTM C549-81</li> </ul>
	R-Value	<ul style="list-style-type: none"> <li>• Existing ceiling insulation level of R-22 is in compliance with program.</li> <li>• Added ceiling insulation above R-22 must be installed to R-30 in compliance with the deemed savings standards.</li> </ul>
Insulating R-values	Walls	<ul style="list-style-type: none"> <li>• Install to R-13</li> </ul>
	Knee wall	<ul style="list-style-type: none"> <li>• Install to R-19</li> </ul>
	Floor (Pier & Beam)	<ul style="list-style-type: none"> <li>• Install to R-15</li> </ul>

MEASURE	MATERIAL	MINIMUM CRITERIA FOR INSTALLATION
Duct Sealing	Fiber Backed Mastic Compound	<ul style="list-style-type: none"> <li>• Apply to the duct joint</li> </ul>
	Replacement Duct	<ul style="list-style-type: none"> <li>• Replace with R-4 insulated duct.</li> <li>• A minimum 10 year life expectancy for ALL materials used.</li> </ul>

## **C. Carbon Monoxide Test Specifications**

### **C.1 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.

### **C.2 Ambient Air Test**

Conduct test at initial assessment. Every housing unit that has combustion equipment shall be tested prior to the installation of air infiltration control measures, duct sealing, or wall insulation. When conducting CO testing, the furnace gas burners must be operating. If more than 9 ppm CO is detected, these 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 which 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.

## D. Glossary

### - A -

**Affiliate:** Entergy will utilize the definition of "affiliate" provided by the Public Utility Commission of Texas for determining Project Sponsor's affiliate status (PUCT Subst. R. 25.181). For purposes of the Entergy Standard Offer Program, 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 whom 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 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.

**Budget Reservation:** The amount of incentive funds Entergy sets aside during the project implementation phase for a given Project Sponsor who has submitted a successful application prior to Entergy's complete commitment of funds through Budget Reservations to other Project Sponsors.

- C -

**Commercial customer:** An Entergy customer on a Commercial rate for billing purposes. For example, if an apartment complex is Master Metered (one meter for a complex or building), then Entergy bills them as Commercial. Common areas are classified as commercial accounts, and are not eligible under this program. Master-metered apartments are also considered as commercial accounts, and are likewise not eligible under this program.

**Contracted Capacity Savings:** As defined in an SOP Agreement Contract, the amount by which a project is expected to reduce peak demand consumption (measured in kW) at the host customer's site(s).

**Contracted Energy Savings:** As defined in an SOP Agreement Contract, the amount by which a project is expected to reduce energy consumption (measured in kWh) at the host customer's site(s).

- 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:** The maximum average load reduction occurring during any one-hour period between 1 PM and 7 PM CST weekdays, from June 1 through September 30 (holidays excluded). The demand savings are measured against a predetermined baseline for deemed savings measures.

**- 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 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 a SOP Agreement Contract or a market transformation contract that results in a reduction in customers' electric energy consumption or peak demand, or both, and energy costs.

**Energy Efficiency Service Provider:** A person who installs energy efficiency measures or performs other energy efficiency services. An energy efficiency service provider may be a retail electric provider or a customer, if the person has executed a SOP Agreement Contract.

**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-efficient equipment. Energy savings are determined by comparing the efficiency of the installed equipment to that of new standard-efficiency equipment—not to that of the customer's existing equipment (except in cases where no standards currently exist).

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

**- H -**

**Host Customer or Customer:** A residential distribution customer of Entergy that owns or leases facilities at a Project Site or Sites and that has entered into a Host Customer Agreement with Project Sponsor, or is a customer acting as its own Project Sponsor, for the installation of Measures as a part of Project. "Host Customer" excludes all Project Sites that are new construction or major rehabilitation projects.

**- 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 Contract. A Project Sponsor may submit an invoice for this payment following Entergy'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 -**

**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 Capacity Savings:** The maximum average load reduction occurring during any one-hour period between 1 PM and 7 PM CST weekdays, from June 1 through September 30 (holidays excluded), as determined in accordance with the Measurement and Verification Plan set forth in the SOP Agreement Contract.

**Measured Energy Savings:** The Energy Savings derived during a single year, from the Measures installed at the Project Site as determined in accordance with the Measurement and Verification Plan set forth in the SOP Agreement Contract.

**Multi-family:** Buildings with 3 or more dwelling units. Each individually metered multi-family residence is considered a separate residential account and is eligible under this program. Some examples include: apartment, condominium, townhouse, and dormitory.

**- P -**

**Peak Demand Savings:** For purposes of the Entergy Standard Offer Program, Peak Demand Savings is the maximum average load reduction occurring during any one-hour period between 1 PM and 7 PM CST weekdays, from June 1 through September 30 (holidays excluded).

**Peak Period:** For the purposes of this program, the peak period is defined as the hours from 1 PM to 7 PM CST weekdays, from June 1 through September 30 (holidays excluded).

**Performance Period:** The one-year period following the approval of a Project Sponsor's Project Implementation Report (PIR) during which measurement and verification are to take place. Peak demand and energy savings measured over this period form the basis of the performance payment made to the Project Sponsor at the end of the year.

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

**Post-Installation Inspection:** An inspection of a project site or sites conducted by Entergy after a Project Sponsor has submitted an Invoice Report Detail (or PIR). The purpose of the inspection is to verify that the energy-efficiency equipment specified in the SOP Agreement Contract has been installed properly and is capable of performing its intended function. Entergy's approval of the PIR is contingent upon the results of the post-installation inspection.

**Program Administrator:**

ATTN: Kelley Carson

Entergy Energy Efficiency

9425 Pinecroft

The Woodlands, TX 77380

E-mail: jcarso1@entergy.com

**Program Manual:** The complete set of Entergy Residential SOP materials, including the program description, procedures and forms.

**Project:** All the energy-efficient measures and any associated equipment and/or improvements that are installed, maintained and/or operated by the Project Sponsor to achieve the energy savings claimed for the project. A project may, in some instances, consist of more than one project site.

**Project Site:** One or more adjacent buildings on a single meter owned or operated by a single Entergy customer.

**Project Application:** The Project Application, comprising a set of standard forms, is submitted by an organization wanting to participate in the SOP Program as a Project Sponsor. On the Project Application, the Project Sponsor provides information about itself, the site at which the proposed project will be installed, and a general description of the proposed project.

**Project Implementation Report (PIR):** The PIR, comprising a set of forms and attachments, is submitted by the Project Sponsor following the installation of energy-efficient equipment. The PIR contains a detailed description of the energy-efficiency equipment and operating conditions at the customer's site as they exist immediately following the project's installation. Also called the Invoice Report Detail.

**Project Site:** One or more adjacent buildings on a single meter owned or operated by a single Entergy customer.

**Project Sponsor:** Any organization, group, or individual who contracts with Entergy to provide energy savings under the SOP Program.

**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.

- 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 Contract:** A contract entered into by the Project Sponsor and Entergy following the approval of the Project Sponsor's project application (PA) and Entergy's design of a project-specific measurement and verification (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.