

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Development Department
AGENDA DATE: March 19, 2013
CONTACT PERSON/PHONE NUMBER: Marty Howell, Director of Economic Development and Sustainability
--541-4925
DISTRICT(S) AFFECTED: ALL DISTRICTS

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action on a Resolution that the City Manager be authorized to sign the Services Agreement for Energy Efficiency Incentives between the City of El Paso (the "City") and El Paso Electric Company ("EPE") whereby the City agrees to compensate EPE an amount not to exceed THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$37,500) for EPE to administer the financial incentives solar programs for commercial properties approved by the El Paso City Council for fiscal year 2013. (All Districts) [City Development Department – Marty Howell, Director, 915-541-4925]

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On June 28, 2005, the El Paso City Council approved a resolution to accept, on behalf of the City, an award of approximately, \$5,822,173.00 from El Paso Electric Company Palo Verde Performance Rewards for the demand-side management programs to assist small business and commercial customers. As part of the award, the City has provided funding for \$250,000.00 from the Palo Verde Performance Rewards to fund financial incentive solar programs for commercial properties in fiscal year 2013. In turn, EPE has established a financial incentive Solar Photovoltaic Pilot Program ("Solar P/V Energy Efficiency Program") to help EPE customers meet a portion of their needs with solar electric systems. Given the EPE financial incentives program, the City agrees to compensate EPE \$37,500 for administrative fees. The administrative fees will be funded from the \$250,000 established to fund financial incentive solar programs for commercial properties.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

N/A

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

Funded by the El Paso Electric Company Palo Verde Performance Rewards for \$37,500.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

That the City Manager be authorized to sign the Services Agreement for Energy Efficiency Incentives between the City of El Paso (the "**City**") and El Paso Electric Company ("**EPE**") whereby the City agrees to compensate EPE an amount not to exceed THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$37,500) for EPE to administer the financial incentives solar programs for commercial properties approved by the El Paso City Council for fiscal year 2013.

APPROVED AND ADOPTED this ____ day of March, 2013.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:

for Marty Howell, Director of Economic
Development and Sustainability

STATE OF TEXAS)
)
COUNTY OF EL PASO)

**SERVICES AGREEMENT FOR
ENERGY EFFICIENCY INCENTIVES**

This Agreement entered into this _____ day of _____, 2013, by and between the City of El Paso, a municipal corporation situated in El Paso County, Texas, hereinafter referred to as "City", and El Paso Electric Company, hereinafter referred to as "EPE".

RECITALS

WHEREAS, on June 28, 2005, the City Council of the City of El Paso approved a resolution to accept, on behalf of the City, an award of approximately \$5,822,173 from the El Paso Electric Company Palo Verde Performance Rewards for demand-side management programs to assist small business and commercial customers, pursuant to the terms and conditions of the settlement of Public Utility Commission of Texas Docket No. 20450 and subject to the approval of the City Council of all projects to be funded;

WHEREAS, the City has made available funding for financial incentives solar programs for commercial properties to wit \$250,000 from the Palo Verde Performance Rewards for fiscal year 2013 ("Solar Program Incentives");

WHEREAS, EPE has established a financial incentive Solar Photovoltaic Pilot Program ("Solar P/V Energy Efficiency Program") to help EPE customers meet a portion of their energy needs with solar electric systems;

WHEREAS, the City desires to contract with EPE to administer the solar program incentives and funding for commercial customers on the terms and conditions set forth herein;

WITNESSETH

The City and EPE, for the consideration and mutual promises as herein, set forth agree as follows:

1. TERM

The term of this Agreement shall begin on the date entered above and shall end upon the expiration on December 31, 2013. The term of this Agreement may be extended only upon the written approval of both parties.

2. EPE RESPONSIBILITIES

- A. EPE will administer the Solar P/V Energy Efficiency Program funded in part by EPE and by the City, as set forth herein and in accordance with the program guidelines as described in the Solar P/V Pilot Program Guidebook (Exhibit A). In the event that EPE determines it is necessary

to revise the Guidelines during the Term of this Agreement, EPE will consult with City staff in order to ensure compliance with any City requirements and obtain the written consent of the City's Deputy City Manager responsible for utility regulation oversight ("Deputy City Manager"), which consent shall not be unreasonably withheld. If the parties cannot agree to revisions, the parties may terminate the Agreement pursuant to Section 10 of this Agreement.

- B. EPE will make reasonable efforts to fully subscribe/reserve and disburse the incentive payments attributable to City Funds (as defined below) but EPE bears no liability if the funds are not fully reserved or disbursed.
- C. City funds from Palo Verde Performance Rewards Fund ("Palo Verde Fund") can only be used as incentives for commercial projects, except as set forth in Section 4, Compensation. The Palo Verde Fund is sometimes referred to as "City Funds" in this Agreement.
- D. All City Funds will be used for commercial projects within the El Paso city limits.
- E. Commercial projects will be limited to 50kW each.
- F. City Funds allocated in City FY2013 Budget will be reserved for specific projects by June 30, 2013 and disbursed no later than December 31, 2013. In the event that it is necessary to further revise these dates, EPE will consult with and obtain the written consent of the City's Deputy City Manager responsible for utility regulation oversight ("Deputy City Manager") and the Agreement will be amended automatically without further need for formal amendment.
- G. Incentives per kW (\$/kW) will be established by EPE at the beginning of the program year in consultation with the City.
- H. EPE will provide a monthly report to the City by the 15th of the next following month in such form as the parties may agree. The monthly report will include an accounting of the City Funds, the amounts reserved, disbursed and administrative fees expended. The monthly report will also include such project details as the parties may agree.
- I. EPE shall provide a QUARTERLY report on all remaining Palo Verde Funds including those funds set aside for the Solar P/V Energy Efficiency Program.

3. CITY RESPONSIBILITIES

- A. For the services rendered under this Agreement, City will pay to EPE as Compensation for Program Administration and pay for the cost of the Solar P/V Energy Efficiency Program incentives provided to EPE customers under this Agreement, all as set forth in Section 4, Compensation.
- B. For the Solar P/V Energy Efficiency Program, the City has allocated \$250,000 from the Palo Verde Fund in FY2013. All payments by the City under this Agreement are payable only out of current City revenues. In the event that funds relating to this Agreement do not become available, such as by City Council not appropriating the funds, the City shall have no obligation to pay or perform any services related herein to EPE, except to the extent that EPE has in good faith obligated any funds by contract with third parties prior to actual notice of non-appropriation, for the City's fiscal year during which time such funding is not available or appropriated. Should City experience a funding unavailability, either party may choose to terminate the Agreement subject to Section 10 above.

4. COMPENSATION AND METHOD OF PAYMENT

- A. The total amount of Compensation, including payment of incentives under the Solar P/V Energy Efficiency Program and the associated costs for administering the program ("Program Administration") shall not exceed TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000) for City fiscal year 2013, provided that no more than TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000) shall be set aside in City fiscal year 2013 from the Palo Verde Fund.
- B. The Program Administration fees shall not exceed THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$37,500), provided that no more than THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$37,500) shall be set aside in City fiscal year 2013 from the Palo Verde Fund. EPE agrees that at no time shall it make a claim against the City for more than the compensation provided under the terms of this Agreement.

Program Administration Fees will be billed to the City as a fixed fee on a time and materials basis ("Fixed Fee") based on the hourly fee schedule attached as Exhibit B, or such hourly fee as the City's Deputy City Manager may approve in writing, which will not exceed \$37,500.

- C. As of the date of this Agreement, EPE administers the Palo Verde Funds on behalf of the City of El Paso and such funds are retained by EPE until such time City requests funds for reimbursement on various approved projects. EPE shall submit to the Deputy City Manager a MONTHLY detailed Invoice and accompanying report that specifically identifies costs utilizing Palo Verde Funds. Following the City's review and approval, the City shall notify EPE that they may deduct the costs relating to the Palo Verde Funds from its monies set aside for such purpose.

5. APPLICABLE LAWS

EPE shall perform all services under this Agreement in accordance with all applicable local, state, and federal laws and regulations.

6. INDEPENDENT CONTRACTOR

Nothing contained herein shall be construed as creating the relationship of employer and employee between the City and EPE. No partnership or joint venture is intended to be created by this Agreement, nor any principal-agent or employer-employee relationship between the parties or any of their officers, employees, agents or sub-consultants. As an independent contractor, each party understands and agrees that it will be responsible for its respective acts or omissions, and the other party shall in no way be responsible as an employer to the other party's officers, employees, agents, representatives or sub-contractors who perform any service in connection with this Agreement.

7. ASSIGNMENT/SUBCONTRACTORS

The services to be provided under this Agreement are specific to EPE and shall not be assigned or delegated without the prior written consent of the City. Notwithstanding the above, the City acknowledges that EPE has a contract with a third-party to provide services under this Agreement and hereby consents to such subcontract. EPE will notify City in writing of its intent to change its subcontractor. EPE will ensure that any subcontractor will comply with all applicable terms of this Agreement. EPE will provide written notification to City if it becomes necessary for EPE to utilize other subcontractors to fulfill its obligations to City.

8. INDEMNIFICATION.

EPE UNDERSTANDS AND AGREES THAT IT AND/OR ITS SUBCONTRACTOR(S) SHALL INDEMNIFY AND HOLD HARMLESS THE CITY AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS AND EXPENSES, INCLUDING INVESTIGATION EXPENSES AND REASONABLE ATTORNEY FEES FOR THE DEFENSE OF SUCH CLAIMS AND DEMANDS, ARISING OUT OF OR ATTRIBUTED DIRECTLY OR INDIRECTLY TO THE NEGLIGENT, GROSS NEGLIGENT, INTENTIONAL, MALPRACTICE OR WILLFUL ACTS OR OMISSIONS OF EPE, ITS AGENTS, SUBCONTRACTORS, EMPLOYEES, OR REPRESENTATIVES IN RENDERING THE SERVICES UNDER THIS AGREEMENT.

- A. Without modifying the conditions of preserving, asserting or enforcing any legal liability against the City as required by the City Charter or any law, the City will promptly forward to EPE every demand, notice, summons or other process received by the City in any claim or legal proceeding contemplated herein.
- B. In addition, EPE shall promptly advise the City in writing of any claim or demand against the City or EPE known to EPE related to or arising out of EPE activities under this Agreement.
- C. EPE understands and agrees that it will 1) investigate or cause the investigation of accidents or occurrences involving such claim or demand; 2) negotiate or cause to be negotiated the claim or demand as EPE may deem expedient; and 3) defend or cause to be defended on behalf of the City all suits for damages even if groundless, false or fraudulent, brought because of such claim or demands.
- D. EPE understands and agrees that it will pay all final judgments establishing liability of the City in actions defended by EPE pursuant to this section along with all reasonable attorneys' fees and costs incurred by the City including interest at the rate specified in such final judgment accruing and premiums on any appeal bonds.
- E. The City, at its election will have the right to participate in any such negotiations or legal proceedings to the extent of its interest without relieving EPE of any of its obligations under this paragraph.

9. LIABILITY INSURANCE

EPE agrees it or its subcontractor will provide public liability insurance and property damage insurance naming the City as an Additional Insured in an amount no less than \$500,000 for each person and \$1,000,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury to or destruction of property.

- A. Upon execution hereof, EPE shall file with the Purchasing Division, Financial Services Department, a copy of the Certificate of Insurance showing that such insurance coverage is in effect during the terms of this Agreement.
- B. Issuers of Policies. The issuer of any policy must have a certificate of authority to transact insurance business in the State of Texas. Each issuer must be responsible, reputable, and have financial capability consistent with the risks covered. Each issuer shall be subject to approval by the City's Purchasing Manager in his or her sole discretion as to conformance with these requirements.

- C. Deductibles. A policy may contain deductible amounts only if the City's Purchasing Manager approves the amount and scope of the deductible. EPE shall assume and bear any claims or losses to the extent of such deductible amount and waives any claim it may ever have for the same against the City, its officers, agents or employees.
- D. Cancellation. Each policy must expressly state that it may not be canceled or non-renewed unless thirty (30) days advance notice of cancellation or intent not to renew is given in writing to the City's Purchasing Manager by the insurance company. EPE shall give written notice to the Director of Administrative Services for the City's Purchasing Manager **within five (5) days** of the date upon which total claims by any party against EPE reduce the aggregate amount of coverage below the amounts required by this Agreement.
- E. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right in the nature of subrogation to recover against the City, its elected and appointed officials, officers, agents or employees.
- F. Endorsement of Primary Insurance. Each policy must contain an endorsement that such policy is primary insurance, so long as it is customary in the industry and under Texas law for such insurance to be primary, to any other insurance available to the City, the Additional Insured, with respect to claims arising hereunder and that the insurance applies separately to each insured.
- G. Liability for Premium. If any of the policies referred to above do not have a flat premium rate and such premium has not been paid in full, such policy must have a rider or other appropriate certificate of waiver sufficient to establish that the issuer is entitled to look only to EPE for any further premium payment and has no right to recover any premiums from the City.

10. TERMINATION

- A. Either party may terminate this Agreement if the other is in default upon thirty (30) days written notice to the other party provided that the other party shall be given a reasonable time to cure said default. The City or EPE may terminate this Agreement for any cause upon thirty (30) days written notice to the other party.
- B. Termination shall be without prejudice to any obligation by one party to the other, which shall have accrued and be owing prior thereto.
- C. Upon termination, EPE shall return any materials belonging to the City, such as documents pertaining to incentives provided using City Funds or

other property which are the property of the City which are currently in EPE's possession.

11. NOTICES

All notices, communications and reports under this Agreement shall be hand-delivered or mailed, certified, return receipt requested, to the respective parties at the respective addresses shown below, unless and until either party is otherwise notified in writing by the other party:

CITY: City Manager
City of El Paso
P. O. Box 1890
El Paso, Texas 79950-1890

With copy to:
Deputy City Manager, Finance
City of El Paso
P. O. Box 1890
El Paso, Texas 79950-1890

Sustainability Manager
City of El Paso
P. O. Box 1890
El Paso, Texas 79950-1890

EPE: Energy Efficiency Manager
El Paso Electric Company
100 N. Stanton
El Paso, Texas 79905

12. WAIVER

Action or inaction by either party regarding any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

13. DISCRIMINATION

- A. Discrimination Prohibited: No person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any programs or activity funded in whole or in part with funds made available to EPE pursuant to the terms of this Agreement, or any written amendment hereto.
- B. Specific Discriminatory Actions prohibited: EPE may not utilize criteria or methods of administration which have the effect of subjecting

individuals to discrimination on the basis of race, creed, color, sex national origin, age or disability, or having the effect of defeating or substantially impairing accomplishment of the objectives of the programs funded pursuant to this Agreement or any written amendment hereto with respect to individuals of a particular race, color, national origin, creed, sex, age or disability.

14. ENTIRE AGREEMENT; MODIFICATION OR AMENDMENT

This Agreement contains all commitments and agreements of the parties hereto, and no verbal or other written commitment shall have any force or effect if not contained herein. This Agreement may be modified, amended, or supplemented only by a written instrument duly authorized and executed by both parties.

15. VENUE

The parties hereto agree that this Agreement shall be enforceable in El Paso, Texas, and if legal action is necessary to enforce it, exclusive venue shall lie in El Paso County, Texas.

16. CONTRACT INTERPRETATION

In interpreting the various provisions of this Agreement in a court of law, any court having jurisdiction shall apply the laws of the State of Texas to interpret the terms and provisions in this Agreement.

17. SEVERABILITY

If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Agreement will not be affected and in lieu of each provision which is found to be illegal, invalid or unenforceable, there will be added as part of this Agreement a provision which preserves the intention of the unenforceable provision, but which complies with the law.

18. CAPTIONS

The captions to the various paragraphs of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

19. BINDING AGREEMENT. The individual signing this Agreement for each of the parties acknowledges that he is authorized to do so and said individual further warrants that he or she is authorized to commit and bind that party to the terms and conditions of this Agreement.

(Signature Page attached)

STATE OF TEXAS)
)
COUNTY OF EL PASO) **SERVICES AGREEMENT FOR
ENERGY EFFICIENCY INCENTIVES**

(SIGNATURE PAGE)

IN WITNESS WHEREOF, the parties have executed this Agreement in the City of El Paso to be effective on the date and year first above written.

EL PASO ELECTRIC COMPANY

Print Name: _____
Title: _____

THE CITY OF EL PASO

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Matthew K. Behrens
Assistant City Attorney

APPROVED AS TO CONTENT:



Marty Howell, Director of Economic
Development and Sustainability

EXHIBIT A

SOLAR P/V PILOT PROGRAM GUIDELINES

Solar PV Pilot Program Guidebook

For



El Paso Electric Company

Program Year 2013

Revised Version, January 18, 2013

The Solar PV Pilot Program is provided by El Paso Electric Company as part of its commitment to reduce energy consumption, energy demand, and carbon emissions. Frontier Associates and Clean Energy Associates work on behalf of El Paso Electric to implement the Solar PV Pilot Program. For more information visit <http://www.txreincentives.com/elpasopv>.

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1. Program Overview

1.a. Program Description

The Solar PV Pilot Program (hereafter, “Program”) offers financial incentives for the installation of eligible distributed solar energy generating equipment on the premises of Texas Customers served by El Paso Electric Company (EPE, hereafter, “the Utility”). The Program is provided by the Utility, with funding support from the City of El Paso, as part of its commitment to reduce energy consumption, energy demand, and carbon emissions. This Guidebook presents Program participation guidelines applicable to Customers, Service Providers, and projects submitted and completed through November 15, 2013.

The Program participation process, in summary, is as follows:

1. Customers work with participating Service Providers to determine eligibility, define the technical specifications of a solar electric system suitable for their property, and obtain approval from the Utility for grid connection.
2. The selected Service Provider completes an incentive application, submitting technical details of the proposed system to the Program Manager for review. The Program Manager reviews the incentive application, and either approves the application or informs the Customer/Service Provider of the reasons for denial. Approvals indicate the incentive dollar amount reserved and the period of time the incentive reservation is valid.
3. The Service Provider constructs the proposed system, submits a final application form, and passes a program inspection. The Program Manager sends an incentive check directly to the Service Provider or Customer.

The Program is just one of many programs offering financial incentives, educational resources, and information on renewable energy systems, energy efficiency measures, and combined heat and power technologies. Information about these programs can be found at <http://www.epelectric.com>.

1.b. Program Management and Contacts

For questions about the status of your Service Provider or your project application, please contact:

Cece Hyslop
cece@cleanenergyassociates.com
(800) 381-6552 – ext. 103

Anne Castello
acastello@frontierassoc.com
(512) 557-6740

For all other questions please contact the Program Manager:

Steve Wiese, Program Manager
Solar PV Pilot Program
1515 S Capital of Texas Highway, Suite 110
Austin, Texas 78746
(800) 381-6552
steve.wiese@cleanenergyassociates.com

Frontier Associates and Clean Energy Associates work on behalf of the Utility to implement the Program, and are referred to as the Program Manager. For questions regarding Frontier Associates' and Clean Energy Associates' relationship to the Utility and the Program, you may contact El Paso Electric's staff:

Derek Pearson

Energy Efficiency Program Coordinator Office
(915)521-4468
Mobile (915) 487-4468
derek.pearson@epelectric.com

Roberto Favela

Interconnection Agreements (TX and NM)
915-521-4418
roberto.favela@epelectric.com

Walter Guerrero

PV Customer Contact (TX and NM)
915-521-4636
walter.guerrero@epelectric.com

Curtis Hutcheson

Rates Research (TX and NM)
915-543-4354
curtis.hutcheson@epelectric.com

All Interconnection Applications/Agreements should be delivered to:

Corporate Development
Attention: Roberto Favela
PO Box 982
El Paso TX 79960

1.c. Program Changes

This document is intended to provide a detailed and consistent reference on Program design and implementation processes to participants, but does not address every possible situation or complication which may arise during program implementation. When instances requiring clarification are identified, the Program Manager will attempt to provide guidance consistent with program intent as well as with other goals and priorities.

The Utility and the Program Manager reserve the right to change program guidelines, processes, requirements, budgets, budget allocations and other program details at any time without prior notice to market participants. However, the Utility and Program Manager will strive to provide timely notice of such changes.

2. Eligibility

2.a. Customers

For the purposes of this program, "Customers" are defined as the entity with financial responsibility for paying the electric bill for the meter behind which the distributed solar energy equipment is to be installed.

To participate in EPE's Solar PV Program, customers must be located in EPE's Texas service area and be served at distribution voltage (below 69 KV).

Incentives may be received for new systems proposed for multiple points of service (i.e., locations with unique account numbers). Each Customer and point of service is eligible to participate in the Program multiple times, subject to other limitations set forth in this guidebook.

EPE is located outside the Texas competitive retail market. EPE will be clearly identified on all Customer electric bills, a copy of which must be submitted along with the incentive application.

2.b. Service Providers

All applications for program funding must be submitted by a registered solar PV Service Provider. A list of registered Service Providers will be made available on the program website and can be requested from the Program Manager. In order to be eligible to request funding in the program, Service Providers must:

1. Carry liability insurance with the following coverages:
 - Commercial general liability coverage of with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate;
 - Bodily Injury and Property Damage/\$1,000,000 General Aggregate; and,
2. Agree that only licensed electrical contractors & electricians will offer, perform, and permit all electrical work in accordance with applicable state and local requirements (see the Texas Department of Licensing and Regulation's website at <http://www.license.state.tx.us/> for more information); and,
3. Agree they have read the Program Guidebook and understand that it is the Applicant's responsibility to comply with all Program requirements, processes, policies and guidelines; and,
4. Meet at least one of the eligibility requirements listed below:
 - (1) The Applicant is a licensed Texas Electrical Contractor or Master Electrician who:
 - (a) Employs at least one full-time regionally-based employee who is currently certified by the North American Board of Certified Energy Practitioners (NABCEP) as a PV Installer (note: this is the NABCEP PV Installer certification, not the entry level certification also offered by NABCEP);or,
 - (b) Employs at least one full-time regionally-based employee who has been determined by NABCEP to be eligible to sit for the NABCEP PV Installer exam (please see www.nabcep.org for more details on eligibility requirements);or,
 - (c) Employs at least one full-time regionally-based employee who has successfully completed at least 40 hours of PV installation training provided by a third party;
 - (2) The Applicant is not a licensed Texas Electrical Contractor or Master Electrician and:

- (a) Employs at least one full-time regionally-based employee who is currently certified by the North American Board of Certified Energy Practitioners (NABCEP) as a PV Installer (note: this is the NABCEP PV Installer certification, not the entry level certification also offered by NABCEP).

Alternative qualifications may be accepted at the Program Manager's discretion if there is an insufficient number of local installers enrolled in a program or region, as determined by the Program Manager.

Please note that it is the intention of the Program Manager to encourage (though not require) NABCEP PV Installer certification or an equivalent professional certification, and to require full compliance with all Texas electrical licensing requirements, by all Service Providers participating in the program.

In order to maintain eligibility to participate in the program, Service Providers must also meet ongoing quality control/quality assurance requirements detailed in Section 5 and must attend periodic program update conference calls and webinars.

Do-it-Yourself or Self-Installations

Customers who wish to install systems by themselves may do so only if they meet all eligibility requirements and become a registered Service Provider in the Program, or contract with a registered Service Provider who will apply for funding, oversee the installation and applicable permitting, and provide the required warranty. Service Providers are required by the Program to have a lead role in every project in order to promote safety and quality in the design and installation process, and to maintain consistency with Texas interconnection rules.

Customers with Unique Purchasing Processes or Requirements

Some eligible Customers, such as large companies and government agencies such as municipalities and schools, may need to register their project and receive a letter confirming pre-approval of the requested incentive amount prior to selecting an eligible solar PV installation Service Provider. These Customers may work directly with the Program Manager to submit an incentive reservation request on their behalf. In these cases, the Program Manager will act as a proxy Service Provider until the Customer has selected a registered Service Provider; at that time, the project will be transferred to the registered Service Provider.

In general, the Program Manager will act as a proxy Service Provider for Customers with unique purchasing processes or requirements as long as the Customer:

- Demonstrates funding availability and appropriate authorization for the proposed project;
- Commits to using a registered Service Provider for the installation; and,
- Agrees to complete the installation within the applicable incentive reservation period.

2.c. Equipment and Installation

Major Equipment (Modules, Inverters)

Only new eligible solar photovoltaic equipment providing energy to the customer premise through an interconnection on the customer's side of the electric meter qualifies for incentives under this program. NOTE: The Utility is not a manufacturer, supplier or guarantor of the PV system or Service Providers, and the Utility, whether by making available a list of registered Service Providers and equipment sources or otherwise, have not made and make no representations or warranties of any nature, directly or indirectly, express or implied, as to performance of the Service Provider or reliability, performance, durability, condition or quality of the PV system selected and purchased.

Photovoltaic Modules

All installed photovoltaic modules must be new and certified to UL 1703 by a Nationally Recognized Testing Laboratory (NRTL) to ensure safety and reliability. Eligible modules must be warranted for at least 10 years to produce at least 90% of their rated power output, and for at least 20 years to produce at least 80% of their rated power output.

Inverters

All installed inverters, including micro-inverters, must be new and certified to UL 1741 standards by a Nationally Recognized Testing Laboratory (NRTL). When an inverter is integral to and wholly contained within a solar electric generator (PV module), the inverter shall not be required to be separately certified to UL 1741 if UL 1741 testing is performed as part of a full safety certification by a NRTL for the solar electric generator.

AC Disconnect

A visible, lockable, labeled, utility-accessible AC disconnect is required and must be located within 10 feet of the Utility meter. The AC disconnect must provide a visible break between the conductors when in the open position. Pullout switches (commonly used on HVAC systems) and distribution panel breakers do not meet the utility's AC disconnect requirement.

Revenue-Grade Solar (or "REC") Meter

EPE will supply a revenue-grade electrical meter to measure the energy produced by the solar electric system.

- Service providers shall, as part of their installation, provide a compatible meter socket (meter can) to accommodate the EPE-supplied meter.
- Service providers must confer with EPE interconnection personnel to obtain specifications for the meter socket (meter can) and its placement and accessibility at the site.
- The meter socket shall be subject to, and shall pass or have passed, all required electrical inspections, including both locally-required code inspections and any EPE inspections.
- For systems with integrated battery backup capability, the solar meter requirement may be modified at the discretion of the Utility. Service providers must contact and notify utility interconnection personnel of their intent to install a PV system with integrated battery backup capability, and work to identify a metering solution suitable to the utility.

Note this is not the "inflow-outflow meter" owned by the electric utility and installed at the point of service demarcation. Note also that inverter-based metering does not meet the standard referenced above.

Mounting Systems

All installations shall utilize mounting/racking systems and hardware specifically designed for use with photovoltaic systems, incorporating rust and corrosion-resistant components and appropriately engineered to withstand anticipated structural and wind loading conditions. Custom mounting solutions may be necessary in some cases: in these cases, the proposed mounting system should be properly engineered and stamped drawings submitted to the Program Manager.

Minimum Performance Threshold

To be eligible to receive an incentive payment, the estimated annual electrical energy output of a solar electric system, as modeled by PVWATTS and considering an appropriate factor for shading, must be at least eighty percent (80%) of the estimated annual energy output for an optimally-sited, unshaded system of the same DC capacity. Systems which do not meet the minimum performance threshold will not receive an incentive. For the purpose of this section, a system is defined as any DC string of modules feeding into an inverter.¹

The estimated annual electrical energy output of an optimally-sited, unshaded system can be determined by selecting an appropriate location, entering the system capacity in kWdc, and accepting default parameters for tilt (latitude tilt), orientation (due south), and derating factor (0.77) into the National Renewable Energy Laboratory's PVWatts calculator, available online at http://rredc.nrel.gov/solar/codes_algs/PVWATTS/.

The estimated annual electrical energy output of a proposed system shall be derived from PVWatts or equivalent software and shall consider separately the effects of tilt, orientation and shading on each array and/or string, as appropriate. The effect of shading shall be determined using a Solar Pathfinder or equivalent instrumentation. As a general rule, multiple shading measurements should be made along the lower or southern edge of an array, and/or at locations where shading is most prevalent.

Installations which do not meet the minimum performance threshold will not receive an incentive. Prorated incentives are not available. Service Providers are strongly discouraged from pursuing borderline systems, and are encouraged to contact program administrators and clearly document shading measurements whenever clarification or pre-approval is needed.

Interconnection

All PV systems must be interconnected, at Customer's expense, to the Utility's electrical grid. The PV system must comply with interconnection requirements for distributed generation systems as defined by the Texas Public Utility Commission.

Arrangements with the Utility regarding interconnection must be made with the Utility interconnection contact as soon as possible after an incentive commitment is made, and prior to beginning construction of the project.

Customers have the option to select the installation of a bi-directional meter. At the end of the billing month, El Paso Electric will read the bi-directional meter that measures net consumption and net production. There are established guidelines that customers installing and interconnecting a renewable energy generator can follow. These can be found at:

<http://www.epelectric.com/tx/residential/renewable-energy-interconnection>.

All Interconnection Applications/Agreements should be delivered to:

Corporate Development
Attention: Roberto Favela
PO Box 982
El Paso TX 79960

¹ Therefore, each "AC module" or module employing micro-inverters are considered a complete string, and each module must individually meet the minimum performance threshold.

The Program Manager will work with Service Providers to communicate and distribute updates to these requirements as necessary.

Manufacturer's Instructions

All equipment must be installed and maintained in accordance with manufacturer's instructions.

Best Practices

All aspects of system design and installation shall conform with industry best practices as regionally appropriate. The program manager may convene technical working groups to identify and document expected best practices.

Ineligible Equipment

Any solar electric systems that do not deliver energy to a building's electric distribution system which is connected to the Utility is ineligible for participation. Portable systems, systems of a temporary nature, and off-grid systems are not eligible for participation.

2.d. Warranties

Eligible systems must be covered by an all-inclusive warranty for at least five years from the date of installation to protect the purchaser against component or system breakdown. The warranty must cover all major components of the system against breakdown or degradation in electrical output of more than 10% from their originally-rated electrical output during the five-year period. The manufacturer and Service Provider may provide the required warranty in conjunction, covering major system components and labor, respectively. An owner's manual, including warranty documentation, must be provided to the Customer on completion of the installation. Additional equipment warranties are referenced in Section 2.c. above.

2.e. Codes/Standards/Permits

All PV system installations must obtain appropriate local building permits and pass all required local inspections, and must be in full compliance with the National Electric Code. Work must be performed in accordance with all applicable federal, state, and local codes and standards.

2.f. Free Ridership

Incentive eligibility is limited to proposed projects that are wholly contingent upon a commitment of incentive funding. Projects contracted without the express written assumption of incentive funding availability are ineligible to receive such funding, as are projects for which construction has begun prior to the commitment of incentive funds.

2.g. Additional Considerations

- **Incentive Assignments:** The incentive may be assigned to the Customer, Service Provider, equipment supplier, or other third party.
- **Other Restrictions:** Deed restrictions, homeowners associations, neighborhood covenants or local regulations must not prohibit the installation of solar photovoltaics on property.
- **Condominiums/joint ownership associations:**
 - Individual condominium owners applying must obtain Condominium Association permission.

- Condominium Associations can apply under the commercial section of the incentive program, and must be connected to a commercial meter.
- **Apartments/rentals/leased properties:**
 - These qualify as commercial projects and must be under a single incentive application. Applicant must demonstrate project approval by building owner.
- **New construction:**
 - The program accepts applications from entities seeking to install PV on new buildings.
 - Program funds may be committed only after a temporary meter service has been established at the installation property, and program funding may be disbursed only after a permanent meter account has been established.
 - The incentive level offered and paid on new construction projects shall be at the non-residential incentive level, except where the service provider provides clear documentation that the offered incentive was instrumental in the residential property buyer's decision to install solar.
 - Finally, applicants should be aware of the free-ridership restrictions placed on all energy efficiency funding (see section 2.f.).

3. Incentive Design and Delivery

3.a. Total Incentive Funding

The table below presents the total amount of incentive funding available in program year 2012. Funding is available to eligible projects with complete applications on a first come, first served basis.

Table 1. Incentive Funding

| | 2012 |
|---------------------------------|-------------------|
| El Paso Electric Company | \$212,500 |
| City of El Paso | |
| Non-Residential | \$212,500 |
| Total | \$ 425,000 |

Eligibility for each funding source varies:

- El Paso Electric Company funds are available to qualified customers in El Paso Electric's Texas service area, and will be prioritized for residential projects.
- City of El Paso funds must be used for non-residential projects inside the El Paso city limits.

3.b. Incentive Level

Incentive levels applicable to funding commitments are as follows:

- \$0.75/dc watt for residential projects with a maximum incentive of \$7,500
- \$1.00/dc watt for non-residential projects within City limits with a maximum incentive of \$50,000

Incentives are calculated based on the total DC capacity of a solar electric system, determined by summing the DC (stc) capacity of all modules installed. The final incentive amount will be determined

following verification of the installed system by a solar field inspector. Systems not meeting all program requirements, including the minimum design threshold requirement, are ineligible for incentives.

3.c. System Size/Capacity Limits

Systems less than 1 kW (dc-stc) capacity are not eligible for funding unless they are proposed for educational use by schools.

System size/capacity is limited by applicable rules regarding interconnection and net metering (see appendices). Systems estimated to produce more energy on an annual basis (including both the proposed system and any existing system or systems already present) than is consumed by the customer at the interconnected meter are not eligible for incentives.

3.d. Incentive Reservation/Payment Limits

Incentive reservations/payments for systems installed by residential customers are limited to the applicable incentive level for a 10 kWdc system (i.e., \$7,500 for a residential installation at the \$0.75/watt incentive level).

Incentive reservations/payments for systems installed by non-residential customers are limited to the applicable incentive level for a 50 kWdc system (i.e., \$50,000 for a non-residential installation at the \$1.00/watt incentive level).

3.e. Limits on Participation

Table 2, below summarizes limits on incentive reservations by customer class applicable to customers and Service Providers with multiple projects beginning with this Program Guidebook. The table entries indicate the maximum amount of available incentive funds that may be reserved by a single customer or Service Provider for each Program year.

Table 2. Summary of Program Limits

| <u>EPEC Solar PV Pilot Program</u> | <u>2013 Program Limits</u> |
|---|---|
| Maximum Incentive per Project (per interconnected meter, per program year) | |
| Residential Projects: | \$7,500 (@ \$0.75/watt incentive level) |
| Non-residential Projects: | \$50,000 (@ \$1.00/watt incentive level) |
| Maximum Incentive per Customer (multiple projects, per program year) | |
| All Customers: | 25% of total 2013 incentive budget |
| Maximum Incentive Reservation per Service Provider and/or Project Owner | |
| All projects | 50% of total 2013 incentive budget in each category |

3.f. Open Season

Beginning July 1, 2013 the limits on customers and service providers/project owners will no longer be enforced.

3.g. First-Come, First-Served Policy

Incentive funding is offered to eligible customers with complete applications on a first-come, first-served basis.

3.h. Incentive Reservation Period

All residential incentive reservations expire in 4 calendar months after the date of acceptance, or as specified in the Funding Reservation Letter. All other incentive reservations expire after 6 calendar months after the date of acceptance, or as specified in the Funding Reservation Letter. All incentives will expire by November 15, 2013, regardless of when the project initially applied or was awarded funding.

3.i. Quarterly Milestone Reporting

All projects greater than 10 kWdc will be required to demonstrate progress toward completing financing and construction on a quarterly basis. Failure to report quarterly or to demonstrate progress in quarterly reports may result in termination of the incentive reservation.

3.j. Extensions

Extensions will be granted for residential projects only if the Service Provider requests an extension prior to the incentive reservation period's expiration date and provides documentation that construction is complete and utility interconnection and local permits have been applied for prior to the incentive reservation period's expiration date. If these conditions are not met, Service Providers will need to re-apply for incentive funding with a new application subject to funding availability at the time of reapplication.

Commercial/industrial and government/non-profit customers who cannot complete their project within the incentive reservation period may apply for an extension. Extension requests must be received before 5:00 PM Mountain Time on the expiration date, and must include detailed documentation regarding the reasons for the delay. Progressive documentation of issues to the Program Manager as they occur throughout the project will significantly improve the case for a project extension.

The Program Manager will consider extensions in cases where significant progress has been made toward completion of the project, and where the delay was unavoidable and unforeseeable at the time of the initial application. Approval of any extension will depend on the totality of circumstances related to reasonable progress toward each of the items listed below and the reason why the delay was unavoidable and unforeseeable as demonstrated through documentation provided with the extension request.

- a) Physical construction has started at the customer's site, which means that:
 - i. construction permits have been granted (where applicable);
 - ii. project materials are either onsite or in storage; and
 - iii. installation work has started;
- b) Irrevocable orders have been placed with the manufacturers of the major items of equipment (PV modules and inverters);
- c) Construction permits have been approved by the authority having jurisdiction (where applicable);
- d) Engineering and design work has been started and progressed to a significant degree;
- e) Material and/or equipment have been received from the manufacturer, and are either onsite or in storage.

If granted, the extension will be for a period no greater than 6 months and will extend no later than November 15, 2013. No additional extensions are permitted. If a project exceeds the extended deadline, the Service Provider will need to re-apply for incentive funding with a new application.

3.k. Designation of Incentive Recipient

Service Providers may designate the customer, themselves, or a manufacturer or supplier to receive the incentive payment. The designation of incentive recipient can be made as part of the initial application or in writing thereafter.

3.l. Other Programs

Participation in the Solar PV Pilot Program does not affect a customer's eligibility to participate in other Utility-sponsored energy efficiency programs.

4. Participation Process

4.a. Overview

The program utilizes several forms, including the Service Provider Information Form, Project Pre-Approval Application, and Final Application Form. These forms are typically provided to the Program Manager at pvapps@frontierassoc.com by registered Service Providers.

4.b. Detailed Description of Process Steps

Participating in the Program consists of three main steps:

1. Service Provider registration;
2. Project pre-approval application; and,
3. Final application.

1. Service Provider Registration

Only eligible and approved Service Providers may apply for incentive funding. Eligible Service Providers must apply for approval by filling out and submitting the Service Provider Information Form and by providing proof of eligibility to the Program Manager. When this information is deemed to be complete, the Service Provider will be able to register projects for Pre-Approval. The Service Provider Information Form may be obtained from the program website www.txreincentives.com/elpasopy or by contacting the Program Manager.

2. Project Pre-Approval Application

Service Providers must fill out and submit a complete Project Pre-Approval Application Form (PPAF) for each proposed Customer project, except in cases where the Program Manager acts as a proxy Service Provider for Customers with unique purchasing processes or requirements (see section 2.b.).

The Program Manager will review each Project Pre-Approval Application to ensure eligibility of the proposed project. If the project is determined to be eligible for participation and sufficient funds are available, the Program Manager will confirm pre-approval with a letter to the Service Provider providing a registration number and stating the pre-approved incentive amount and the incentive reservation period. Construction may begin only after funding approval is received.

If the Project Pre-Approval Application is determined to be incomplete or the proposed project ineligible for participation, the Program Manager will inform the Service Provider of the deficiencies, and the Service Provider may modify and/or resubmit the Application.

3. Final Application

When construction is complete, all local inspections have been passed, and a final signed Interconnection Agreement has been executed with the Utility, the Service Provider must submit a Final Application to the Program Manager. The Final Application is used to document any differences from the Project Pre-Approval Application and to provide proof that the project has passed all required local inspections.

The Program Manager will review each Final Application for completeness and eligibility, in the case of projects which have changed in any way from what was submitted in the Project Pre-Approval Application. A copy of the signed Interconnection Agreement with the Utility is due with the Final Application.

Once determined to be complete and eligible, the Program Manager will select a sampling of projects for on-site inspection, and will work with the Customer and/or Service Provider to schedule such inspections. The primary purpose of the program inspections will be to verify accuracy of the information submitted in the Final Application and to ensure the system is installed and operating in accordance with all program guidelines.

Projects that are not selected for inspection, or projects that are selected for and pass their program inspection, are then reported to the Utility for incentive check delivery. Service Providers, Customers or their designated check recipients should expect incentive check delivery about 6-8 weeks after final approval.

4.c. Differences Between Pre-Approved and Final Applications

The Final Application is used to identify changes between project specifications detailed in the Project Pre-Approval Application from those specified in the Final Application. All changes in project specifications potentially trigger review of a project's eligibility to receive incentives and of the Interconnection Application. Service Providers should clearly communicate any such changes in advance with the Program Manager to determine the effect, if any, on project eligibility and/or the Customer incentive amount.

Changes which decrease the total capacity of a project will reduce the incentive amount.

Changes which increase the total capacity of a project may increase the incentive amount, but additional incentive funds are subject to availability at the time the Program Manager is notified of the change. Again, Service Providers are encouraged to clearly communicate any such changes in advance with the Program Manager and Utility interconnection staff to determine the effect, if any, on project eligibility and/or the Customer incentive amount.

5. Quality Control / Quality Assurance

5.a. Application Review

The Program Manager will perform a review of all projects for which a Project Pre-Approval Application has been submitted, provided that unreserved incentives remain. The application review process will entail an off-site evaluation of the proposed site for the PV system to verify that the orientation and shading of the building are appropriate for adequate solar energy conversion. Depending on the situation, this evaluation will be performed using the satellite and street view applications of Google Maps or an equivalent online mapping service. The data collected through the application review process will be combined with the system specifications submitted by the program applicant to produce the proper inputs for the modeling software, PV Watts v1, used to evaluate whether the proposed system meets minimum design threshold requirements.

5.b. Post-Installation Inspections

The second stage of measurement and verification will consist of post-installation inspections of selected projects by El Paso Electric personnel. Most projects will be randomly selected for inspection. The probability of inspection may be increased for large projects and projects installed by new Service Providers, at the Program Manager's discretion.

For the selected projects, the program inspector will strive to schedule and perform a thorough inspection of the installed system within approximately two weeks of receipt of a complete Final Application. This post-installation inspection will serve to verify that the system has been installed as

proposed in the application and that it conforms to the program guidelines and best practices as described in the Program Guidebook. The inspector may also conduct a real-time system performance test to check that the system performs at an acceptable level compared to its rated output. Finally, the inspector will verify that the solar meter is connected and functioning and record the meter reading at the time of inspection.

5.c. Persistence Inspections

The final stage of measurement and verification will be follow-up inspections of installed systems that have been in operation for at least one year. In each year following the program's first year, a portion of the systems of the systems installed in all previous years will be inspected. All systems will be eligible for follow-up inspections, regardless of previous inspections. Real-time performance tests and solar meter readings will be performed to quantify system degradation and establish long-term energy production levels. The data gathered during these inspections will be used to tailor model inputs used in estimating demand and energy savings to reflect as accurately as possible the performance of systems installed under the program.

5.d. Inspection Failures

Applicants with projects that are found to be unlikely to produce acceptable levels of solar energy conversion through the pre-inspection process will be notified of the issues regarding their project design and will be allowed to re-submit an application. The second application will be treated as a new application and no special treatment (i.e., holding their position in the order of applicants) will be given.

Applicants with projects that fail the post-installation inspections will have 1 month to correct the problems with the system and either submit evidence of correction or schedule a second inspection, at the Program Manager's discretion. Service Providers that fail to correct deficiencies in a timely manner may be removed from the Program and/or be denied an incentive.

6. Service Provider Performance Standards

6.a. Service Provider Standing

All Service Providers must maintain good standing with the Program. Service Providers in good standing are defined as those:

- Who have attended all required Service Provider meetings, technical training sessions and other mandatory events;
- Whose three most recent installations subject to a program inspection have passed those inspections on the first attempt;
- Who have maintained and documented to the Program Manager proper and current licensure, certificates, insurance, and other eligibility requirements;
- Who have provided all required progress reports in a timely fashion;
- Who have completed more than 80% of approved projects within the applicable incentive reservation period; and,
- Who work in good faith with the Program Manager to resolve any Customer disputes or complaints and to change business practices as appropriate to reduce the likelihood of future disputes or complaints.

Service Providers who are not in good standing may have their service provider listing removed from the program website. They will be notified by the Program Manager of their status and will be required to work with the Program Manager to develop a plan to correct the problem(s). A lack of progress on this plan may lead to disqualification.

6.b. Service Provider Disqualification

All Service Providers are required to maintain proper licensure, certificates, insurance, and other eligibility requirements as listed in the Service Provider Participation Agreement and as required by law. The Program Manager may also determine and maintain metrics of Service Provider performance which may be used to disqualify Service Providers from participation in the Program. Service Provider performance metrics include, but are not limited to:

- High rates of Customer complaints handled by Program Management staff;
- Low rates of passing program inspections;
- Low rates of completing pre-approved projects within the incentive reservation period;
- Failure of the Service Provider to maintain regular attendance at technical training sessions and periodic program update conference calls and webinars.

6.c. Dispute Resolution

Unresolved disputes hurt the success of the Program. In this respect, the overriding objective of all the participants in the Program is to achieve 100% Customer satisfaction and to satisfactorily resolve any and all disputes at the lowest level possible.

Disputes, concerns or complaints arising from Customers should, in general, be addressed at the lowest level possible. Most of the time, this means the problem should be resolved between the Service Provider and Customer.

Issues that cannot be addressed by the Service Provider and Customer and are brought to the attention of the Program Manager may be addressed by the Program Manager. The Program Manager's first level response shall be to document the date and nature of the complaint and the specific details to include contact information; name address phone number and/or email and parties or programs involved. The Program Manager will maintain all contact and status records. This will open the issue; next an appropriate action step must be completed for it to be resolved and closed. The Program Manager shall be responsible to delegate or take action to resolve the issue within 2 weeks.

Disputes, concerns or complaints arising between Service Providers and the Program Manager shall follow a similar path. The Program Manager's first level response shall be to document the date and nature of the complaint and the specific details to include contact information; name address phone number and/or email and parties or programs involved. The Program Manager will maintain all contact and status records. This will open the issue; next an appropriate action step must be completed for it to be resolved and closed. The Program Manager shall be responsible to delegate or take action to resolve the issue within 2 weeks. Disputes that cannot be resolved or have future action agreed to by all parties during initial contact may be brought to the Utility.

Disputes, concerns or complaints about this program or the utility shall first be addressed to the El Paso Electric Program Manager. If necessary, the concern will be forwarded to management of the Energy Efficiency Department. Disputes that cannot be resolved can be brought to the Public Utility Commission of Texas at the following address:

PUC - Customer Protection

P.O. Box 13326

Austin, TX 78711-3326

7. Technical Training / Technical Assistance

The Program Manager may provide and support technical training and technical assistance opportunities to Service Providers, local code officials, and potential Customers. In addition, the Program Manager will host periodic program update conference calls for Service Providers and periodic Customer information sessions for Customers. Attendance by Service Providers at a minimum number of technical training and program update events is mandatory. Details of available training opportunities will be made available as they arise.

8. Additional Considerations

8.a. Interconnection

Service Providers must submit all of the necessary paperwork for the Utility Interconnection Agreement to the Utility once a proposed project has been approved for program funding. This Interconnection Agreement must be approved by the Utility prior to beginning construction on any project. All Final Applications must contain a fully executed Interconnection Agreement.

EPE's interconnection contact is Roberto Favela, 915-521-4418 (w), 915-588-9894 (cell), roberto.favela@epelectric.com. All Interconnection Applications/Agreements should be delivered to:

Corporate Development
Attention: Roberto Favela
PO Box 982
El Paso TX 79960

8.b. Metering for Distributed Renewable Generation

EPE will supply an electrical meter that tracks energy inflows (energy delivered from the distribution system to the Customer) and outflows (energy delivered from the Customer to the distribution system) on separate registers, in compliance with rules developed by the Public Utility Commission of Texas. Meter enclosures are provided by the Service Providers as follows:

- Service providers shall, as part of their installation, provide a compatible meter socket (meter can) to accommodate the EPE-supplied meter.
- Service providers must confer with EPE interconnection personnel to obtain specifications for the meter socket (meter can) and its placement and accessibility at the site.
- The meter socket shall be subject to, and shall pass or have passed, all required electrical inspections, including both locally-required code inspections and any
- Customers and Service Providers should work directly with Utility staff during the interconnection process to determine whether an inflow/outflow meter is desired in their situation.

8.c. Compensation for Energy Delivered to the Distribution System (Outflows)

El Paso Electric Company is located outside of the competitive retail electric market in Texas, and is directly responsible for metering and crediting the value of outflows for Customers in the billing process.

More information regarding the Utility's role in metering distributed renewable generation is available on the program website.

8.d. Renewable Energy Credits

El Paso Electric claims ownership of all renewable energy credits and other environmental credits associated with projects receiving incentives under this Program.

8.e. Tax Considerations

Program participants should consult a tax professional regarding taxation and the eligibility of their installation for federal tax credits, treatment of incentive funds provided by the Utility, depreciation and all other tax matters.

8.f. Third Party Owned Systems

Incentives offered by the program are available to all forms of solar ownership allowed by Texas law, provided that all other requirements specified in this guidebook – including eligibility of the customer, service provider, and system – are met.

The incentive level available to a third party owned system shall be dependent on the retail customer. If the retail customer is a residential customer, then the residential incentive level shall apply.

EPE shall require the Interconnection Agreement to be between EPE and the retail customer.

Incentive applicants shall disclose information relevant to lease terms with the pre-application.

EXHIBIT B

HOURLY FEE SCHEDULE

| | |
|--|------------------|
| Principals | \$200/Hr. |
| VP - Operations | \$150/Hr. |
| General Manager/Manager – EnerTrek® Products | \$150/Hr. |
| Project Manager | \$125/Hr. |
| Senior Engineer | \$150/Hr. |
| Senior Associate/Program Manager | \$120/Hr. |
| Energy Analyst | \$90/Hr. |
| Energy Analyst II/Project Engineer | \$105/Hr. |
| Senior Developer/Senior Software Engineer | \$150/Hr. |
| Software Developer/Software Engineer | \$115/Hr. |
| Software Developer II/ Software Engineer, Applications II | \$125/Hr. |
| Software Programmer II/Web Developer II | \$105/Hr. |
| Office Manager | \$65/Hr. |
| Intern | \$70/Hr. |
| Database Analyst/Project Support | \$60/Hr. |
| Clerical/Support | \$50/Hr. |
| Contract Software Developer/Software Engineer | \$115/Hr. |
| Photovoltaic Programs | \$156/Hr. |
| Photovoltaic Programs | \$78/Hr. |
| Photovoltaic Programs | \$52/Hr. |

Direct Expenses:

Direct expenses such as travel and materials are billed at cost without additional markup. Software programming services are subject to Texas sales tax for services delivered in Texas, unless the client has a current tax-exempt certificate.