



2010 Workshop
2010 Residential Standard Offer Program
October 21, 2009



2010 Residential SOP Summary

- Incentives Paid for kW and kWh savings
- Internet Application and Reporting
- Large Projects
 - Project size equal or greater than \$10,000
 - Reserves funds for program year
- Small Projects
 - No minimum project size
 - Reserves funds for 30 days

2010 KEY CHANGES

- Revised application forms
- Changes to Certificate of Insurance
- Re-defined TNC Underserved Counties
- Revised deemed savings values
 - Air conditioning and heat pumps

2010 KEY CHANGES (continued)

- Residential dwellings completed after January 1, 2008 do not qualify for the program
- Work Schedule required for all multi-family projects
- All installations must be submitted on an invoice report within 45 days of the installation
- Failure to complete prescriptive requirements will result in a total measure failure regardless of the CFM reading



Role of the Program Administrator, Project Sponsor and Customer



Program Administrator

- Administer the program according to PUCT rules and guidelines
- Review and approve or reject applications
- Process Invoice Reports based on inspection results
- Manage programs and incentive dollars
- Adjust programs as needed to meet goals

Project Sponsor (PS)

Identify customers and measures to install

- Verify customer eligibility
 - Obtain ESI ID
- Explain to customer:
 - Role of PS, AEP and customer
 - Project sponsor & customer negotiate terms
 - HCA - Customer protection, complaint process
 - AEP does not provide endorsements
 - AEP does not pay for measures
- Install and report measures

Customer

- Must be a distribution customer of AEP
 - ESI ID begins with:
 - TCC - 100327894....
 - TNC - 102040497....
 - May be a customer of any Retail Electric Provider
 - Customers of Municipals and Co-ops are not eligible
- Project sponsor & customer negotiate terms
- Signs and dates HCA, verifying measures installed and agreeing to possible inspection



Eligible Customers and Measures



Eligible Customer Sites

Residential Only

- Single-family
 - Dwellings consisting of two or less units (i.e., a duplex or less)
- Multi-family
 - Individually-metered are residential (each unit)
 - Common areas and master-metered are considered commercial; not eligible

Residential dwellings completed after January 1, 2008 do not qualify for the program

Eligible Measure Changes

- Air conditioning/heat pump Deemed Savings values have changed
- Lighting ineligible for residential

Eligible Measure: Infiltration

Interior leakage points to be treated: (If applicable)

- Attic access
- All plumbing penetrations
- All exterior doors
 - Weather-stripping
 - Door sweep or threshold with door-bottom weather-stripping
- Missing/broken window panes and obvious building envelope penetrations
- Furnace closet door
- Light/outlet gaskets option has been removed

Eligible Measure: Duct Efficiency

In addition to meeting the installation standard, the following shall be done

(If applicable):

- Seal return air plenum
- Seal all supply and return registers
- Check condition of ductwork in unconditioned space and seal/repair as necessary

Eligible Measure: A/C

Size (tons)	SEER Range	2010 Program Manual					2009 Program				
		Savings		Payment		Total	Savings		Incentive	Change	
		kW	kWh	kW pmt	kWh pmt	Incentive	kW	kWh			
2.00	14.0-14.4	0.26	824	\$69.94	\$74.16	144.10	0.20	343	\$ 84.67	\$ 59.43	
3.00	14.0-14.4	0.39	1,236	\$104.91	\$111.24	216.15	0.30	514	\$ 126.96	\$ 89.19	
3.50	14.0-14.4	0.45	1,442	\$121.05	\$129.78	250.83	0.35	600	\$ 148.15	\$ 102.68	
4.00	14.0-14.4	0.52	1,648	\$139.88	\$148.32	288.20	0.40	685	\$ 169.25	\$ 118.95	
5.00	14.0-14.4	0.64	2,060	\$172.16	185.4	357.56	0.50	857	\$ 211.63	\$ 145.93	
3.00	14.5-14.9	0.44	1,576	\$118.36	\$141.84	260.20	0.30	514	\$ 126.96	\$ 133.24	
3.50	14.5-14.9	0.51	1,839	\$137.19	\$165.51	302.70	0.35	600	\$ 148.15	\$ 154.55	
4.00	14.5-14.9	0.58	2,102	\$156.02	189.18	345.2	0.40	685	\$ 169.25	\$ 175.95	
5.00	14.5-14.9	0.73	2,627	\$196.37	\$236.43	432.80	0.50	857	\$ 211.63	\$ 221.17	
3.50	15.0-15.9	0.57	2,236	\$153.33	\$201.24	354.57	0.39	935	\$ 189.06	\$ 165.51	
5.00	15.0-15.9	0.82	3,194	\$220.58	\$287.46	508.04	0.56	1,335	\$ 270.79	\$ 237.25	
3.50	16.0-16.9	0.69	2,540	\$185.61	\$228.60	414.21	0.43	1,229	\$ 226.28	\$ 187.93	
5.00	16.0-16.9	0.99	3,628	\$266.31	\$326.52	592.83	0.61	1,756	\$ 322.13	\$ 270.70	

- Climate Zone 4; Deemed Savings for 12.44 SEER Retrofit Baseline; Central AC
- \$269/kW and \$0.09/kWh for Underserved measure
- Estimates; Refer to Program Manual for specific deemed savings values





Small vs. Large Projects



Small vs. Large Projects

Small Projects

- Smaller project size
- No security deposit
- Funds reserved 30 days
- Max. PS Incentive:
 - Per request - \$5,000
 - Per Yr TCC - \$125,000
 - Per Yr TNC - \$20,000

Large Projects

- Minimum project size \$10,000
- 5% security deposit
- Funds reserved to November 30, 2010
- Max. PS Incentive:
 - TCC \$125,000
 - TNC \$ 40,000

Small vs. Large (continued)

Small Projects

- No milestone
- M&V Options
 - Deemed Savings
- Eligible Customers
 - Single-Family

Large Projects

- Milestone schedule
- M&V Options
 - Deemed Savings
 - Measured Savings
- Eligible Customers
 - Single-Family
 - Multi-Family

Large Projects: Security Deposit

- 5% of approved amount
- Cashier's check, Certified check, money order, or guaranteed check
- Refunded when **90%** of contract achieved from inspection adjusted approved invoices

Large Projects: Milestones

- 40% of contract met by May 31, 2010
- 75% of contract met by August 31, 2010



Incentive Rates



Incentive Payments

	kW	kWh
Standard Incentive Rate	\$242	\$0.08

Incentive Rates to encourage project sponsors:

- Installing certain historically underserved measures
- Installing measures in certain counties historically underserved

	kW	kWh
Underserved Measures	\$269	\$0.09
Underserved Counties	\$296	\$0.10

Underserved Measures

- TCC - HVAC Measures
- TNC - HVAC and Insulation Measures

Underserved Counties

Incentives paid at underserved counties rate until budget for underserved counties depleted, then paid at Standard Rate or Underserved Measures Rate

- Underserved budget:

	<u>Large</u>	<u>Small</u>
➤ TCC	\$650,000	\$646,330
➤ TNC	\$ 75,000	\$ 38,000

Underserved Counties - TCC

ATASCOSA	EDWARDS	KINNEY	REFUGIO
BEE	FRIO	LA SALLE	UVALDE
BROOKS	GOLIAD	LIVE OAK	VAL VERDE
CALDWELL	GONZALES	MAVERICK	WHARTON
COLORADO	GUADALUPE	MCMULLEN	WILSON
DE WITT	JACKSON	MEDINA	ZAPATA
DIMMIT	KENEDY	REAL	ZAVALA

Underserved Counties - TNC

Baylor	Brewster	Brown	Coke
Coleman	Concho	Crane	Crockett
Edwards	Gillespie	Irion	Jeff Davis
Kimble	Mason	Menard	Pecos
Presidio	Reagan	Reeves	Runnels
Schleicher	Stephens	Sterling	Sutton
Upton			

Incentive Payment Example

Install HVAC measures resulting in savings of:

25 kW 55,000 kWh

Incentive Payment if site is in regular county
(different if in underserved county):

\$269/kW \$0.09/kWh

Total Incentive \$ 11,675

before any limits

Incentive Payment Limits

Load Factor Caps:

- For all combined kW and kWh incentive payments, incentive is limited to:
 - \$627 per kW at TCC
 - \$672 per kW at TNC



How Do I Participate as a Project Sponsor?



Participation

- Review Program Manual
- Review SOP Agreement
- Determine Project Size
- Determine if Large or Small Projects
- Register on program website
- Complete and review on-line application
 - All applications must be complete and ready to submit one day prior to the program submit date.
- Submit application via internet

Participation (continued)

- Applications will be reviewed upon receipt
- Contracts will be awarded based on project sponsor qualifications, performance history, etc., to ensure program goals will be achieved with quality installations and timely reporting.
- Once Application approved, enter into a contract with AEP to install eligible measures
- Refer to Program Manual for additional information

Create Application

- Complete Project Sponsor Details
 - Sponsor Profile
 - Qualification Documents
 - Insurance Information
 - Subcontractor Information
 - Project Description
 - All fields must be completed on each form
 - All forms not listed here

Application Schedule

- **1st Day to Register**
 - TCC and TNC - October 26, 2009
 - Begin applications
- **Submit applications: Large Projects**
 - TNC - November 3, 2009 @ 10:00am CST
 - TCC - November 4, 2009 @ 10:00am CST
- **Submit applications: Small Projects**
 - TCC/TNC - December 6, 2009 @ 10:00am CST

Implementation Schedule

- TCC and TNC - Large and Small Projects
 - Implementation begins January 1, 2010
 - Must have 2010 HCA's
 - Implementation pages open
January 6, 2010 @ 10:00am CST
- Small Projects:
 - Must have Approved Status to make reservation
 - Must have a budget reservation to report installations

Marketing

AEP will not provide marketing assistance or endorsements

- Use of AEP name not allowed
 - Exception: pre-approved Informational Brochure
- Informational Brochure
 - Available for download on “Downloads/Tools” on program website
- Any other materials must be pre-approved by program administrator (telemarketing, radio, email, newspaper, flyers, etc.)



Identify Project Opportunities

PS in Small and Large Projects must:

- Verify customer eligibility
- Obtain **Original Customer signature and date** on Host Customer Agreement & Acknowledgement form

Large Projects Only

Obtain pre-approvals for Multi-Family Projects

- Site
- Measures
- Work Schedule
- Duct Description

Install Measures

- Small Projects - Reserve funds via internet
- Large Projects - Funds previously reserved by contract
- Install measures
- Original Customer signature and date on Host Customer Agreement & Acknowledgement form to verify completion

Reporting and Invoicing

- Add Installations within 45 days of completion
- Monthly reporting via internet
 - Submit Invoice Report by the last day of the month
 - Inaccurate reporting results in failures
- AEP will process inspection-adjusted invoice within 45 days in normal circumstances

Installation Inspections

- Random sample of measure installations
- Verify that number of installed measures equals number of reported measures
- Verify measure is installed and capable of performing its intended function
- Verify that measures qualify and that installation standards were followed
- Verify measures were reported in a timely manner

2009 Program Issues

- Accurate reporting-measures reported not found
- HCA's and Installations done prior to application approval
- Home square footage errors (tax records not always reliable)
- Customer signatures and dates on HCA's
- Duplicate measures on invoices (review before submitting)

Program Website

Refer to www.aepressop.com for:

- SOP schedule
- News & Updates: Latest program announcements
- Available funding
- FAQ's
- Program Manual
- Program contact information

AEP Contact Information

- **TCC - Jim Fowler**

- **Phone: 361.881.5790**

- **E-mail: jjfowler@aep.com**

- **TNC - Rhonda Fahrlander**

- **Phone: 325.674.7513**

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Comments and Questions.....