



**SOUTHWESTERN  
ELECTRIC POWER  
COMPANY<sup>SM</sup>**

*A unit of American Electric Power*

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# Residential Standard Offer Program 2009



# Program Administrator

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## What's New for 2009?

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- Residential only
- Changes to Duct Efficiency and Infiltration Measures
- Allocation of funds is different
- Large projects will be similar to Small
- 4 levels of incentive payments
- Website is changing



## What's New for 2009 (continued)

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- Each applicant must have their own phone number
- Send in original field notes along with HCA for each installation
- Revised Application Forms
- Changes to Security Deposits
- Changes to Host Customer Agreement & Acknowledgement Form
- Changes to SOP Agreements



## Large and Small Projects

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- Each component will have a bucket of funds
- Project Sponsors will report homes as they are worked



## (Continued)

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- When a home is entered into the database, the incentive is reduced from the funds bucket
- The balance will be a constantly changing figure
- If an invoice is not paid in full, the unspent funds will be returned to the bucket



# Large Projects

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- Contracts will not be awarded for a finite dollar amount
- Invoices are submitted monthly for a minimum of \$5,000
- If \$5,000 is not ready for invoicing, wait until the minimum is reached
- It is expected that each Project Sponsor will invoice for a minimum of \$30,000 for the year



## (Large Projects continued)

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- Required Deposit of \$1500
- Deposit is returned in full if \$30,000 is invoiced by June 30 and the full amount is payable
- Half of the deposit is returned if the \$30,000 is invoiced between July 1 and August 31 - same conditions
- After August 31, the deposit is relinquished



## Small Projects

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- Invoices are submitted for a minimum of \$250 to a maximum of \$5,000
- Invoices can be submitted bi-monthly – by the 15<sup>th</sup> as well as the last day of the month
- No deposit
- No reservations



## Why?

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- Encourage Project Sponsors to begin work earlier in the year
- Ensure that each Large Project Sponsor follows through with their work plans as expressed in the application



# Incentives: 4 Payment Tiers

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Four payment tiers:

	kW	kWh
1	\$242	\$0.08
2	\$269	\$0.09
3	\$296	\$0.10
4	\$335	\$0.11



## Tier 1 - \$242/kW - \$0.08/kWh

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- Duct efficiency only
- Air infiltration only
- Water heater measures



## Tier 2 - \$269/kW - \$0.09/kWh

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- Duct efficiency and air infiltration in a single residence
- All insulation measures
- Refrigerators
- Clothes washers
- Dishwashers
- Windows



## Tier 3 - \$296/kW - \$0.10/kWh

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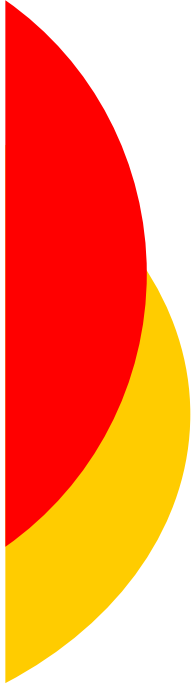
- Duct efficiency, air infiltration, and ceiling insulation in a single residence
- Underserved counties



Tier 4 - \$335/kW - \$0.11/kWh

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- All HVAC measures
- Solar electric energy systems



# Underserved Counties

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Camp	Red River
Cass	Shelby
Franklin	Smith
Hopkins	Titus
Marion	Van Zandt
Morris	Wood



# Load Factor Cap

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\$672 per kW

The maximum paid for each invoice will be \$672 times the total kW savings of the invoice



# BUDGET

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- Large Projects      \$526,400
- Small Projects      \$100,000

The sums of money may be changed at any time during the year, depending on work activity



# Marketing Materials

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I must pre-approve anything you send to customers

*Suggestion:*

*Print out the customer page from the website with the list of Project Sponsors under contract*



# Customers

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- SWEPCO is both the T&D and the REP - We talk to our customers about the programs
- Program questions are being asked of our Texas employees
- Calls are coming into our phone center
- The main question is “Is this legitimate? It sounds too good to be true.”
- All of these questions are referred to Paul & me



# Inaccurate Statements

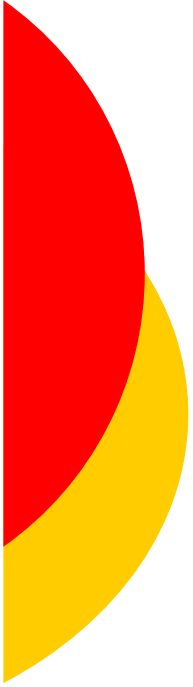
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- We work for SWEPCO
- SWEPCO received a grant for us to do this work
- SWEPCO pays us to do this work

## Suggestions:

*Each installer carries an I.D. card*

*The Project Sponsor's business card is left with the customer*



# Inspections

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- Inaccurate reporting will result in failed measures
- We ask the customer about their experience
- Some observations by the customer:



## (Inspections continued)

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### Positive:

- The men were very professional
- “Yes, ma’am” and “No, Sir”
- They explained to me what all they were going to do
- I was very pleased and had my mother call them
- I’m telling all my friends



## (Inspections Continued)

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### Negative:

- “If we want to get paid, we can only spend 2 hours in each house”
- “We only have 1 hour that we can spend here before our lunch time”
- They left a mess
- You need insulation and someone will give you a call - No one ever calls
- The signature on the HCA is not that of the customer



## (Inspections Continued)

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- You need insulation and I will have someone get back to you - The follow-up call said their insulation was OK - My inspection revealed less than 4"; it was not OK - I helped the customer find a different Project Sponsor
- These comments came from different Project Sponsors



## Quality of Work

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I expect the work to be better than I can do myself. You are the professional.



# Contact Information

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