

RESIDENTIAL STANDARD OFFER PROGRAM
LARGE PROJECT MASTER AGREEMENT

This Residential Standard Offer Program Agreement (the "Agreement") is made and entered into by and between **SOUTHWESTERN ELECTRIC POWER COMPANY**, a Delaware corporation (hereinafter "SWEPCO"), and _____ (hereinafter "Project Sponsor"), (SWEPCO and Project Sponsor each hereinafter referred to as a "Party" and together as the "Parties"). In consideration of the mutual covenants and agreements hereinafter set forth, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I - TERM AND TERMINATION

The term of this Agreement shall commence on the date of execution by SWEPCO (the "Effective Date") and, unless otherwise terminated as set forth herein, shall continue in force and effect for a period of fifteen (15) months from the effective date or until final payment by SWEPCO of the amounts payable for all approved Invoice Reports submitted by Project Sponsor.

ARTICLE II – CONTRACT DOCUMENTS

"Contract Documents" shall mean: (i) Project Sponsor's approved Project Application, attached hereto and incorporated herein as Exhibit A; (ii) Project Sponsor's approved Supplemental Applicant Information, attached hereto and incorporated herein as Exhibit B; (iii) the SOP Manual, attached hereto and incorporated herein as Exhibit C; (iv) the Terms and Conditions, attached hereto and incorporated herein as Appendix 1; and (v) this Agreement together with any and all other exhibits, addenda, or amendments referenced herein or made a part hereof in accordance with this Agreement.

ARTICLE III - COMPLIANCE WITH SOP MANUAL

3.1 By executing this Agreement, Project Sponsor acknowledges that it reviewed a copy of the SOP Manual (Exhibit C) available on the program website prior to signing the Agreement and that it acknowledges that the SOP Manual describes program procedures, incentive amounts, and limits on incentive payments. Project Sponsor also acknowledges that it meets or exceeds all of the qualifications required to participate in the SOP as described in the SOP Manual and that failure to meet the qualifications therein may be treated as a breach of this Agreement. Project Sponsor represents and affirms that its participation in the SOP will at all times be in compliance with the procedures and conditions set forth in the SOP Manual and that any failure to comply therewith may be treated as a breach of this Agreement.

3.2 Procedures or conditions set forth in the SOP Manual may only be waived or modified by written agreement of both Parties, unless expressly provided otherwise in the SOP Manual. Any such agreement shall be attached hereto and incorporated herein for all purposes.

3.3 All terms and conditions of this Agreement shall govern and be incorporated into any Incentive Request submitted by Project Sponsor, and all proposed Measures, energy savings and demand savings, requested incentive amounts, and other details relating to a Project as set forth in the Project Application shall be incorporated into this Agreement.

ARTICLE IV - PROJECT IMPLEMENTATION

4.1 Project Sponsor agrees on and after the Effective Date to use all reasonable efforts to implement the Project without undue delay and otherwise in accordance with the terms of the Contract Documents. The Project shall be fully implemented and all Measures installed by the end of the Implementation Period. Measures shall be designed, constructed and installed in a good and workmanlike manner only with materials and equipment of appropriate quality, and, in any event, in accordance with Prudent Electrical Practices. To the extent of any conflict

between this Agreement and other Contract Documents, the terms of this Agreement shall prevail.

4.2 All multi-family projects must be approved by SWEPCO prior to installation. Project Sponsor must submit a work schedule to SWEPCO seven (7) days prior to installing Measures on any multi-family project. SWEPCO will not award incentive payments for installations completed at multi-family projects prior to SWEPCO approval of the site and work schedule.

4.3 The security deposit required by Section 4.2 of the SOP Manual for large projects will be returned to the Project Sponsor according to the terms of Section 7.6 of the SOP Manual. If the terms of Section 7.6 have not been met through inspection adjusted, approved invoices by September 30, 2009, the security deposit will be retained by SWEPCO.

4.4 Project Sponsor is required to submit an Invoice Report on a monthly basis. All Measure installations completed in any one month shall be reported by the last day of the month. This information is submitted to SWEPCO electronically through the Invoice Report on the SWEPCO website. All invoices must include the Invoice Report, the AEP copy of the HCA for each customer reported on the invoice and the original copy of field installation records for each customer.

4.5 Within thirty (30) days of receipt of an invoice, SWEPCO shall complete an inspection of approximately ten percent (10%) of the Measure installations at the Project Site. This inspection shall be used to determine whether the Measures were installed and are capable of performing their intended function of producing Energy Savings and Peak Demand Savings. If SWEPCO reasonably determines that the Measures at the Project Site(s) have been installed, tested and inspected to the extent required by SWEPCO and found to be capable of providing Peak Demand Savings and Energy Savings in material compliance with the Contract Documents, the invoice will be approved as submitted. If SWEPCO is unable to inspect Measure installations at the Project Site, those Measures may be counted as failures. The Estimated Savings attributable to the Measures documented in the approved invoice will be used for purposes of calculating the Incentive Payment in Article V.

4.6 Project Sponsor acknowledges that any review, inspection, or acceptance by SWEPCO of any Project Site or of the design, construction, installation, operation and maintenance of the Measures is solely for the information of SWEPCO. In performing any such inspection or review or in accepting the Measures, SWEPCO makes no representation or warranty whatsoever as to the economic or technical feasibility, capability, safety or reliability of the Measures, their installation by Project Sponsor or their compatibility with the Host Customer's facilities.

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

ARTICLE V - INCENTIVE PAYMENTS

5.1 SWEPCO agrees to make the Incentive Payment to the Project Sponsor within forty-five (45) days of its receipt and approval of the invoice submitted by Project Sponsor according to Section 4.4 of this Agreement. The Incentive Payment will be one hundred percent (100%) of the amount due for the Deemed Savings set forth in an approved Invoice Report or as adjusted in accordance with Sections 4.4 and 4.6 of this Agreement and Sections 3.2.1. and 3.2.2, as well as Chapter 7 of the SOP Manual.

5.2 The total Incentive Payment due to Project Sponsor will be calculated by multiplying the approved savings as determined by the Deemed Savings associated with the Measures installed at the Project Site(s) by the applicable "Incentive Rate" specified in Section 3.7 of the SOP Manual. As set forth in Section 3.1 of the SOP Manual, a Load Factor cap governs the maximum total payment allowed, based on the ratio between demand and energy savings from a Project. The maximum payment for any invoice will be the total Demand Savings multiplied by \$750.00. The maximum limit to be paid for all invoices submitted by Project Sponsor under the terms of this Agreement will be \$90,000.00.

ARTICLE VI - NOTICES

6.1 All notices from one Party to the other will be deemed to have been delivered if hand delivered or sent by United States mail to the following addresses:

SWEPCO:
Southwestern Electric Power Co.
428 Travis Dr.
Shreveport, LA 71101
Phone: 318-673-3514
Attn: Lana Deville

PROJECT SPONSOR:

Attn: _____

6.2 Either Party may change its address by written notice to the other in accordance with this Article VI.

ARTICLE VII – AMENDMENT

No amendment or modification of this Agreement shall be binding on either Party unless it is in writing and signed by both Parties. Amendments to this Agreement will be attached hereto and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

SOUTHWESTERN ELECTRIC POWER CO.

PROJECT SPONSOR

By: _____
Name: Phillip A. Watkins
Title: DSM/EE Compliance Manager
Date: _____

By: _____ (signature)
Name: _____
Title: _____
Date _____

EXHIBIT A
PROJECT APPLICATION

The Project Application, for purposes of this Exhibit A, Project Application, is the file available for download in PDF format on the aepressop.com site upon notification of application approval. The Project Sponsor should download and print this file for inclusion as Exhibit A of the SOP Agreement.

EXHIBIT B
SUPPLEMENTAL APPLICANT INFORMATION

EXHIBIT C
SOP MANUAL

The Official Manual, for Purposes of Exhibit C, SOP Manual, is the file available for download in PDF format on the Downloads/Tools page of the aepressop.com site. The Project Sponsor should download and print this file for inclusion as Exhibit C of the SOP Agreement.