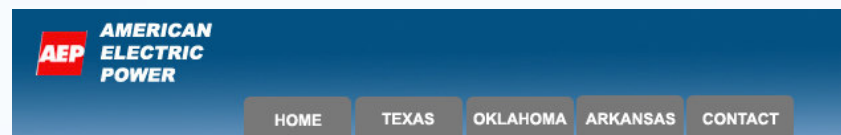


2010 Hard-to-Reach
Standard Offer Program
October 21, 2009



Where in Texas?

AEP is offering the Hard-to-Reach Standard Offer Program (HTR SOP) through its Texas distribution companies which include AEP Texas Central Company (TCC), AEP Texas North Company (TNC) and Southwestern Electric Power Company (SWEPCO).



Project Sponsor

- The law passed by the Texas Legislature restructuring the state's electricity industry gave utilities certain energy efficiency goals to meet.

Customer

- As a result, most electric utilities in Texas are providing incentives to energy efficiency service contractors for installation of certain energy efficiency measures that result in electricity savings.
- Work can be done at homes and businesses within a utility's service area.
- AEP has contracts with national and local firms who may contact you about performing work to help save energy and reduce your electric bill.
- **You decide** what equipment will be installed and **you choose** what work the contractor you select will do.
- **You and your contractor** determine price, warranty and other issues.



2010 HTR SOP Summary

Incentives Paid for kW and kWh savings

- Internet Application and Reporting
- Small Projects
 - No minimum project size
 - Reserve funds for 30 days
- Multi-Family
 - Work Schedule required



2010 KEY CHANGES

- Underserved Counties for TNC have been re-defined
- Certificate of Insurance requirements have changed
- All installations must be submitted on an Invoice Report within 45 days of the installation
- Air conditioning and heat pump deemed savings are under review and may be revised

2010 KEY CHANGES (continued)

- Residential dwellings built (completed) after January 1, 2008 do not qualify for the program
- Multi-Family projects will continue to be allowed (a Work Schedule is required)
- Failure to complete prescriptive requirements will result in a total measure failure regardless of the CFM reading
- CFL's may be installed in 4 lamp fixtures except "Hollywood" style 4 or more lamp fixtures
- Revised application forms

HTR SOP INCENTIVE BUDGETS

	<u>Budget</u>	<u>Limit per PS</u>
➤ TCC	\$2,640,984	\$125,000
➤ TNC	\$ 241,871	\$ 50,000
➤ SWEPCO	\$ 567,600	\$100,000

How Do I Participate?

- Review Program Manual
- Review SOP Agreement
- Complete and review on-line application
- Submit application via internet

What Happens Next?

- Applications will be reviewed on a their own merits
- Once eligibility has been verified and application pre-approved, enter into a contract with AEP to install eligible measures
- Refer to Program Manual for additional information



Project Sponsor Requirements

A Project Sponsor must have:

- Adequate insurance (mailed directly to program administrator by insurance agency)
- All appropriate licenses
- References
- Evidence of technical and managerial capabilities and experience
- Distribute AEP approved customer education material to all host customers





Incentive Payments & Example



Incentive Payment Structure

- 3 Levels, to encourage project sponsors:
 - Installing standard measures
 - Installing certain historically underserved measures
 - Installing measures in certain counties historically underserved

	kW	kWh
Standard	\$360	\$0.11
Underserved Measures	\$400	\$0.13
Underserved Counties	\$440	\$0.15

Underserved Measures

- **TCC** HVAC Measures
- **TNC** HVAC and Insulation Measures
- **SWEPCO** HVAC and Insulation Measures

Underserved Counties

- Incentives paid at underserved rate until budget for underserved counties depleted, then paid at Standard Rate or Underserved Measures Rate
- Underserved Budget:
 - TCC \$ 600,000
 - TNC \$ 25,000
 - SWEPCO \$ 210,000

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			

Underserved Counties - SWEPCO

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

Incentive Payment Limits

Load Factor Caps:

- For all combined kW and kWh incentive payments, incentive is limited to:

\$920 per kW



Application Process



Create Application

- Register on program website
- Complete Project Sponsor Details
 - Sponsor Profile
 - Subcontractor Information
 - Project Description
 - Qualification Documents
 - Insurance Information

Application Schedule

- 1st Day to register
 - October 26, 2009
- Submit applications
 - December 1, 2009
- Implementation begins
 - February 10, 2010
 - Must have approved application status
 - Must have 2010 HCA's
 - Must have a budget reservation

Multi-Family Projects

- Site
- Measures
- Work Schedule
- Duct Description
- Individually-metered
- \$25,000 Budget Reservation
 - Program administrator can increase reservations for completion of project per funding availability

Identify Project Opportunities

- Verify customer eligibility
- Original customer signature and date on Income Eligibility Form
- Original customer signature and date on Host Customer Agreement & Acknowledgement form

Install Measures

- Reserve funds via internet
- Install measures
- **Original customer signature and date** on Host Customer Agreement & Acknowledgement Form to verify completion
- Provide customer with Educational Materials

Reporting and Invoicing

- Monthly reporting via internet
 - Inaccurate reporting results in failures
- Un-submitted measure installations over 45 days old will lock out reservations feature
- AEP will process inspection-adjusted invoice within 45 days in normal circumstances
- 80% Reservation penalty remains in effect



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

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 and Income Eligibility Forms
- Duplicate measures on invoices (review before submitting)
- Mult-Family/single family reservations (only one open at a time)



2009 Program Issues (continued)

- Provide customer educational material
- Must inform customer of inspection possibility
 - Provide best daytime contact phone #'s
- Must have a 10 year measure life - the following deemed unacceptable
 - Taping attic access doors and filter access panels
 - Plastic bags in plumbing penetrations
 - Servicing structures that do not have a 10 year life (mobile homes, etc...)

Program Website

Refer to www.aepHTRsop.com for:

- SOP schedule
- Latest program announcements
- Available funding
- FAQ's
- Program Manual
- Program contact information



AEP Contact Information

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Comments and Questions.....

