



Southern California Edison

Summer Reliability Program

Manual

Version 3.0

Updated June 2023

Table of Contents

1.0	Introduction	3
2.0	Eligibility Requirements.....	3
2.0.1	Trade Professional Eligibility.....	3
2.0.2	Project and Customer Eligibility	3
2.0.2.1	Residential Customers:	4
2.0.2.2	Commercial Customers	4
3.0	Application Process	6
4.0	Qualifying Measures.....	7
5.0	Compensation	8
5.0.1	How Compensation is Calculated	8
5.0.2	How Trade Professionals are Compensated	8
6.0	Additional Services	9
6.0.1	Exploring Project Value: How to Estimate Potential Compensation for A Project?.....	9
6.0.2	Estimating and Forecasting Value	9
6.0.3	Customer Optimization to Maximize Value	9
6.0.4	Understanding Avoided Cost	9
7.0	Quality Assurance Provisions.....	10
7.0.1	Quality Assurance Plan	10
7.0.2	Trade Professional Roles and Responsibilities	10
7.0.3	Inspections Process and Scope.....	10
7.0.4	Photo Verification	11
7.0.5	Quality Assurance Inspection Report	11
8.0	Terms and Conditions.....	11
9.0	Glossary.....	15

1.0 Introduction

Southern California Edison's (SCE's) Summer Reliability Program¹ (SRP) offers participants performance-based compensation to reduce energy usage during times of high grid stress with the goal of avoiding rotating outages while minimizing costs to ratepayers. The program assists commercial and residential customers to purchase and install energy efficiency (EE) measures to reduce electricity demand for the summers of 2022 and 2023.

2.0 Eligibility Requirements

2.0.1 Trade Professional Eligibility

The program is open to all qualifying Trade Professionals (TradePros) that have a current and approved TradePro Agreement in place and have agreed to SCE's current Terms and Conditions. TradePros that are not registered in SCE's [Trade Ally Community](#) must enroll online, provide the required documentation in full, and be assigned a vendor number before submitting projects that may be eligible for SRP.

TradePros may include vendors, contractors, implementers, aggregators, or other program partners who implement energy efficiency measures for an individual or aggregated group of customers. Program Implementers with existing Energy Efficiency or Demand Response contracts with SCE are eligible to participate as TradePros in the Program; however, they must submit projects that are incremental to SCE's existing EE portfolio and may not harvest projects from their existing program pipeline of active customer projects. SCE may decline or limit TradePro participation by existing implementers in the Program if it is found that their participation has a detrimental effect on their previously contracted third-party program.

2.0.2 Project and Customer Eligibility

SCE will qualify projects based on data sufficiency, predictability, and other usage characteristics as required by the Population Normalized Metered Energy Consumption (NMEC)² measurement methodology.

For the Residential Sector, SRP is available to qualifying Single Family Homes and Manufactured Mobile Homes.

For Nonresidential (commercial) businesses, SCE has identified target sectors (below) due to their alignment with the program's Population NMEC measurement approach, including their homogeneous energy usage profiles compared to similar groups within the same industry sector and likewise, high savings potential.

General customer eligibility requirements include **but are not limited to** the following.

¹ SCE designed SRP in response to the California Public Utilities Commission's Decision (D.) 21.12-011, issued 12/8/2021, *Energy Efficiency Actions to Enhance Summer 2022 and 2023 Electric Reliability*.

² For more information on Population NMEC, please consult the California Public Utilities Commission *NMEC Handbook* and SCE's Summer Reliability Program Measurement and Verification (M&V) Plan.

2.0.2.1 Residential Customers:

- Single-Family Homeowners/Renters, and
- Manufactured Housing Homeowners/Renters.

2.0.2.1.1 Residential Customer Requirements:

The customer must pay the Public Purpose Program (PPP) surcharge on the electric meter in which the energy-efficient equipment is being proposed:

- The PPP surcharge can be found on the customer's bill in the Delivery Charges section of the bill;
- Project site must be an existing building (i.e., no new construction);
- The residence must have its own individually metered service account:
 - Sub-metering and Master Metered premises are ineligible, and
 - Each service account will require a separate project application;
- Customer at the site is not currently participating in, and has not participated in the past 12 months, in any ratepayer-funded energy efficiency program;
- Twelve (12) consecutive months of hourly energy usage data is available;
- Residential projects must achieve at least a 3% energy reduction on the utility revenue billing meter to be eligible; and
- Projects must be installed, commissioned, and submitted no later than March 31, 2024.

Additional requirements are detailed in the SRP M&V plan.

2.0.2.2 Commercial Customers

Target sectors are based on North American Industry Classification System (NAICS) codes and include:

- Supermarkets and Other Grocery (except convenience) Store
- Limited-Service Restaurants
- Department Stores
- Drugs and Druggists' Sundries Wholesalers
- New Car Dealers
- Pharmacies and Drug Stores
- Gasoline Stations with Convenience Stores
- Warehouse Clubs and Superstores
- Convenience Stores
- Other Grocery and Related Product Wholesalers
- Home Centers
- Indoor Horticulture
- Other Food Crops Grown Under Cover

SRP allows TradePros to submit applications for projects outside the target sector list. However, these applications may require an extended review period and may be declined if the necessary criteria are not met to conduct a Population NMEC analysis.

Please refer to the M&V Plan for more information.

2.0.2.2.1 Commercial Customer Requirements:

The customer must pay the Public Purpose Program (PPP) surcharge on the electric meter in which the energy-efficient equipment is being proposed. This is broken down on the bill where the costs that make up the Delivery Charges are shown.

- Project site must be an existing building (i.e., no new construction);
- The application must be submitted and pre-approved before installation may occur (see section 3.0 Application Process on how to submit an application);
- Site is not currently participating in, and has not participated in the past 12 months, in a CPUC ratepayer-funded energy efficiency program;
- Projects are not available for SCE's On-Bill Financing Program;
- Twelve (12) consecutive months of energy usage data is available;
- Customers must be individually metered, no sub-metering;
- Master-metered properties (i.e., commercial buildings and campuses) are not eligible;
- Each eligible service account will require a separate project (application) submission;
- The project site does not have on-site generation (solar, thermal energy storage, or battery storage, etc.) and agrees not to install any during the 12-month performance period;
- Measures must result in electric load reduction (i.e., no fuel substitution measures that may increase electric load, and no Natural Gas Measures);
- Commercial customers with a maximum demand of ≥ 500 kW (i.e., TOU-8) will require pre-approval;
- Commercial projects must achieve at least a 5% energy reduction on the utility revenue billing meter to be eligible;
- Projects (combined measures) must have a weighted average effective useful life (EUL) of \geq one (1) year;
- Projects must be installed and commissioned no later than March 31, 2024. To meet the March 31, 2024 installation deadline, applications must be submitted to SCE by February 1, 2024 to receive pre-approval prior to installation;
- Per Decision 16-08-019, industrial NMEC projects are not eligible outside of the Strategic Energy Management (SEM) Program.

Additional requirements are detailed in the SRP M&V plan.

The Program is intended to provide energy savings that are incremental to those achieved through SCE's existing energy efficiency portfolio. TradePros claiming savings to receive compensation through the Program must use best efforts to ensure that the customers do not, also receive incentives (i.e., double-dipping) or claim savings (i.e., double-counting) for the same interventions through any other program, regardless of channel (downstream, midstream, or upstream), provider (e.g., other utilities, the California Energy Commission, or the California Public Utilities Commission), or delivery type (e.g., deemed, custom, meter-based) offering. SCE will review past participation as part of the eligibility screening to check that a project site has not received incentives or rebates for the proposed measures

through another CPUC-funded energy efficiency program, including upstream and/or midstream incentive programs. However, it is the TradePro’s responsibility to ensure that no such double-dipping has occurred.

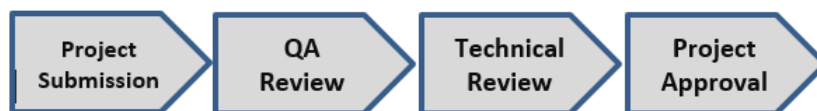
3.0 Application Process

When TradePros submit projects, they will submit a simplified application and go through an expedited review process that does not include California Public Utilities Commission (CPUC) ex ante review. Additionally, code and standard practice baselines and DEER (Database for Energy Efficiency Resources) requirements are not applicable. However, lighting fixtures and lamps should be listed on the latest applicable version of the Design Lights Consortium (DLC) Qualified Products List and/or Energy Star Product List at the time of customer application, and the listing must be included in the project documentation. Other (non-lighting) measure types must meet required industry certifications as applicable, such as UL, NEMA, etc.

Before submitting an SRP application, TradePros should ensure the customer’s project is eligible for enrollment (see Section 2.0, above). TradePros must also notify the Trade Ally Community team via TradeAllyConnect@sce.com when they are ready to submit their first project so that additional "live" training can be completed before project submission.

The Summer Reliability Program accepts qualifying project applications through the Trade Ally Community portal where project information is collected from TradePros, along with an estimated incentive and energy savings values, using the **required Application with Built-in Savings Estimation Tool**,³ and technical information, as well as various permissions and acknowledgments to complete a formal project submission. Submissions will be verified for eligibility and completion before written SCE approval. Projects may also be subject to additional documentation requirements and review.

Upon submission of the project application, the SRP team will review and verify that the enrollment is complete. This includes approving or denying the sufficiency of documentation provided to demonstrate that the existing equipment is installed and commissioned and that the proposed measure will deliver savings. SCE’s review and verification will also confirm customer eligibility and that proper metering is in place, as well as verifying other requirements as determined by SCE. If the project does not pass review, the SRP team will review the results with the TradePro to resolve, if possible, any issues identified.



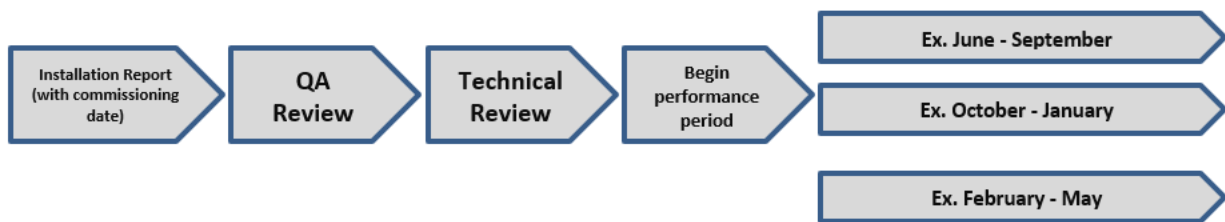
Upon project approval, SCE will provide a Confirmation Letter to the Trade Professional. This letter represents SCE’s reservation of funds for the project. The Confirmation Letter reserving funds is not a guarantee of compensation. Project Reservations will be calculated at 100% of the estimated compensation value (submitted and verified through the Application review process). TradePros will be

³ TradePros will be provided a Savings Estimation Tool within the program Application. This tool will assist forecasting the value of projects and portfolio groups. All energy savings **and compensation** values described herein are estimates only and actual savings may differ. Compensation under the Program is based on actual **performance**, not estimates, and is **not guaranteed**.

notified when a project application is rejected or is subject to additional review.

With Population NMEC required as the default option for whole building projects in the commercial and residential sectors, each project within a group will have its performance calculated three times per year (for one year) and a TradePro's collective portfolio performance will be paid in three payments over that year (n=3 total payments). If a project performs as expected, the TradePro will be compensated for 100% of its estimated performance value. Savings that accrue in excess of this amount will be capped at 110% and any additional payment is subject to the availability of program funds.

Once installed, projects may be selected for inspection (on-site or virtually) per the terms of the M&V plan. If an installed project does not pass a Quality Assurance (QA) inspection, the TradePro will be notified by SCE and the TradePro shall rectify the issue as specified. If the issue(s) cannot be rectified, the project will be removed from the program, and the Trade Professional may be required to pay back any compensation already paid.



The combined total of the three payments will be less than or equal to (\leq) 65% of the confirmed Total System Benefits (TSB) based on *ex-post* savings measured at the meter. The Population Normalized Metered Energy Consumption (NMEC) process identifies energy savings beyond normal operating conditions to assess compensation for performance which is tied to anticipated grid benefits based on the hourly avoided cost value of projects (adjusted for program administration and other costs). Additional information is available in the Measurement and Verification (M&V) Plan.

SRP will provide compensation to TradePros based on their ability to successfully implement energy efficiency projects that permanently reduce peak energy usage as well as provide energy savings throughout the year (i.e., "Pay for Performance"). Projects can maximize their energy savings by delivering load shape⁴ impacts (energy load curves) that are more valuable than the California Public Utilities Commission's (CPUC's) deemed average resource cost curve (greater \$/kWh saved), especially during summer peak and net-peak hours, as well as measured performance. The EUL of the measures being implemented will also affect compensation (the longer the EUL, the greater the savings potential).

Net-Peak hours: Hours between 4-7 P.M. on business days between June 1-September 30.

Peak hours: Hours between 7-9 P.M. on business days between June 1-September 30.

Non-Peak hours: All other hours.

4.0 Qualifying Measures

Projects will utilize a single Whole Building or Whole House measure (solution code) that includes one or more measures that are being retrofitted at a customer site.

⁴ See Section 6.0 for more information on load shapes.

Non-Residential Commercial measures may include, but are not limited to:

- Interior LED lighting
- Exterior LED lighting
- HVAC Controls (Retrocommissioning)
- HVAC Equipment (VFD, motor replacement, RTUs)
- Cool Roofs, and
- Behavioral, retrocommissioning, and operational (BRO) measures are permissible, including maintenance and repair, per compliance with the following requirements:
 - The Trade Professional and end-use customer must commit to a repair and maintenance plan for a minimum of three years via a signed customer agreement under which the repair and maintenance activities will continue;
 - Continuous feedback for the building operator (end-use customer) must be provided to sustain savings;
 - Detailed documentation of the operational interventions; and
 - A detailed data tracking plan pursuant to the signed repair and maintenance plan described above.

Single-Family and Manufactured Mobile Housing measures may include, but are not limited to:

- Whole house fan
- Interior LED lighting
- Exterior LED lighting, and
- Condenser ECM fan motor (limited to climate zones 8, 9, 10, 13, 14, 15).

5.0 Compensation

5.0.1 How Compensation is Calculated

Compensation for SRP projects is calculated based on the adjusted total system benefits (TSB) delivered in each four (4)-month period over a total of one (1) year. TSB are the net present value of the calculated hourly savings multiplied by the CPUC's corresponding hourly avoided costs (adjusted for program administration and other costs) and weighted EUL.

Trade Professional Compensation = Total System Benefits x Discount Factor (~35%) + Peak kW Kicker

Please review the Measurement & Verification Plan for additional information.

5.0.2 How Trade Professionals are Compensated

Compensation for this population-level program will be made based on payable savings determinations using the Population NMEC methods described in the M&V plan. SCE will compensate TradePros submitting projects using a whole building measure based on the Trade Pro's SRP project portfolio performance for each 4-month period (after installation approval), for the 12-month measurement period for active projects in a TradePro's portfolio(s). In other words, TradePros will receive up to three (3) payments per year for each project. For residential direct installation projects, performance will be

based on one 12-month performance period. TradePros will not be eligible for compensation if the net TSB from their projects do not exceed the corresponding program administration (and other) costs.

TradePros will not issue invoices to SCE for payment.

SCE will issue compensation for each TradePro's portfolio of projects. Payments will be based on the compensation calculated for achieved energy savings. Compensation is expected to be provided within the 90-days following each 4-month reporting period.

6.0 Additional Services

6.0.1 Exploring Project Value: How to Estimate Potential Compensation for A Project?

As incentives shift from deemed rebates or fixed performance rates to meter-based incentives that pay for TSB, it can be difficult to understand how to estimate how a particular project earns value. As incentives begin to compensate participants for total system benefits (including temporal benefits), instead of only for the sheer volume of installations, understanding how load shapes impact performance is crucial. SCE provides this information for the convenience of the participating TradePros, but each TradePro participant is required to understand and comply with all Program terms and conditions, including how to forecast savings and understanding that compensation pursuant to the Program is based on actual savings.

6.0.2 Estimating and Forecasting Value

The SRP Application contains a savings estimation tool that Trade Pros must use to estimate a projects' potential compensation based on existing DEER load shapes. The estimation tool requires basic project inputs to estimate the potential TradePro compensation and to meet basic program eligibility criteria. The savings estimation tool will assist Trade Professionals in estimating a project's energy savings and potential compensation value if the project performs as expected.

6.0.3 Customer Optimization to Maximize Value

TradePros have an incentive to both increase the volume of total savings and maximize the value of the resource curve (savings load shape) to maximize project value. Trade Pros may use the Savings Estimation Tool to help them develop a project strategy that maximizes grid impacts and customer offerings and to determine which projects will lead to greater savings potential, especially focusing on customers with high usage during the summer peak and net-peak hours.

TradePros have the ability to optimize their offerings toward the most beneficial mixes of technologies and to develop customer engagement strategies.

6.0.4 Understanding Avoided Cost

The cost of energy is not static and fluctuates based on the time of use. The CPUC Avoided Cost Calculator(ACC) provides a set of 8760 marginal hourly values for the California grid, forecasting the cost of energy for each hour of the day. For the purpose of this program, the ACC has been adjusted, as outlined in the M&V plan, to provide a more stable compensation structure and adequately value summer peak hours. This data set is used to value energy savings, and is the foundation of the savings estimation tool that is used to project potential compensation.

7.0 Quality Assurance Provisions

7.0.1 Quality Assurance Plan

SCE maintains the integrity of the Summer Reliability Program through an independent Standards and Quality Assurance Team that manages the quality assurance system.

The quality assurance (QA) system has several components, including a review of qualifications and credentials, paperwork audits, the establishment of program standards, and field and photo inspections. QA inspections involve verification of the contracted scope of work, accuracy of site analysis, and comparison of installation to submitted designs. SCE, or its representatives, may make a reasonable number of visits to the customer site before, during, and/or after installation of energy efficiency measures to assess overall compliance.

7.0.2 Trade Professional Roles and Responsibilities

SRP relies on Trade Professionals to provide complete turnkey services for qualified energy efficiency improvements to customers. A participating TradePro's roles and responsibilities include, but are not limited to:

- Solicit and recruit eligible end-customers;
- Enter into a contract with the customer to provide eligible energy efficiency measures agreed to between the TradePro and the customer and ensure that customer understands that the contract is with the Trade Pro, not with SCE;
- Responsible for performing all aspects of the contract with the customer and applying for the SRP on behalf of the customer/project;
- Ensure that all subcontractors perform the required work and be responsible for all acts and work of subcontractors installing a project;
- Receive measure performance compensation based on actual performance and subject to fund reservation process;
- Agree to the terms of the Trade Professional Participation Agreement and SRP Terms and Conditions;
- Agree to abide by and comply with the terms of the Measurement and Verification Plan and this Program Manual;
- Resolve all customer complaints, if any, related to the SRP projects;
- Responsible for installation and any warranties or product guarantees that may be available; and
- Validate the applicability of all project permitting, including providing proof of permit closure where required.

7.0.3 Inspections Process and Scope

SCE (or its agent(s) or assignee(s)) may, in its sole discretion as part of the quality assurance framework, request access to any site and any project to examine, test, measure, and conduct inspection and evaluation activities applicable to such Project, and the Trade Professional shall ensure that the End-Use Customer agrees to provide SCE (or the CPUC, or in each case, its agents, designees, assignees, or

representatives) access to such Site within a reasonable time after a request is made. Inspections may be virtual or conducted on-site. If a virtual inspection will be conducted, additional information will be provided to the Customer when scheduling the inspection.

The purpose of a field inspection⁵ is to confirm measures are installed and fully commissioned per manufacturer instructions and as outlined in the Application and the project Installation Report. Inspections will be scheduled at a mutually convenient time between the SCE representative and the Customer. Customers are encouraged to allow the Trade Professional to attend the inspection to answer questions. The TradePro will be notified by e-mail between 5 to 14 days before the inspection. SCE will endeavor to accommodate the TradePro's and the customer's schedules. If the TradePro is not invited by the customer, or cannot attend the inspection, the TradePro will receive a copy of the inspection report from the Quality Assurance (QA) team within 15 business days of the inspection.

SCE, or its representatives, may make a reasonable number of visits to the customer site before, during, and/or after installation of efficiency measures to assess overall compliance. If an inspection cannot be completed due to non-cooperation of the customer, the Trade Pro may not receive full compensation and may be required to return funds paid for that project.

7.0.4 Photo Verification

The Trade Professional is required to take construction photos for each measure installed, which show the existing conditions prior to the installation of measures as well as the replacement product(s) or measure(s). The Trade Professional must take photos (including geotagging for each photo supplied) throughout the installation process to ensure that each measure completed is supported with photographic documentation. Taking multiple pictures of each installed measure is recommended.

7.0.5 Quality Assurance Inspection Report

The QA inspection report will provide a summary of the project and list any non-conformances identified during review. The report will identify the inspection as a pass or fail.

The report will be provided to the TradePro approximately 15 days after the inspection, following an internal review and scoring by the QA Team. The report will be made available to the customer upon a direct request to SCE.

8.0 Terms and Conditions

Applicants are subject to all program Terms and Conditions and should therefore ensure that they understand and agree with these requirements before submitting an application.

The Applicant, also called the Trade Professional, hereby agrees to the following terms and conditions to the project submission in the Summer Reliability Program.

Incorporation by Reference. The Application in its entirety, the Project Approval Letter (if SCE approves and reserves funds for the project), the Program Manual, and the M&V Plan are incorporated by reference into, and made a part of, this Agreement.

Good Standing. Trade Professionals must be in good standing with SCE to be eligible to submit projects

⁵ For more information, please review **Site Access and Inspection Requirements** in Section 8.0, Terms and Conditions, below.

for SRP. Good standing means, at a minimum, that the Trade Professional has executed the Trade Professional Participation Agreement, is currently enrolled in SCE's Trade Ally Community, and is not currently subject to any disciplinary actions, including but not limited to, being restricted from submitting projects on behalf of an end-use customer.

Limitation on Funding Availability. The SRP has limited funding and is offered on a first-come, first-served basis until funding has been exhausted or the Program is terminated, whichever comes first. I understand that submission of this Application is not a guarantee of compensation by SCE, nor is it a guarantee of availability of funds.

Changes to Program. Funding and program conditions are subject to the jurisdiction of the California Public Utilities Commission ("CPUC") and shall be subject to such changes or modifications as the CPUC may direct, from time to time, in the exercise of its jurisdiction. If the program is modified in any way or terminated by order of any government entity, then this Agreement shall be revised or terminated consistent with that order. In addition, SCE may suspend or terminate any agreement related to the program without cause (and without prior written notice) if SCE determines suspension or termination of the agreement is necessary in order to make changes to the related program, or if SCE is ordered by the CPUC to modify or discontinue a program and/or any agreements related to the program. I agree that SCE will not be liable for any damages or compensation of any kind that may result from the changes described in this paragraph.

Suspension/Termination. Either party may suspend or terminate the Agreement upon at least 15 days' prior written notice to the other party for any reason. If the Participant terminates the Agreement, it will not be entitled to any further payment under the Agreement. If SCE terminates the Agreement, SCE will pay any amounts already due and owing under the program terms and conditions, but SCE shall not be liable for any additional payments. SCE will not be liable to the Participant for compensation of any kind in the event that SCE terminates the Agreement due to a breach of the Agreement, or to comply with applicable laws, regulations, or if directed by the CPUC.

Site Access and Inspection Requirements. The SRP may require installations, audits, inspections, measurements of the performance of the project measure(s) (referred to as "solution(s)"), and/or verification of installation of solutions. Therefore, I agree to provide, and I am solely responsible for ensuring that SCE and/or its agents, assignees or contractors, and the CPUC and/or its agents or assignees have reasonable access to the project site(s) for these purposes. If the Trade Professional fails to secure reasonable access for these purposes, SCE, in its sole discretion, may require the Trade Professional to repay any compensation amounts already paid, and may cease making any additional compensation payments otherwise due, and may terminate this Agreement. If SCE requires repayment, the Trade Professional shall repay any compensation amount due within thirty (30) days of notification by SCE.

Permits and Licenses. Trade Professional is responsible, at its own expense, to obtain and maintain, and cause any contractor(s) and/or subcontractor(s) to obtain and maintain licenses and permits required by any federal, state, local, or other relevant governing or regulatory bodies (including but not limited to Title 24 permits) needed to perform program work.

Additionally, Trade Professional acknowledges that they will not be eligible for compensation for any equipment unless all required proof of permit closure as applicable documentation has been supplied to SCE or, if applicable, a formal written and signed explanation referencing the local jurisdiction as to why code was not triggered, and which validates the project was not required to obtain a permit, or provide

proof of permit closure, as part of the project Installation Report.

In order to provide proof of permit closure, the Trade Professional must include documentation from the authority having jurisdiction (e.g., local permitting office), that includes the permit number, customer name, and address, verification that the permit has been closed and/or is final and has been signed off by the customer and the appropriate governing authority.

Authorized Services. SCE assumes no responsibility for any services, installations, improvements, or equipment offered or provided by an SCE employee, contractor or agent other than those specified in this Agreement or that have not been authorized by SCE.

Release and Use of Information. Trade Professional authorizes SCE to release its contact information and other relevant information to SCE's employees, contractors and/or agents for purposes related to the Trade Pro's participation in the SRP. Trade Professional further authorizes SCE's employees, contractors, and agents to contact them with regard to participation in the SRP, including but not limited to, the performance, and/or verification of any project.

Calculation of Energy Savings. SCE will not compensate Trade Professionals for negative TSB savings, or any energy savings in excess of the actual annual amount of the electricity usage at each SCE service account for which compensation is requested. Energy savings and demand reduction resulting from the project must be above and beyond baseline energy performance standards using a Population NMEC methodology as determined by SCE and must exceed the administration (and other) costs, which will be ~35% but is subject to change on a project by project basis.

SCE retains the sole discretion to determine the appropriate baseline values and energy savings calculations used to determine actual compensation. SCE reserves the right to modify or cancel the compensation amount if the actual solution installed differs from the installation as set forth and approved in the Application. SCE is not responsible for any costs incurred by the Trade Professional or customer, whether estimated energy savings differ from actual energy savings, the project savings do not materialize, and/or the project is cancelled for any other reason.

Refurbished and Leased Equipment. Refurbished and leased equipment is not eligible for the SRP.

Limitations on Compensation Payments. Compensation payments will be made by SCE only after all program requirements are met to SCE's sole satisfaction. Compensation payments will be made directly to the designated Trade Professional.

Energy savings for which compensation is being made cannot exceed actual electrical usage for the customer service account for which the compensation is being requested. Non-SCE supply, such as cogeneration or delivery from another commodity supplier, does not qualify as usage from SCE (with the exception of Direct Access customers or customers paying departing load fees for which SCE collects the PPP (Public Purpose Programs) surcharge).

Installation and Commissioning. All projects (measures/solutions) must be completely installed and fully commissioned by the date provided on the project installation report to be eligible for performance-based compensation. SCE reserves the right to cease compensation payments, require the return of the total or prorated compensation payments and/or terminate this Agreement if the project is not completely installed and fully operational by such date.

Estimated Savings May Not Equal Actual Savings. All energy savings, compensation, and costs provided by SCE during the Application process, including, but not limited to, through the Trade Professional's use

of the Savings Estimation Tool, are estimates only. Energy savings will be determined using an approved Population NMEC methodology and are subject to change based on SCE review and approval. Compensation will be based on actual performance (i.e., measurement & verification using revenue meter billing data) over three 4-month periods (after installation approval), up to the 12-month measurement period for active projects in a TradePro's portfolio(s).

Energy Benefits. Trade Pro agrees to provide SCE with documents establishing paid proof of purchase and installation of the solutions applied for in the Application. Compensation payments are based on related energy benefits (savings persistence) over the life of the product.

Risk Allocation. SCE MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, REGARDING MANUFACTURERS, DEALERS, CONTRACTORS, MATERIALS OR WORKMANSHIP. SCE MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, USE, OR APPLICATION OF THE PRODUCTS OR SOLUTIONS. TRADE PROFESSIONAL AGREES TO INDEMNIFY, HOLD HARMLESS AND RELEASE TO THE EXTENT PERMITTED UNDER APPLICABLE LAW SCE, ITS AFFILIATES, SUBSIDIARIES, PARENT COMPANY, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES OF EACH OF THEM, FROM AND AGAINST ALL CLAIMS, DEMANDS, LOSSES, DAMAGES, COSTS, EXPENSES, AND LIABILITY (LEGAL, CONTRACTUAL, OR OTHERWISE), WHICH ARISE FROM OR ARE IN ANY WAY CONNECTED WITH THE TRADE PROFESSIONAL'S PARTICIPATION IN THE SUMMER RELIABILITY PROGRAM, INCLUDING, BUT NOT LIMITED TO (1) INJURY TO OR DEATH OF PERSONS, INCLUDING BUT NOT LIMITED TO EMPLOYEES OF SCE, A CUSTOMER, OR APPLICANT; (2) INJURY TO PROPERTY OR OTHER INTERESTS OF SCE, CUSTOMERS, APPLICANT, OR ANY THIRD PARTY; (3) VIOLATION OF LOCAL STATE OR FEDERAL COMMON LAW, STATUTE OR REGULATION, INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL LAWS OR REGULATIONS; OR (4) STRICT LIABILITY IMPOSED BY ANY LAW OR REGULATION. IN NO EVENT SHALL SCE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR COMMITMENTS TO SUBCONTRACTORS, CUSTOMERS, AND ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCURRED BY APPLICANT.

Advertising, Marketing, and Use of SCE's Name. Trade Professional will not use SCE's corporate name, trademark, trade name, logo, identity, or any affiliation for any reason, including soliciting customers to participate in the SRP, without SCE's prior written consent. Trade Professionals will make no representations to their customers or any other entity or individual on behalf of SCE.

Conflict between terms. Should a conflict exist between this Agreement and the documents incorporated by reference, this Agreement shall control. Should a conflict exist in the documents incorporated by reference, the documents shall control in the following order: (1) SCE's Project Approval Letter accepting the compensation terms and providing compensation estimate(s) based on solutions approved in the Application; and (2) Trade Professional's approved Application(s). Should a conflict exist between an applicable federal, state or local law, rule, regulation, or other code and this Agreement, the law, rule, regulation, order or code shall control. Each party shall notify the other as soon as reasonably practical, but no later than seven (7) days, upon the identification of any conflict or inconsistency concerning the Application or any documents incorporated by reference.

Right of Assignment. SCE may assign any agreement related to the Trade Professional's participation in the Program, in whole or in part, or its rights and obligations hereunder, directly or indirectly, by operation of law or otherwise, without Trade Professional's prior written consent, provided SCE remains obligated for payments incurred prior to the assignment. The Trade Professional may not assign this

Agreement, in whole or in part, or my rights and obligations hereunder, directly, or indirectly, by operation of law or otherwise without the prior written consent of SCE.

Counterparts and Electronic Signatures. This Agreement may be executed in identical counterparts, each of which shall be deemed to be an original, and which together shall be deemed to be one and the same instrument. Electronic copies of handwritten signatures may be used in lieu of original signatures and shall have the same binding effect on the Trade Professional. Additionally, this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility

9.0 Glossary

CPUC Avoided Cost Calculator(ACC)

Provides a set of 8760 marginal hourly values for the California grid, forecasting the cost of energy for each hour of the day. The primary benefits of demand-side resources are the avoided costs related to generation and distribution of energy. The avoided costs of electricity are modeled based on the following components: generation energy, generation capacity, ancillary services, transmission and distribution capacity, greenhouse gases, and high global warming potential gases. The Avoided Cost Calculator is updated annually to improve the accuracy of how benefits of demand-side resources are calculated.

CPUC Avoided Cost Curve

An 8760 hourly model from the CPUC representing the marginal costs a utility would avoid in any given hour if a distributed energy resource avoided the provision of energy during that hour.

DEER (Database for Energy Efficiency Resources)

The Database for Energy Efficient Resources (DEER) is sponsored by the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) and is designed to provide "well documented" estimates of energy and peak demand savings values, measure costs, and effective useful life (EUL). Measures not covered by DEER should use another method for incremental cost evaluation, including project bid options that contain this level of data.

Effective Useful Life (EUL)

Effective Useful Life is an estimate of the median number of years that the measures installed under the program are still in place and operable (existing equipment). EUL values are for new equipment and are provided as years. This allows the EUL to be directly employed with CPUC authorized annual avoided costs and measure-specific energy savings to determine the lifecycle dollar benefits associated with a particular measure. Current CPUC policy limits EUL values to 20 years.

Group (Project Group or Portfolio)

Trade Professionals who submit multiple projects within the Summer Reliability Program will be compensated based on the performance of their aggregate group of projects, also known as a portfolio. Project Groups will have their performance combined for compensation based on their project installation date as provided on the Installation Report (February-May, June-September, or October-January). For additional information on Population NMEC compensation methodologies, please

reference the SRP M&V Plan.

Measurement and Verification Plan (M&V Plan)

A written plan which outlines the rules, methodology, and process by which energy savings will be calculated and claimed within this program. This plan is governed by the requirements of the CPUC's population-level components of the NMEC Rulebook.

Net-Peak Savings

Savings accrued during the net-peak periods, June 1 - September 30, 7:00 P.M. - 9:00 P.M.

Peak Savings

Savings accrued during peak periods, June 1 - September 30, 4:00 P.M. - 7:00 P.M.

Population Normalized Metered Energy Consumption

Population NMEC is an energy savings calculation approach in which results are based on pre- and post-intervention energy usage data observed at the meter and calculated across a group of sites, rather than a modeled engineering forecast or deemed value (or a site level metered savings calculation). For Population-level NMEC, measurement methods are fixed before the program starts and apply to all sites in the group in a uniform fashion, as opposed to Site-level NMEC measurement methods which may differ on a site-by-site basis. For more information on Population NMEC, please consult the California Public Utilities Commission NMEC Handbook.

Public Purpose Program (PPP)

The PPP is a surcharge on the electric meter in which the energy-efficient equipment is being proposed. This surcharge recovers the costs of various utility programs authorized by the California Public Utilities Commission, such as energy efficiency.

Total System Benefit (TSB)

The total program value (adjusted avoided cost benefits) net of program administration costs of projects in the portfolio. The metric encourages programs to target "high value" load reduction and longer-duration energy savings.

Trade Professional (TradePro)

The SRP focuses on peak energy reduction that qualifying vendors, called Trade Professionals can help customers achieve. Trade Professionals are responsible for directly recruiting and engaging with targeted customer segments that demonstrate high peak energy usage for a select group of measures. TradePros are responsible for volume, project design, energy efficiency savings, and project requirements.