

OG&E Large Commercial and Industrial Efficiency Program Manual

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PROGRAM OVERVIEW

Program Description

The Large Commercial Industrial Program is offered to business institutions and public /private entities that are customers of Oklahoma Gas & Electric Co (OG&E). Designed to help facility supervisors who want to operate facilities more efficiently, the Commercial Industrial Program outlines the technical and financial benefits of investing in energy efficiency and developing a plan to make energy efficiency improvements to your facilities. By enrolling in the program, you will be referred to as a program participant (participant), and receive technical and energy-related assistance to help you make decisions about cost-effective investments in facility energy efficiency.

Under this program, participants are eligible for financial incentives connected to a variety of energy efficient measure. Additional benefits that may be available include energy audits, technical assistance, and communications support. In general, the program does not prescribe technologies or end-uses to participants, but instead provides a framework through which you can receive incentives for implementing and installing a wide range of measures at your sites.

Program Objectives

The program is designed to drive cost-effective energy efficiency in the marketplace while minimizing the impact of market barriers to implementation of energy efficiency. Some objectives are inherent to transforming the energy efficiency market, while others are benefits that are offered to facilities and facility management. The Commercial Industrial Program is designed to:

- Overcome barriers that hinder the implementation of energy efficiency projects.
- Provide energy efficiency information and enhance awareness of energy and non-energy benefits.
- Ease budget constraints that typically rule out energy efficient technologies and associated higher “first costs.”
- Improve your understanding about potential payback for installed energy efficiency projects.
- Enhance awareness of, and technical assistance for, energy-efficient technologies.
- Provide assistance to help customers address energy efficiency at all major end-uses.
- Address your needs to avoid any lost opportunities within your facility.
- Promote cost-effective energy efficiency projects that maximize the net benefit to both customers and OG&E.
- Accumulate a list of qualified vendors and installers (trade allies) participating in the program to facilitate access by Participants to such resources.
- Provide adequate evaluation, measurement and verification (EEM&V) resources to support the implementation of energy efficiency projects.
- Transform the market through training, education and the implementation of the program to make energy efficiency a primary consideration for customers.
- Identify and support the implementation of cost-effective and comprehensive energy savings projects for OG&E customers in order to meet annual energy savings goals.
- Leverage cash incentives to assist you in implementing cost-effective projects under the program.
- Develop a strategic plan for the implementation of multiple phased projects.

PROGRAM MANAGEMENT & CONTACT

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PROGRAM ROLES & RESPONSIBILITIES

Program Sponsor: OG&E

Website: www.OG&E.com/CEEP

- Provides all funding for the energy efficiency program and the program incentives
- Manages the energy efficiency programs and oversees implementation

Program Evaluator: ADM

- Provides oversight of program implementation to verify that savings claimed in the program is correct, valid and adequately documented
- May perform post-retrofit on-site inspections, measurements, or phone conversations to collect data for program savings verification
- Provides updates to program calculation methodologies through annual TRM updates
- Surveys program participants to determine if program implementation is meeting their needs and expectations
- Surveys customers to determine if program outreach is adequately informing the market of the energy efficiency program opportunities

Program Implementer: CLEAResult

- Performs outreach and education about the energy efficiency program
- Provides energy efficiency assistance to program participants (at no cost). For example, Level 1 and potentially Level 2 energy audits.
- Assists program participants and trade allies with program documentation
- Performs all required on-site inspections and documentation
- Provides calculations on energy savings potential for identified projects
- Assists in evaluation of financial metrics for energy efficiency projects (payback, ROI, etc.)
- Processes and delivers incentive checks for successful projects

Program Participant: OG&E Customer

To participate in the program, Participants must:

- Execute the participation agreement
- Contact the program implementer to schedule a facility assessment
- Submit a project application to reserve incentives for qualifying energy efficiency projects
- Exert best efforts to approve, fund, install and report projects before the end of program year
- Contact the program implementer when projects are completed and allow staff to perform a post-inspection
- Provide access to program implementer staff (as well as QA/QC Evaluator staff) to facilities both before and after project completion for inspection of the baseline and post-retrofit condition as required

Trade Ally:

To participate in the program as a trade ally, the trade ally must:

- Execute the trade ally agreement
- Complete required training(s) and adhere to program guidelines set out in this program manual
- Provide verification of adequate insurance coverage
- Work with program implementation staff to take advantage of program marketing materials and technical assistance
- When developing a possible energy efficiency project, work with program implementation staff to verify customer eligibility and assist in the development of project scope for the identified energy efficiency measures for which the trade ally may be responsible
- Share with program staff adequate project information on proposed projects to allow the calculation of energy savings and incentives for the program participant
- Review the pre-inspection data and confirm that program implementer has included the proposed project scope correctly in that communication
- Install eligible energy efficiency measures and submit appropriate documentation as requested by program implementer
- Perform all work to the required standards of the program

PROGRAM ELIGIBILITY

Participant Eligibility

Any local public and/or private entity or commercial customer that receives retail electric service from OG&E is eligible for the Commercial Industrial Program. Organizations with multiple locations are thereby considered a single customer, regardless of how many OG&E account numbers they may have. However, projects will be separated by utility account number for reporting purposes to OG&E.

Trade Ally Participation and Eligibility

Trade allies are members of various trades that meet all program qualifications and standards (listed below). Trade allies are eligible to participate in the program and will have their company name on a list of eligible trade allies that may be given to you. Trade allies may continue to participate in the program as long as they remain in compliance with all program requirements.

To participate, trade allies must sign a trade ally agreement and receive training as required by the program guidelines. Additional training will be provided as needed in order to ensure the proficiency of the trade ally. The level of trade ally participation (i.e., number and type of completed projects in which the trade ally has been involved) will be included on the trade ally list for you to consider in selecting appropriate trade allies for your projects. Details on the training, tools and performance are listed below:

Technical Requirements for the Trade Ally include:

- Understanding of basic building science principles, and
- Completion of program-required best practices training(s).

Business Requirements for the Trade Ally are:

- Demonstrate the capability to conduct business successfully by providing ONE of the following:
- Satisfactory Dun and Bradstreet Rating, or
- Specific evidence of business capacity including at least two of the following:
 - A satisfactory banking reference.
 - A minimum of three satisfactory professional/trade references, such as suppliers of materials, tools, credit.
 - Confirmation that the principals in the business have a satisfactory individual credit score with no outstanding liens or judgments.

Tools Required for Trade Ally:

- Participating trade allies own, use and maintain all tools used so that all materials may be installed to manufacturer specifications.

Quality Performance Requirements for Trade Ally:

The trade ally, upon request from the program implementer, and at no additional cost to you, shall make reasonable repairs or corrections to work that the trade ally has performed to bring such work up to the program standards. The repairs or corrections are to be completed within the timeframe specified by the program implementer. The trade ally also agrees to take steps to ensure that future work will comply with the program standards.

Trade Ally Documentation Confidentiality

Trade Allies should note that this program is in place to drive energy efficiency in the OG&E service territory. Any program documentation collected for a proposed project within the OG&E programs will be treated with care and will not be shared with anyone except the participant for whom it was developed. All information submitted is considered the property of the program participant, and will be shared with that customer upon request unless that documentation is clearly labeled as confidential on each page of the documentation. All confidential information so labeled will be verified with the provider prior to sharing with the program participant.

PROGRAM INCENTIVES AND MEASURES

Incentives by Measure

A measure, for the purposes of calculating incentives, is considered to be a single proposed energy efficiency improvement, at either a single facility or multiple facilities. A project is considered to be a planned set of measures for a single participant (at either a single facility or multiple facilities) as listed on the project application. Both new construction and retrofit projects are eligible for incentives under this program. The combined total project(s) for a single participant should target to meet a minimum of 25,000 kWh of annual savings to qualify for incentives.

All measures within a project must be confirmed in the pre-Installation Inspection report and meet the following requirements:

- Must result in a measurable and verifiable reduction in energy usage for Large Commercial and Industrial customer (kWh).
- Must produce energy savings through an increase in energy efficiency.
- Must be cost effective as defined by the Program Utility and the Program Implementer.
- New equipment must exceed minimum equipment efficiency standards.
- Must not develop any savings as a result of fuel switching.
- Measures should target to meet at least 25,000 kWh of annual savings.

The incentive rates for this program have been designed to encourage comprehensive projects at each location. There are multiple incentive rates available depending on the type of measure to be installed. Below is a quick and easy reference guide to the varying incentive rates and the associated measures.

Deemed Savings Measures	Performance Based (\$/kWh)
HVAC - DX Retrofit	\$0.09
HVAC - DX New Construction	\$0.09
Chiller Retrofit	\$0.09
Chiller New Construction	\$0.09
Lighting (Outdoor)	\$0.09
Energy Star Cool Roof	\$0.09
LED Lighting Retrofit	\$0.09
Lighting New Construction	\$0.09
Linear Fluorescent Retrofit w/ Delamp	\$0.09
Vending Misers	\$0.09
Door Heater Controls	\$0.09
ECM Evaporator Fan	\$0.09
Electronic Defrost Controls	\$0.09
Solid Door Reach Ins	\$0.09
Cooler Door Gaskets	\$0.09
Lighting Controls	\$0.09
Lodging Occupancy Controls	\$0.09
GroundSource Heat Pump	\$0.11

Custom Measures	Performance Based (\$/kWh)
Retro-commissioning	\$0.11
Compressed Air	\$0.11
Other Custom	\$0.11

Measure Descriptions

Measure Type	Measure Description
Lighting Retrofit	Lighting retrofit projects replace existing lighting systems with more efficient lighting systems. A variety of high efficiency fixtures, ballasts, and lamps produce equivalent light levels as previous technologies while consuming less energy.
	For instance, T8 fluorescent lamps and electronic ballasts can be replaced with more efficient lighting systems such as LEDs. Metal halides may be replaced with systems such as T5 fluorescent lamps with electronic ballasts, compact fluorescents, or LEDs.
	There are a variety of lamp and ballast combinations that are eligible for this Program depending on the current technology installed at a facility.
Lighting Controls	Automatic lighting controls save energy by turning off or dimming lights at times when they are not necessary. Many different varieties of sensors are available including passive infrared (PIR), dual-technology, integral occupancy sensors, photocells, which can be coupled with a variety of control strategies including day lighting controls, occupancy controls timer controls, and time clocks.
	For certain conditions, light reduction and automatic controls are mandatory for new construction and affected retrofit projects.
Exterior Lighting	Energy saving opportunities applies to both improved lighting performance and enhanced control strategies. For example, retrofitting less efficient HID technologies with LED lighting and occupancy-based technology are good candidates for exterior applications.
HVAC Replacement	Eligible units for replacement include small split systems and single package air conditioners and heat pumps.
Chiller Replacement	Chillers are commonly used to provide cooling for a variety of building types and process loads. The most common applications are for larger cooling loads (e.g., 50 to 100 tons and greater).
	This measure applies to the replacement of air-cooled and water-cooled chillers with more energy efficient chillers.
HVAC Controls	HVAC controls are eligible in the OG&E Programs when no other controls previously exist or where existing controls can be modified or improved to provide measurable energy savings. Controls can be installed on building HVAC systems or central plant equipment to help control common operating parameters such as temperature, humidity, chilled water temperature, etcetera for more effective use of the HVAC system.
VFD Motor Drives	A Variable Frequency Drive controls the rotational speed of an electric motor by controlling the frequency of the electrical power supplied to the motor. VFD's allow for soft starts and can be optimized to better match system loads, reducing stress and improving the motor life. VFDs work well when used with systems that have motors that can operate at lower speeds. The installation of VFD's that show measurable energy savings are eligible under the Program
Improved Building Design (New Construction Only)	Incentives are given to buildings that are built above and beyond the required energy codes. These measures will be incentivized as a part of the individual measure type (lighting, lighting controls, HVAC, etc.) as listed below for the purposes of qualifying for tiered incentives, and are not separate measures from retrofits of similar technology.
	For instance, if a Participant is installing a lighting retrofit at one facility and is building a new facility with a qualifying lighting project, all of the lighting measures are considered one lighting measure for the purposes of calculating tiered incentives.
Refrigeration	There are a number of refrigeration measures that are eligible for upgrades or replacement in OG&E Programs:
	<ul style="list-style-type: none"> Evaporator fans upgrades to EC Motors

	<ul style="list-style-type: none"> • Evaporator fan controls • Anti-sweat heater controls • Refrigerated door gaskets and strip curtains • Night covers
Kitchen and Plumbing Upgrades	There are a number of kitchen measures that are eligible for upgrades or replacement:
	<ul style="list-style-type: none"> • Energy efficient dishwasher • High efficiency electric combination ovens • High efficiency fryers • ENERGY STAR® steam cookers
Direct Install	There are a number of measures that are eligible for upgrades or replacement at NO COST:
	<ul style="list-style-type: none"> • Low flow pre-rinse spray valves • Low flow faucet aerators • Low flow shower heads • Compact fluorescent lamps (CFLs) • Vending machine controls (Vending Miser) • Weather Stripping
Waste Water Treatment Plant (WWTP) Fans/Blower Retrofits	These measures are ideal for aeration blowers that are greater than 100 HP and have no VFD controls. The replacement must be a single-stage centrifugal aeration blower with automatic dissolved oxygen controls to be a cost-effective project.
Waste Water Treatment Plant (WWTP)	There are a variety of energy efficiency upgrades that can be implemented on pumps at WWTP's. Retrofits can be completed on pumps that are centrifugal pumps, do not have VFD or stop controls, total nameplate HP is greater than 100 HP, and operating hours greater than 3,000 hours/year. Retrofit options include the installation of VFD's, start/stop controls, throttle valves, and bypass controls.
Personal Computer Power Management (PCPM)	Personal computer power management uses computer software to turn off the power or switch of the computer and monitors systems to a low-power state when inactive. This method of energy efficiency is highly attractive to both cities and schools where a significant amount of computers exist.

Incentive Basis

Financial incentives received through the program will be based on a project's total annual kWh reduction as determined pursuant to this program manual. Savings will be calculated using one of several savings approaches. Customers will need to select a trade ally or other service provider to actually install the measure(s) within the project. The program Implementer will select and implement an appropriate savings measurement and verification plan (including installing field monitoring equipment where applicable).

Customers may submit suggested measures, along with a suggested EEM&V approach, to the program implementer. Note that any such approach must include adequate calculations or monitoring to justify savings as determined by the Program Implementer in order for the measures to be considered for incentives under this Program.

- **Deemed or Stipulated Savings:** deemed savings are standardized savings values or simple formulas for a range of measures in representative building types. This approach is suitable for a variety of projects where energy savings may be estimated to a reasonable degree of accuracy without additional EM&V. Variables such as operating hours and energy consumption of existing equipment are assumed in these cases according to previously gathered field data. For example, lighting installed by the program qualifies for a deemed savings approach, meaning that estimated energy consumption savings are determined without additional testing. Engineered savings calculations may be acceptable on a case-by-case basis subject to program approval.
- **EM&V Option A (“Retrofit Isolation: Key Parameter Measurement”):** for an option a project, the main aspect that affects energy use is measured, usually with data logging equipment. Example: pump VFD installation.
- **EM&V Option B (“Retrofit Isolation: All Parameter Measurement”):** for an option b project, all aspects that affect energy use are measured. Typically, the actual energy use of the system is logged. All parameters that affect energy use, such as temperature of an HVAC system or occupancy, must be measured. For example, a project where installed equipment will have substantial interactive effects may require the use of this EM&V option.
- **EM&V Option C (“Whole Facility: Bill Analysis”):** When savings are expected to be more than 10 percent of the whole building’s energy use, Option C can be used. This option involves collecting at least a year’s worth of utility bills or sub-meter data for a facility. Example: Retro-commissioning of a facility, involving numerous operational and control changes that have complex interactions.
- **EM&V Option D (“Whole Facility: Calibrated Simulation”):** Option D is for new construction buildings or major retrofits. Instead of measuring energy use, the facility is modeled with building modeling software like eQUEST. Example: new construction project involving numerous efficiency improvements that have complex interactions.

The methodologies for savings measurement and verification described above differ in terms of detail and rigor; some are chosen based upon the predictability of equipment operation, availability of evaluation data from previous programs, and benefits of the chosen measurement and verification approach relative to its cost. Ultimately, the program implementer has the discretion to choose or confirm the EM&V option that shall be utilized for your project(s).

NON-CASH BENEFITS OF THE PROGRAM

A number of non-cash benefits are available to you, including:

During an energy assessment, the participating trade ally and/or the program implementer will identify opportunities to install energy saving devices with customer permission. These devices provide customers with instant energy savings and are installed at NO COST. Please note that some of these measures are only available for installation at sites where customers have electric water heaters. These direct install measures include pre-rinse spray valves, faucet aerators, LEDs, vending misers, and weather stripping.

Technical Support – the program implementer will provide technical support to help you assess and evaluate various energy efficiency upgrades to determine which projects are estimated to be optimal in

terms of life-cycle costs. Once you identify potential projects, you complete and submit a project application to indicate your intention to complete a project and reserve an incentive. The program implementer will provide the application form as well as assistance in completing the form.

Education – if participants choose to fund their upgrades with traditional funding sources, the Large Commercial and Industrial Program also offers resources that could educate senior decision makers on how to leverage outside sources of funds through performance contracts, lease-purchase agreements, and third-party financing.

Recognition – The Large Commercial Industrial Program, specifically the program implementer, may provide news releases and other communications support to you, which are designed to inform each community about the steps you are taking to improve the energy performance of your facilities, reduce your operating costs, and to use your budget dollars more efficiently.

PARTICIPATION PROCESS

The program is designed to encourage trade allies to recruit participants from OG&E key accounts, past program participants and trade ally references. The program implementer will provide a participation agreement for the participant to enroll in the program. The participant must sign the participation agreement to be verified as an OG&E customer and enrolled in the program. Once the signed participation agreement is received and the participant is verified, the program implementer will schedule pre-installation inspections on each project, as necessary, and appropriate measurement and verification efforts will occur to quantify the savings of projects where EM&V is required. Once the participant has selected the project(s) to implement and funding has been secured, the program will help you to fill out the technical sections of the project application to reserve incentive funding.

After completing the project, the program implementer will schedule necessary post-installation inspections and request incentives for the participant.

Program metrics are subject to annual review based on regulatory requirements, independent evaluation and verification, and other circumstances outside the control of the program, the program Implementer and OG&E reporting requirements and other documentation could change based upon this review.

After completing the project and receiving incentives, you may be contacted by an independent evaluator to verify information gathered by the program and/or to review on-site equipment installation. You may be contacted by this independent third party evaluator in the year immediately following the year of participation for the purposes of project verification and evaluation.

Project Application Process

For purposes of this program, a project is defined by a set of proposed energy savings measures included in a single project Application. Comprehensive projects that include a range of measure types are encouraged. Note that you first must execute the participant agreement to initiate the process. Ultimately, a project application will be completed by the program for review and approval to move forward with the project(s). The project application is completed and executed by you and sent to the program implementer for final approval and reservation of incentive funding.

All projects should meet the following requirements:

- **Targeted Minimum Project Size:** Each project for which an application is submitted, or combination of projects, should target a total estimated energy reduction of at least 25,000 kWh of annual savings.
- **Project Costs:** Projects must pass a cost-effectiveness test in order to be eligible for incentives. In order to evaluate this, all project costs must be submitted to the Program Implementer before incentive funding can be applied for and reserved. This includes the cost of the equipment and its installation.

Incentive Reservation/Application Process

Upon receipt of a signed project application, the program implementer will review the application for completeness and eligibility then send notice stating that incentive funding has been reserved for the project(s). The program implementer also will contact you to schedule a pre-installation inspection of your facilities, as needed, for purposes of confirming the information that is submitted in the project application. The anticipated project completion date should be communicated to the program implementer, which will provide adequate time for final project verification and post-installation inspection prior to receiving the incentive payment. The completion date of a project should not extend beyond December 1 of the current program year unless approved in writing by the program implementer. If oversubscription to the program should arise, participants will be placed on a waiting list in the order of when the project application, including the executed participant agreement was received.

Participants on the waiting list may be able to reserve incentive funding for the current program year if other projects for which funding were reserved are cancelled and funds become available. Otherwise, they will be eligible to reserve funding during the next program year, but note that the project must be completed in the year in which the funds are reserved.

Incentive Payment Process

Deemed savings projects: you will receive an incentive payment representing 100 percent of the final calculated incentive amount set forth in the confirmed project application after the project(s) are installed, documented and verified. You are encouraged to contact the program implementer prior to installation of additional measures not identified in pre-installation inspections to determine whether additional funds may be available. Incentive funds in excess of the estimated amount will be paid based on final calculated savings only if the program is not fully subscribed at the time of project completion.

EM&V projects: you will receive 40 percent of the total estimated incentive amount set forth in the confirmed project application after the project(s) are installed, documented, and verified. The remaining incentive will be calculated based on the final EM&V report and will be paid once the EM&V efforts are complete. To the extent that additional measures are installed that were not identified in the application and confirmed by the pre-installation inspection, you may be eligible for additional incentive funds. You are encouraged to contact the program implementer prior to installation of such additional measures to determine whether additional funds may be available. Incentive funds in excess of the estimated amount will be paid based on final calculated savings only if the program is not fully subscribed at the time of project completion.

Incentives are paid by check directly to you as explained above. Checks should be delivered no later than December 30 of the year the project is completed and verified unless otherwise notified.

Limits on Participation

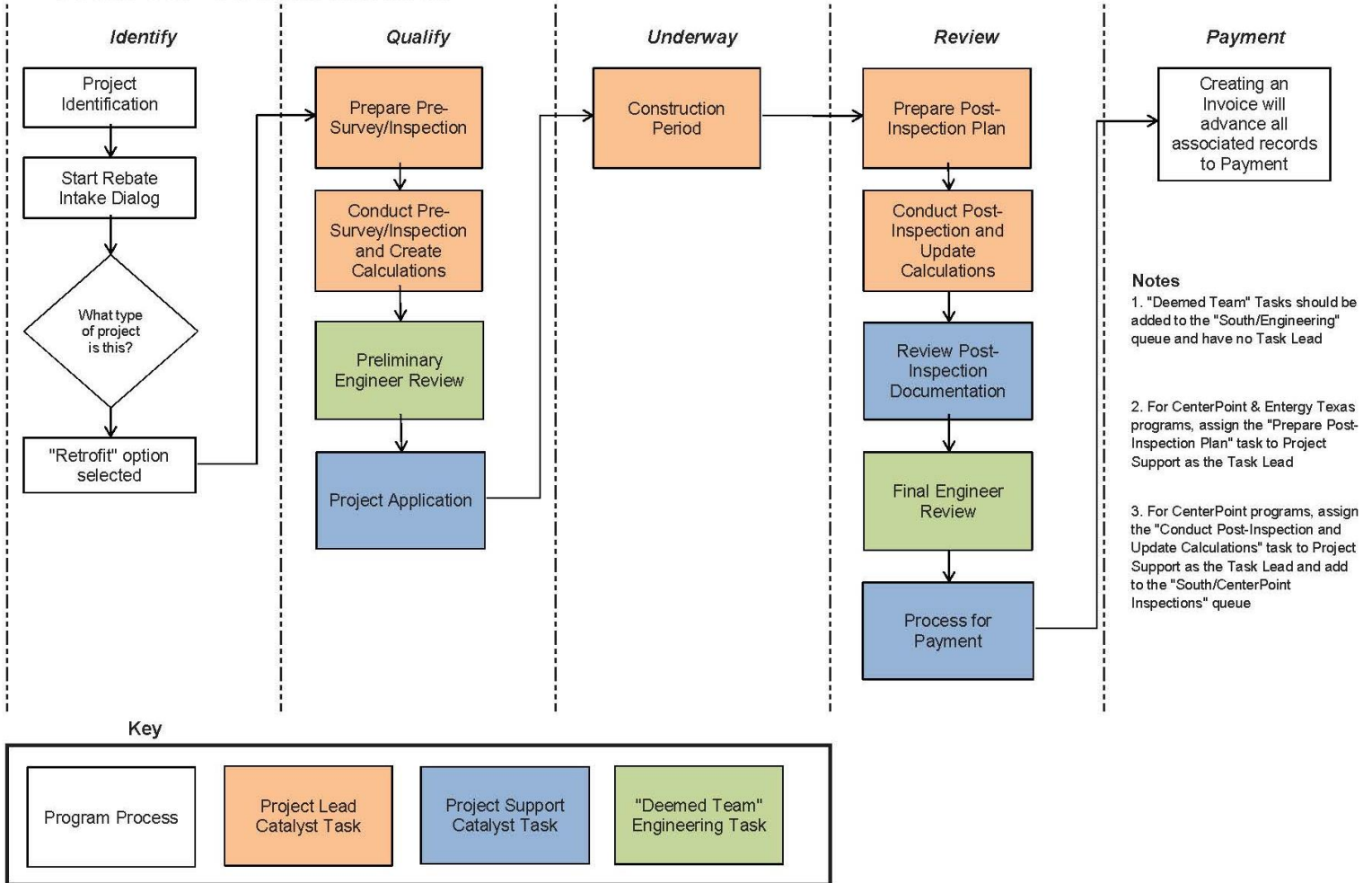
To ensure incentives are available for multiple projects, you and your affiliates may not receive more than 25 percent of the OG&E program incentives budget in any funding year.

In the event that there are incentive funds still available after September 1 of the current program year, you may exceed the 25 percent cap in order to fully subscribe the program.

See the figure below for more details on the program process, which does not include the third-party EEM&V discussed herein: The program process flow chart below illustrates contact points and responsibilities of each party involved in the process.

Program Process

South C&I - Retrofit Workflow



QUALITY MANAGEMENT PROCESS (QA/QC)

Quality Assurance (QA)

Program Process Trainings (QA)	Trade allies that choose to participate in the program will attend training that explains the program process and technical aspects of participation. Where the installing contractor has chosen not to participate as a trade ally in the program, the program implementer will work with you to ensure that all steps are taken to receive an incentive.
Application Review (QA)	Incomplete project applications will be rejected and sent back to you for completion. You may not receive a reservation of incentive funding notice until the project application is completed appropriately and confirmed by the program implementer.

Quality Control (QC)

Post-Installation Inspections (QC)	Completed projects will be subject to a pre and post-installation inspection as selected on a random sample basis. Typically, this random sample consists of inspecting 20 percent of the qualifying measure(s). If your project fails its installation inspection, additional inspections will be conducted in an attempt to determine whether there is reasonable assurance that the project has been documented and that the actual savings can be verified. In connection with any such inspections, adjustments to the project application may be proposed to you to complete and return to the program implementer.
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ADDITIONAL NOTICES AND DISCLAIMERS

OG&E and/or CLEAResult

The selection of a participating contractor to perform work is the sole decision of the property owner, customer, and/or authorized lessee/occupant. Although a list of approved contractors is prepared in connection with this program, inclusion of a contractor in the participating contractor list for the program does not constitute an endorsement by OG&E or CLEAResult of any product, individual or company. Work performed by participating contractors is not guaranteed or subject to any representation or warranty either expressed or implied or otherwise by either OG&E or CLEAResult. Neither OG&E nor CLEAResult makes any guarantee or any other representation or warranty, expressed or implied or otherwise, as to the quality, cost, or effectiveness of any product(s) provided or work(s) performed by any participating contractor by any such participating contractor's employees, subcontractors or suppliers.

Energy efficiency gains are subject to a number of variable conditions and circumstances. While it is the intent of the program to achieve energy efficiencies at your facilities neither OG&E nor CLEAResult guarantees or warrants that any specific energy efficiency gains will be achieved for a particular customer under the program.

Participating Trade Allies

Each Participating Trade Ally shall, to the fullest extent allowed by applicable law, indemnify, protect and hold harmless CLEAResult, OG&E, their affiliates, their contractors and each of their officers, directors, control persons, employees, agents and representatives (all of the foregoing being herein referred to, individually and collectively, as the "Indemnities") from and against any and all losses, damages, claims, liabilities, costs and expenses (including attorney's fees) that may be imposed on, incurred by, or asserted against the Indemnities or any of them by any party or parties (including, without limitation, a governmental entity), caused by, arising from, relating to or in connection with, in whole or in part, directly or indirectly: (a) such participating trade ally's breach of any provision of its trade ally agreement (b) such participating trade ally's act or omission that results directly or indirectly in any property damage, personal injury or death in connection with the performance of any work by such participating trade ally, (c) any violation of law by such participating trade ally or (d) the treatment, storage, disposal, handling, transportation, release, spillage or leakage by such participating trade ally of any hazardous substance in any form. **THIS INDEMNITY SHALL APPLY EVEN IN THE EVENT OF THE CONCURRENT NEGLIGENCE, ACTIVE OR PASSIVE, OF ANY OR ALL INDEMNITEES.** Indemnities, respectively, at their option exercisable by written notice to such participating trade ally, may require such participating trade ally to defend any or all suits or claims concerning the foregoing.

DEFINITIONS

Custom Measure: An energy efficiency measure that does not have a prescriptive calculation methodology. This type of measure requires measurement and verification to accurately quantify demand and energy savings.

EE: Energy Efficiency

EM&V: Evaluation, Measurement and Verification, often referred to as Measurement and Verification.

Energy Master Planning: The process of reviewing Energy Performance Benchmarking reports and establishing a strategic approach to the effective use of energy, which may include the implementation of energy efficiency measures.

Energy Performance Benchmarking: A comprehensive analysis of facility energy use, which provides a rating for the performance of buildings (typical on a scale of 1 to 100) relative to a peer group of facilities using regional data. This evaluation may be used to identify energy efficiency measures or can be used as a tool for Energy Master Planning.

Facility Assessment: A preliminary facility walkthrough performed by Program Staff or a Trade Ally to determine energy savings opportunities. An assessment does not necessarily provide adequate inspection documentation and additional on-site verification may be required for identified energy efficiency projects.

Feasibility Study: A comprehensive energy savings evaluation and life cycle cost analysis (prepared by a licensed engineer or other professional) that evaluates the Participant's opportunities for energy savings at their facility using established calculation methodologies and computer simulated energy models

Incentive: A one-time payment to the Participant (or a designated assignee) for energy efficiency projects completed through the program.

Incentive Rate: A defined value of incentive dollars on a per unit basis to calculate total incentive.

kW: The abbreviation for kilowatt (equal to 1,000 watts), which is the unit of measurement for electrical demand or power.

kWh: The abbreviation for kilowatt-hour, which is the unit of measurement for electrical energy use. One kWh is the amount of energy consumed by the use of one kW for one hour.

Measure: A single proposed energy efficiency improvement, at either a single facility or multiple facilities.

Measurement and Verification: A process of observation and measurements that establish energy use of a proposed energy efficiency measure for both pre-retrofit and post-retrofit conditions that allows the calculation of energy savings. This process may also require gathering data on correlating factors for a specific system or facility, such as production, occupancy, operating hours, or similar metrics.

Participant: Any non-residential OG&E Arkansas, Inc. customer that has enrolled in the energy efficiency programs who will exert best efforts to approve, fund, and install projects during the Program year.

Participation Agreement: A non-binding document that once submitted by the participant will enroll them into the Large Commercial Incentive Programs offered by OG&E Arkansas, Inc., allow Program Staff to verify eligibility, and permit appropriate program follow-up.

Pre-Installation Inspection: A facility walkthrough performed by Program Staff prior to implementation of energy efficiency projects to verify and document proposed or identified energy efficiency upgrades within a participant's facility.

Prescriptive Measure: An energy efficiency measure that has a prescriptive calculation methodology, given in the Arkansas TRM (Technical Resource Manual). This type of measure does not require measurement and verification.

Post-Installation Inspection: A facility walkthrough performed by Program Staff or Program Evaluators after implementation of energy efficiency projects to verify and document proposed or identified energy efficiency upgrades within a participant's facility.

Program Evaluator: An independent party that reviews the documentation and calculations completed by the Program Implementer and provides technical guidance on the program.

Program Implementer: Technical and administrative consultants hired by the Program Sponsor to operate the energy efficiency programs.

Program Sponsor: The utility funding and operating the energy efficiency program.

Project: A planned set of energy efficiency measures for a single Participant (at either a single facility or multiple facilities) as proposed by Program Staff or a Trade Ally.

Project Application: A document provided by the Program Implementer and executed by the Participant that outlines the proposed energy efficiency measures, the estimated savings, and the project incentive. Acknowledged receipt of this form by the Program Implementer will reserve the listed incentive for the Participant.

Tier: A unique measure (or combination of measures) that when evaluated for an energy efficiency project, may provide enhanced incentive rates for comprehensive projects.

Trade Ally: A contractor, supplier, or industry professional seeking to adapt his or her business model to utilize the energy efficiency programs to promote energy efficiency projects.

FREQUENTLY ASKED QUESTIONS (FAQS)

What is the Commercial Industrial Program?

The Commercial Industrial Program is designed for local public entities that receive retail electric service in the OG&E territory. The program will help senior managers and facility managers like you at local public entities operate your buildings more efficiently by understanding the technical and financial benefits of investing in energy efficiency and developing a plan to make energy efficiency improvements.

Who is Eligible for the Commercial Industrial Program?

Any local public entity customer receiving retail electric service from OG&E is eligible for the Commercial Industrial Program. A customer is defined by a single Tax ID number. Multiple locations of an organization are thereby considered a single customer, regardless of how many OG&E account numbers they may have. In general, cities having more facility square footage and higher energy usage than Large Commercial and Industrial customers and receive greater program benefits.

How Does a Customer Enroll to Participate in the Program?

To join the Large Commercial Industrial program, the participating local public entity signs a Participation Agreement with OG&E. The Participation Agreement describes Program commitments required of the Participant, which includes agreement to the conditions and processes set forth in this program manual. The program implementer will contact participants who submit the participant agreement to provide the participant with details on program participation, benefits, and requirements and to begin the program process.

What are the Next Steps After I've Enrolled in the Program?

After the Commercial Industrial participant has joined the program by submitting a properly executed participation agreement, you can complete energy benchmarking, master planning (if applicable), and identify energy efficiency upgrade projects you wish to undertake.

Who Decides What Energy Efficiency Technologies to Install or Who is to Install Them?

You are the sole determinant for what energy efficiency measures you decide to implement and how they are implemented. The program does not provide any installation of energy efficiency measures, and is neutral on whether you perform the work in-house or use a trade ally.

What is Energy Benchmarking?

Benchmarking the energy performance of the participants is done through the use of US EPA's Portfolio Manager Tool. Information is entered into the tool along with the energy use of the facility, where the facilities are located geographically, the number of occupants in the building and some information about certain types of equipment within the facilities. Once this information is completed and submitted as inputs to the tool, the output is a numerical score from one to 100. Higher benchmark scores result in better energy performance; conversely, lower scores result in poorer energy performance. After the scores are estimated, participants in the program can work with the program implementer to determine the energy efficiency opportunities in their facilities and to prioritize their efforts. Benchmarking and EMP is primarily offered to Schools and Government customers.

What is the Energy Master Plan?

The energy master plan is a document developed by you focusing on short-term and long-term strategies in order to manage and reduce energy usage. The document is developed after a workshop, in which best practices in the industry are reviewed, and you can select practices you believe are in your best interest to pursue.

How are Energy Efficiency Opportunities Determined?

The program works with you to identify energy efficiency opportunities within your facilities. Once the opportunities are identified, the program works with you to find the right resources to assist you.

How Much Time Should I Expect to Invest in the Program?

We expect you to spend 30-50 hours on program functions over the course of a year. It has been our experience that the amount of time Participants are engaged in the Program is directly related to the benefit Participants realize. The bottom line is that it is up to you to determine the amount of time you will invest, which ultimately will influence the results you expect to achieve.

What are the Incentives?

Non-cash benefits, such as energy measure identification, benchmarking, calculations support and assistance, and EM&V of completed projects are available to you. Cash incentives for eligible energy efficiency measures are based on (kWh) energy reductions and are listed on page 8-9.