



Entergy New Orleans, Inc.  
1600 Perdido Street, Bldg #505  
New Orleans, LA 70112  
Tel 504 670 3680  
Fax 504 670 3615

**Gary E. Huntley**  
Vice President,  
Regulatory and Governmental Affairs  
ghuntle@entergy.com

December 11, 2015

*Via Hand Delivery*

Ms. Lora Johnson  
Clerk of Council  
Council of the City of New Orleans  
Room 1E09, City Hall  
1300 Perdido Street  
New Orleans, LA 70112

**Re: *Filing of Entergy New Orleans, Inc.'s RFP for Future Energy Smart Programs for the Period (April 1, 2017 – March 31, 2020)***

Dear Ms. Johnson:

On April 9, 2015, the Council of the City of New Orleans (“Council”) adopted Resolution R-15-140 that approved Energy Smart programs for Years 5 and 6 (April 1, 2015 – March 31, 2017). In addition, Resolution R-15-140 required Entergy New Orleans, Inc.’s (“ENO”) to file a proposed Request for Proposals (“RFP”) for future programs. Pursuant to Resolution R-15-140, ENO respectfully submits the enclosed RFP for future programs (April 1, 2017 – March 31, 2020). Should you have any questions regarding this filing, please contact my office at (504) 670-3680.

Sincerely,

A handwritten signature in black ink that reads "Gary E. Huntley".

Gary E. Huntley

cc: All Councilmembers  
Council Utilities Regulatory Office  
Clinton A. Vince, Esq  
Presley Reed, Esq  
Walter J. Wilkerson, Esq  
Joseph A. Vumbaco, PE  
Erroll Smith, CPA  
Ken Paillet, CPA

## Report on the Draft Request For Proposals (“RFP”) Technical Conference

On November 11, 2015, pursuant to New Orleans City Council (“Council”) Resolution R-15-140, Entergy New Orleans, Inc. (“ENO”) held a technical conference for all parties to the UD-08-02 docket. The purpose of the technical conference was to provide the parties with the opportunity to comment on the draft RFP, filed October 1, 2015. The RFP requests bids for third party administrators (“TPA”) to implement energy efficiency programs in New Orleans. Participants in the Technical Conference are listed in the table below.

Attendance:

Joe Vumbaco	City Council’s Advisors
Emma Hand	City Council’s Advisors
Logan Atkinson-Burke	Alliance for Affordable Energy
Gina La Macchia	Green Coast Enterprises
Jackie Dadakis	Green Coast Enterprises
Vic Prep	City Council’s Advisors
Aditi Tiwari	City Council’s Advisors
Errol Smith	City Council’s Advisors
Tom Stratton	City Council’s Advisors
Presley Reed	City Council’s Advisors
Jay Beatman	City Council’s Advisors
Charles Bourgeois	Entergy New Orleans
Derek Mills	Entergy New Orleans
Ross Thevenot	Entergy New Orleans

The following items were discussed:

### I. Length of Programs

Resolution R-15-140 states that the RFP should be for programs to cover the three year period ranging from 2017 until 2020. In an effort to align program development with the Integrated Resource Planning cycle, the draft of the RFP called for programs which would last for two years. During the Technical Conference, the Council’s Advisors (“Advisors”) suggested adding an evergreen provision that would negate the need to make independent filings for approval of new programs every few years. In their comments, The Alliance for Affordable Energy (“Alliance”) supported a three-year plan.

The final version of the RFP has been updated to reflect a three-year planning cycle. The contract with the third party administrator (“TPA”) will be a series of three one-year contracts which will automatically renew. Sample contracts have been included.

### II. Start Date for the New TPA

The draft RFP listed April 1, 2017 as the start date for the new TPA. The Advisors correctly pointed out that the TPA will need some time to develop and prepare the programs for initiation on April 1, 2017. The final RFP has been updated to reflect that the TPA will have a contract with ENO by August 1, 2016. Therefore, the TPA should be ready to begin work after the Council approves the selection.

### III. Stakeholder Involvement in the RFP Process

The Advisors requested more opportunity for stakeholder involvement. Entergy's RFP process is necessarily confidential to protect the bidders in this and other negotiation or proposal situations. Stakeholders have been involved in the design of the RFP through the Technical Conference, held November 11, 2015. In addition, ENO will also allow stakeholders to provide questions or concerns which will be taken into account when interviewing the bidders.

### IV. Algiers

The draft proposal only related to Legacy-ENO. Per the Advisors' request, the final RFP includes both Legacy-ENO and Algiers.

### V. EM&V

The draft RFP did not contain detailed information regarding the selection of an EM&V contractor. The final version of the RFP has been adjusted to include more details regarding the EM&V contractor.

### VI. Pilot Programs

The Alliance expressed concern that the Behavioral Program and the Direct Load Control Program would be retained as pilot programs. The Alliance stated that the benefits of these programs are widespread and that they have potential to significantly reduce kW and kWh load. Accordingly, the Alliance believes that the two programs should be included. The final version of the RFP calls for the inclusion of both the Behavioral and Direct Load Control programs as full-blown programs.

### VII. Low Income Program

The Low Income program was inadvertently overlooked in the draft RFP. The final RFP has been updated to include a low income program.

### VIII. Flexibility of Programs

In its comments, the Alliance suggested that the RFP should allow the opportunity for innovation in program design in the bidding process to help meet the Council's goals. ENO agrees that the bidders should be allowed flexibility in design of the programs. The programs in the draft RFP were meant to be a guide for the bidders in shaping their proposals. The final RFP reflects that idea that bidders are allowed flexibility in program design.

### IX. Benchmarking

The Alliance recommended that benchmarking is a valuable tool that should be included in all programs. ENO agrees that benchmarking can be valuable. As such, the final RFP allows bidders to include benchmarking as they see fit in their proposals.

#### X. Renters

The Alliance recommends expanding the current definition of a multifamily residence to include "doubles" and "triples." Currently, the Energy Smart program considers dwellings with four or more units to be multifamily participants. Under the current structure, the Energy Smart program performs a significant amount of projects on "doubles" and "triples." Therefore, depending on the design of the multifamily program, expanding the definition of multifamily might have more of an accounting effect than an actual effect on program participation. The final RFP allows the bidders the flexibility to expand the definition of multifamily in their bids.

#### XI. At-risk compensation

The Advisors and Alliance recommend making a portion of the TPA's compensation "at-risk." ENO agrees that "at-risk" compensation is a good way to incentivize the TPA to reach its goals. "At-risk" compensation has been a successful component of the current Energy Smart program. Consequently, the final RFP includes a provision for the inclusion of "at-risk" compensation by program in the contract with the TPA.

#### XII. Sample RFP

The Alliance introduced a RFP for energy efficiency programs in the Washington, D.C. Of particular interest to the Alliance was the formation of an Advisory Board to oversee the TPA. This matter is outside of the purview of the development of the RFP itself.

The final draft of the RFP is attached to this report. ENO expects that the RFP that ultimately will be posted will be substantially similar to this final draft. ENO will update the RFP as the Council advises.



**REQUEST FOR PROPOSAL  
EVENT NO. XXXXX**

**Contingent Workforce Management  
Services**

**Instructions to Bid**

Statement of Confidentiality:

The information contained in this document is confidential to Entergy Services, Inc. It may not be disclosed, duplicated, or used for any purpose, in whole or in part, without the prior written consent of Entergy Services, Inc.

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## I. General Information

### A. Entergy's Terms of Use for PowerAdvocate's Sourcing Intelligence Application:

Entergy Corporation is a holding company for individual public utility companies, among other affiliates, that include Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc. (collectively and individually, all of the foregoing are "Entergy"). Each of these public utility companies and other affiliates is a separate and distinct legal entity. One or more of the Entergy companies may process bids through this PowerAdvocate site. By submitting bid information or any other information (collectively "Information") through this site, you agree to the following:

- 1) Entergy will use the Information subject to the conditions outlined in the applicable bid package and the PowerAdvocate terms of use located at this site.
- 2) You will not submit any information through this site that includes "personal information," defined as follows:
  - i) an individual's first name or initial and last name along with any of the following:
    - social security number;
    - driver's license number, state identification card number or other government identification number (though, for clarity, submitting a state contractor's licensing number is acceptable, and sometimes required);
    - account number, credit card number, or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account;
    - vital record information in form of life events kept under government authority (.e.g., birth certificates, death certificates);
    - biometric data (e.g., retina, iris image, fingerprints);
    - medical information, including physical or mental health information;
    - health insurance identification number;
    - the provision of health care to an individual;
    - payment information regarding the provision of health care to the individual;
    - mother's maiden name;
    - Entergy utility account number;
    - stock or other security certificate or account number; or
  - ii) any other number or code or combination of numbers or codes, such as account number, security code, access code, or password, that allows access to or use of an individual's medical, financial or credit information.

Neither PowerAdvocate, nor any of its subcontractors, will use Information in any way except to perform services for Entergy, and shall treat such Information as confidential. In no case will PowerAdvocate disclose Information to any unauthorized third parties. PowerAdvocate may blend Information together with its research and other available information to further its product development efforts and to develop generalized insights, ranges or trends that do not identify to third parties that Entergy or your company are the source of any of the blended information and that do not disclose that your company participated in a bid event hosted by Entergy.

## B. Overview of Entergy

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including more than 10,000 megawatts of nuclear power, making it one of the nation's leading nuclear generators. Entergy has annual revenues of more than \$11 billion and approximately 14,000 employees.

### Utility

The purpose of our Utility business is to grow by providing customers with low-emission, reliable energy at reasonable cost; superior service; a strict focus on safety; operational excellence and engaged employees



### Entergy's Utility companies:

- Entergy Arkansas, Inc.
- Entergy Gulf States Louisiana, L.L.C.
- Entergy Louisiana, LLC
- Entergy Mississippi, Inc.
- Entergy New Orleans, Inc.
- Entergy Texas, Inc.

Entergy delivers electricity to 2.8 million utility customers in Arkansas, Louisiana, Mississippi and Texas.

### Nuclear Service Territory (Both regulated and unregulated)

Entergy operates twelve nuclear units:

- Arkansas Nuclear One Units 1 and 2 near Russellville, Ark.
- Cooper in Brownville, Nebraska\*
- James A. FitzPatrick in Oswego County, N.Y.
- Grand Gulf Nuclear Station in Port Gibson, Miss.
- Indian Point Energy Center Units 2 & 3 in Westchester County, N.Y.
- Palisades in Covert, Mich.
- Pilgrim Nuclear Station in Plymouth, Mass.
- River Bend Station in St. Francisville, La.
- Vermont Yankee in Vernon, Vt.
- Waterford 3 in Taft, La.

\*Owned and operated by Nebraska Public Power District. Entergy provides management services.

For a complete history of the company and its services, please visit our web site at [www.entergy.com](http://www.entergy.com).

**C. Purpose of this RFP**

Entergy New Orleans, Inc. (“ENO”), a Louisiana-incorporated utility owned by Entergy Corporation is issuing this Request for Proposal (“RFP”) for the selection of experienced Third Party Administrators (“TPA”) to deliver energy efficiency programs described herein as part of the ENO comprehensive three-year energy efficiency plan (“EE Plan”) and to comply with directives of the Council of the City of New Orleans (“Council”) set forth in Council Resolutions provided in the program description in Appendix A. The TPA will be retained by ENO to implement, deliver, administer and conduct Quality Control/Quality Assurance (“QC/QA”) and some measurement and evaluation of the energy conservation and demand side management programs for both ENO-Legacy and ENO-Algiers customers. The EE Plan will also employ the services of an independent evaluation, measurement and verification consultant to evaluate all programs. The EE Plan’s energy efficiency programs are available to ENO retail customers and are further described in other attachments.

The selected bidders will complete contracts with a three-year term beginning April 1, 2017 and continuing through March 31, 2020. A Sample Contract is included with this RFP. ENO expects that the Sample Contract will not be substantially negotiated or amended. Bidder must note any exceptions to the provisions in the Sample Contract as part of its response in the Bidder Certification Form and must include a redline markup of the Sample Contract.

The maximum total value of the contract for this RFP will include incentive and non-incentive costs over the three-year period. The TPA will be expected to deliver kW and kWh savings goals as detailed in the EE Plan.

Proposals must include a Project Execution Plan which should detail the scope of work, project schedule, resource plan, execution strategy, risk plan and annual budget for all bid programs as described in the EE Plan. Bids for individual programs or partial program bundles will be considered including proposals utilizing Subcontractors.

**D. General Conditions**

Entergy reserves the right to pursue contract negotiations at a later date, if at all, with any bidder best suited to meet Entergy’s needs. Any expenses incurred in the preparation of responses to this RFP are the sole responsibility of the bidder. Bidder’s proposal submitted will be valid for 90 days. ENO will continue to consider the validity of these bids longer than 30 days should situations beyond ENO’s control prevent ENO to initiate contractual obligations during this time frame.

**E. Right of Rejection**

Entergy reserves the right to accept or reject any or all responses to this RFP or any portion thereof for any reason or for no reason at all. Neither receipt of a response nor failure to reject a response shall impose any legal obligation on Entergy or any of its affiliates. Entergy may enter into discussions and/or negotiations with one or more qualified bidders at the same time, should such action be in the best interest of Entergy.

**F. Confidentiality/Non-Disclosure**





The information contained in this RFP (or accumulated through other written or verbal communication and pertaining to this RFP) is confidential to Entergy. Information both parties receive regarding this RFP will be held in confidence.

**G. Submission Requirements**

Any clarifying questions submitted by Bidders must be submitted via the PowerAdvocate Sourcing Intelligence website no later than 5:00 p.m. (central) on May 1, 2016.

Bidder must submit its proposal via the PowerAdvocate Sourcing Intelligence website in accordance with the schedule as listed on that website. Any proposal received after the time and date specified may not be considered.

**H. Performance Schedule**

Bidder shall recognize and comply with the following:

<b>Task Name</b>	<b>Completion Date</b>
Deadline for issuing RFP.	Tuesday, March 01, 2016
Deadline for submission of bidder questions prior to Pre-bid meeting.	Tuesday, March 15, 2016
Pre-bid Conference Call and On-line Meeting; potential bidding parties to participate in the pre-bid meeting.	Tuesday, March 22, 2016
Submission of additional questions from bidders	Friday, April 01, 2016
Deadline for ENO to respond to bidders' questions	Monday, April 18, 2016
Proposal Submission Deadline.	Sunday, May 01, 2016
Bid Finalists Selection process; bids to be selected for interview process.	Sunday, May 22, 2016
Bid Finalists to be interviewed by:	Wednesday, June 01, 2016
Contractors selected	Wednesday, June 15, 2016
Independent Monitor's Review of RFP Process Complete	Friday, July 08, 2016
Submission of ENO's choice of TPA to Council.	Friday, July 22, 2016
Council to evaluate ENO's TPA choice	-

The above dates may be modified at Entergy's discretion.

**II. Submittal of Proposal**

**If you are interested in responding to this RFP, please include information pertaining to the following topics in your response by uploading to and completing documentation in the PowerAdvocate website.**



**A. Company Information**

Provide the following general information about your company:

- Company Name
- Company Profile
- Location of Headquarters
- Website
- Entergy Account - Contact person
  - Contact Person name
  - Contact Person title
  - Contact person telephone
  - Contact person email address
- Number of employees
- Company balance sheet, income statement and cash flow for 2013 fiscal year.

**B. References**

1. External References

Please provide five current client references, at least three of who are in the utility industry and at least two who have implemented in the last two years. Please include contact name, title, telephone number, and address for each client reference. References must be from a similar project involving a system of similar size, design complexity and use.

**D. Project Timeline**

Task Name	Start	Finish
Energy Efficiency Program Implementation Schedule	June 15, 2016	March 31, 2017
Execute Contract between ENO and Bidder	June 15, 2016	August 1, 2016
Contract Negotiations	June 15, 2016	July 15, 2016
Contractor obtains ENO IT Approval	June 15, 2016	October 1, 2016
ENO Management Approval	July 8, 2016	July 22, 2016
Finalize & Execute Contract	July 23, 2016	August 1, 2016
Receive Council Approval by		October 31, 2016
Kickoff Meeting	November 5, 2016	
Complete IT Interface		December 31, 2016



Program Starts		April 1, 2017
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\* Dates are tentative and subject to change

**E. Training**

Bidder shall provide information for training offered, including the methods of training available (e.g., one-to-one, classroom, train-the-trainer).

**F. Pricing**

Bidders' proposals must include specific allocations for direct incentives paid to customers and non-incentive expenses. The non-incentive expenses shall include administrative, implementation, including an "at risk" administrative and implementation cost based upon achievement of program plan(s) energy savings, marketing, QC/QA and M&V costs, and other expenses as applicable including performance-based compensation proposal consistent with the performance goals. Bidders must use the Cost Allocation Template attached as Appendix C under the RFX tab in PowerAdvocate for this purpose.

**G. Scope of Services – Requirements**

Please see Appendix B under the RFX tab in PowerAdvocate for the Scope of Services

**H. Forms**

The forms and templates found on PowerAdvocate's website for this RFP should be completed.

**I. IT Security Questionnaire**

Prior to selection, bidder may be required to complete a full IT Security Review. This review is conducted by Evantix at a cost to be paid by the bidder.

**J. Plan for Utilization of Diverse Suppliers**

1. Plan for Utilization of Diverse Suppliers

Bidder shall comply with the provisions contained in 48 CFR 52.219-8 (May 2004) (Utilization of Small Business Concerns) and 48 CFR 52.219-9 (Jan 2002) (Small Business Subcontracting Plan).

Bidder shall submit a plan for the utilization of ethnic minority, veteran, women and disabled veteran owned and Historically Underutilized Business (HUB) zone businesses ("diverse suppliers"), directly supporting the services provided for the Company. **This plan shall outline how Bidder will target spend with diverse suppliers out of the total proposed amount of the project. The Subcontracting Plan Template found on the Commercial tab in the RFP can be used to display the diverse spend.**

Diverse suppliers shall be the individual business types noted above which are 51 percent or greater owned, operated and managed by the diverse supplier. Ethnic minority owned businesses shall be African-Americans, Hispanic-Americans, Native Americans, Asian-Americans, Pacific Islanders and Aleuts. Bidder shall maintain certifications validating the ownership of diverse suppliers. Such certification shall be by reputable agencies, not limited to, but including the National Minority Supplier Diversity Council, Women Business Entrepreneurs National Council, or any of the aforementioned organizations' regional affiliates; U.S. Small Business Administration; U.S. Department of Energy; U.S. Department of Defense, or U.S Department of Transportation.

Bidder's plan for utilizing diverse suppliers shall include a listing, by distinct commodity groups, of the diverse suppliers targeted for direct utilization supporting the services provided to Entergy by the Bidder, along with the targeted spend amount. **This plan shall become part of the signed contract with the Bidder selected.**

2. Qualifying Suppliers

Bidder shall insure that all of its suppliers meet the qualifications standards prescribed by Entergy. All suppliers providing goods, services, material and/or equipment shall be required to qualify via Entergy's third party website at [www.entergy.cvmsolutions.com](http://www.entergy.cvmsolutions.com). Bidder shall consult Entergy's Supplier Diversity group to obtain information about access to the qualification website and process.

3. Maintaining Competitive Business Practices

Nothing contained in the section is intended to imply or to impose any obligation on the part of the Bidder to pay a premium for the utilization of diverse suppliers. Consistent with good business practices, Bidder shall fulfill these requirements while maintaining competitive prices for goods and services procured from all suppliers.

4. Entergy's Supplier Diversity and Development group may be contacted as follows:

Rivers Frederick  
Entergy Services, Inc.  
P.O. Box 61000 70161  
639 Loyola Ave.  
New Orleans, LA 70113  
(504) 576-4924  
rfreder@entergy.com

- K. The attached professional services agreement will be executed for any services awarded. Should you have any changes to suggest to this document, please use the track changes feature to make suggested changes and upload the modified document using the 'Upload Documents' tab. If your solution requires the use of a software license agreement and you offer software support, please upload an MS Word version of these agreements as part of your response.

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- L. Any questions should be submitted through the PowerAdvocate Sourcing Intelligence 'Messaging' tab and addressed to Ryan Blessing.

DRAFT

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# Entergy New Orleans, Inc.

2017 – 2020

## Energy Efficiency Program Descriptions

March 1, 2016

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## Introduction

The following description of programs is meant to serve as a guide for bidders. Bidders should feel free to modify, add to, or subtract from the program designs below, thus allowing flexibility to be innovative in approach and design. The winning bidder(s) will be expected to work with Entergy New Orleans, Inc. ("ENO"), the New Orleans City Council ("Council") and its Advisors ("Advisors"), as well as other stakeholders in the final detailed design of the programs. All programs are expected to be available for operation / implementation April 1, 2017. Other key criteria not described in the program descriptions below include:

1. All programs demand reduction (kW) and energy savings (kWh) are based upon evaluated results. Evaluated results for each year are completed by May of the following year. Programs must be flexible to adjust to both annual Evaluation, Measurement and Verification ("EM&V") and Technical Resource Manual ("TRM") adjustments implemented retroactively.
2. All customer incentive payments will use controlled disbursement accounts.
3. All collection data technologies will need to be updated each year to handle changes in energy savings and demand reductions as a result of retroactive TRM and EM&V adjustments.
4. Entergy New Orleans, Inc. ("ENO") prefers some portion of the proposing Third Party Administrator's ("TPA's") cost to be at risk to align with ENO's intention of achievement of the energy efficiency targets in New Orleans.
5. All program(s) need to be designed to be cost effective through the life of the program proposal period.
6. All responders to this RFP will need to include the cost of participation in any or all energy efficiency collaboratives ordered by the New Orleans City Council ("Council").
7. Plan on at least 2 months for completing contracts once ENO makes a winning proposal decision. Contracts will not be finalized and implementation will not begin until Council approval for programs are completed. ENO reserves the right to refuse any and/or all proposals.
8. The implementing contractor will have an independent database to use for management tracking, invoice payments and regulatory reporting. All information will be uploaded to implementing contractor's database.
9. TPA will also be active in supporting annual regulatory reporting of EE program(s).



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## ***Integrated Resource Plan Potential Study***

The 2015 IRP Demand Side Management Potential Study yielded a preferred portfolio which contained the programs below. This preferred portfolio was used to develop a portfolio of programs for this RFP.

Sector	Program Name
Commercial	Commercial Prescriptive and Custom
Commercial	Retro Commissioning
Commercial	Commercial New Construction
Commercial	Data Center
Industrial	Machine Drive
Industrial	Process Heating
Industrial	Process Cooling and Refrigeration
Industrial	Facility HVAC
Industrial	Facility Lighting
Residential	Other Process/Non-process Use
Residential	Residential Lighting and Appliances
Residential	Energy Star Air Conditioning
Residential	Efficient New Homes
Residential	Multifamily

The implementing contractor will utilize the following portfolio of programs in developing an implementation plan in response to this RFP.

### **1. Home Performance with Energy Star**

#### **Program Objective**

The objective of the Home Performance with ENERGY STAR program is to create a platform that produces electric energy savings from bundled, phased and associated retrofits.

#### **Program Description**

This program was formerly known as Residential Solutions. As a DOE Home Performance with ENERGY STAR sponsor Energy Smart provides an energy savings program using a whole house approach. This includes online or other customer-input screening tools, three levels of in-home assessments, including walk-through and comprehensive assessments with diagnostic testing, energy savings modeling before and after retrofits and connections to other program offerings.

The Program will align with changes at the USDOE Home Performance with ENERGY STAR Program, an evolving process that is anticipated to provide a step-wise approach to garner savings and participation, with a potential minimum savings threshold for homes to be certified. It is a market driven program, whereby marketing and referrals drive customers to participating energy auditors and home performance contractors.

Auditors and qualified contractors perform an in-home energy assessment, create a scope of work for recommended retrofits and educate customers toward choosing cost-effective energy efficiency improvements. Savings estimates are calibrated to homeowner's energy history using industry standard software. Participating projects will have a target annual energy savings goal, with incentives tailored to encourage bundled measures and increased savings. Over the three-year program cycle, participation from new and re-engaged projects is expected to increase.

A staged participation process allows homeowners to make improvements as their budget and priorities allow, re-engaging with the program for subsequent retrofits toward long-range persistent savings. Associated retrofits activities ties Home Performance participants to related program offers, including HVAC and products.

The program emphasizes developing an energy efficiency plan for the customer to act upon installing multiple recommended program measures through participating contractors. This requires focus on a strong home energy assessment conversion rate to drive energy efficiency measures. Measure bundling is desirable to increase the average savings per house. Quality control field inspection sample rates should remain high to keep participating trade allies closely aligned with program expectations. Quality control results should form the basis for a feedback loop back to the trade allies for their continuous improvement. Included in Quality Control is a rigorous contractor mentorship model to assure technical and programmatic compliance and provide appropriate contractor support for a variety of workforce skillsets.

This program serves as the comprehensive energy efficiency element within the DSM portfolio directed at market rate customers owning single family structures of up to four units. Its rich customer contact presents multiple opportunities for utility branding.

#### Target Market(s)

All homes in Orleans Parish are eligible for the program, with an emphasis on homes built in 1990 and prior. GIS data lists 125,610 single-family detached homes in this range of years.

Attic Insulation	Up to \$0.35 per sq. ft.
Wall Insulation	\$0.25 per sq. ft.
Floor Insulation (Electric Heat)	Up to \$0.20 per sq. ft.
Pool Pump	Up to \$400
Air Infiltration Sealing	\$0.20 per CFM Reduced
Duct Sealing	\$0.24 per sq. ft.
Solar Screens/Window Film	\$1 per sq. ft.
Radiant Barrier	\$1.20 per sq. ft.
Heat Pump Water Heater	\$600
Solar Screens (E or W 15 sf window)	\$15.00
CFL/LED	Direct Install
Pipe Insulation	Direct Install
Faucet Aerator (<= 1.5 GPM)	Direct Install
Low Flow Showerhead (<= 2.0 GPM)	Direct Install
Advanced Power Strip, 12 plug	Direct Install

Note: Final incentive levels are subject to change pending completion of final program design.

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Participating home energy assessment contractors will perform both walk-through and comprehensive assessments. Energy Smart will offer a customer rebate for the portion of the assessment if the customer installs on or more energy efficiency upgrades recommended by the auditor. Both assessments will include the direct installation of electricity savings measures including CFL or LEDs, a low-flow showerhead, faucet aerators, hot water pipe insulation and reduced hot-water set point.

## Implementation & Delivery

### Program Implementation

Level 1 Assessment “Silver”: This is a walk-through/visual inspection quick home energy assessment. Contractors will directly install low-cost measures, such as CFLs, aerators, showerheads and pipe insulation for customers with electric water heaters, where needed and allowed by participating customers. These low cost/direct install measures will be available at no additional charge to the customer. Some homeowners may follow-up with more comprehensive energy efficiency improvements, including air and duct sealing or appliance retrofits, or request a more comprehensive energy assessment.

Level 2 Assessment “Gold”: Participating contractors will provide comprehensive home assessments for interested customers for a fee. In addition to walk-through and direct install of low-cost measures, this assessment will be designed to estimate potential energy savings due to infiltration and heat loss through walls and attics. Diagnostic evaluations conducted during the Assessment may include duct and air seal testing and combustion safety testing. An assessment report will be presented to the customer with recommendations for upgrades and information about available financing or case incentives.

Level 3 Assessment “Platinum”: Walk-through assessment with blower door and duct leakage test plus computer modeling conducted to make home eligible to participate in state-funded programs, as applicable.

### **OVER-SUBSCRIPTION PLAN**

Oversubscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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## 2. Energy Smart for Multifamily

### PROGRAM DESCRIPTION

This ENO program will target multifamily property owners (landlords) and managers, as well as apartment and condo renters to address the three principal barriers to multifamily energy efficiency:

1. *The split incentive barrier:* Multifamily building owners are disinclined to make energy efficiency improvements because they generally do not pay the energy bills for their units and renters are disinclined to pay for improvements to property they do not own.
2. *The income barrier:* Tenants of many multifamily units cannot afford the upfront costs of energy efficiency improvements. By providing direct installation (“DI”) measures at no cost, both unit and building efficiency is improved and tenants receive the benefit of lower utility bills. No capital investment is required for in-unit DI measures and little time is taken from the property owner/manager.
3. *The educational barrier:* Owners and occupants do not fully understand the economic, comfort and other benefits of energy efficiency.

The multifamily property sector is a commercial enterprise providing residential living spaces. In this quasi-commercial role, the property owner straddles the residential and commercial energy efficiency programs’ definitions. ENO’s Multifamily Program specifically addresses their unique needs, which are often overlooked, through a combination of incentives for both direct install and prescriptive measures, and through property owner and tenant education. Multifamily will also be the delivery mechanism for the program-wide weatherization collaborative cost effective measures.

### TARGET MARKET

Multifamily dwellings are residences which contain more than one living unit. Building owners and managers/landlords are the primary target audience. Multifamily building occupants are the secondary audience.

### ELIGIBLE MEASURES & INCENTIVE STRATEGY

The program currently offers the below direct install (DI) and prescriptive measures. Additional measures may be considered for direct install or for rebate in future program years

#### In-Unit DI Measures

- Efficient light bulbs (LEDs and/or CFLs)
- Energy-efficient showerheads, and faucet aerators (kitchen and bath)

#### Prescriptive measures

- Central AC tune-up

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The Multifamily program to also offer all cost-effective versions of the following weatherization measures:

- Wall insulation
- Ceiling insulation
- Air infiltration
- Duct sealing
- Water heater jackets
- Water heater pipe insulation
- Advanced power strips
- Apartment energy assessments

### **DELIVERY STRATEGY**

An implementation contractor will be selected by the Company to assist with delivery of this program.

Key elements of program delivery include:

1. *Contractor recruitment.* Partnering contractors are expected to provide full turnkey program delivery services.
2. *Contractor Training:* The program will provide both technical and sales training to contractors.
3. *Energy Audit.* Property owners and managers will receive an initial visit from the program staff, which will perform a free basic energy audit of the common area to identify potential for energy savings.
4. *Energy efficiency projects:*
  - a. *Tenant unit DI measure installations* may be combined with the initial site visit or scheduled separately depending on site manager/tenant discussions.
  - b. *Prescriptive projects* will include prescriptive measures not categorized as DI.
5. *Marketing:* Program outreach and marketing will focus on private property owners, including managers and operators of multifamily buildings—this is the community who holds the key to market transformation within a sector that is historically slower, because of split-incentive and income barriers, to adopt efficient technologies.

Although contractors will be the primary delivery vehicle for this program ENO will reach property owners and tenants directly through low-cost communication vehicles including earned media, professional and trade media, invitational events, direct mail, Web sites, and association presentations. Communication materials can be distributed with greater impact in smaller quantities through targeted channels.

6. *QA/QC review:* Incentive applications will be subject to a QA/QC review to ensure all required forms and documentation have been submitted and that incentive calculations are correct. To minimize errors in this process there will be a 100% review on all project documentation and a 10% field inspection via project verifications described in section 7

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below for verification of equipment efficiency rating, proper installation, etc. on the part of the Company.

7. *Project verification:* An evaluator will perform pre- and post-installation verifications on a statistically significant sample of all common area projects. ENO reserves the right to site-verify installations prior to approval and incentive payment for any project. Over time, as contractors' exhibit consistently high performance, verifications for those contractors can be reduced. Contractors who exhibit poor performance will be re-trained and have 100% of their projects verified for a period of time, and can be removed from the program if poor performance continues.
8. *Incentive payment:* Rebates for prescriptive EE projects will be built into the contractor's quotes – that is, contractors will front the cost of rebates and will invoice the implementing contractor on a regular (e.g. bi-monthly) basis to be made whole. This structure is necessary for program participants to overcome first-cost barriers, to simplify the transaction, and minimize the “hassle” factor.”

#### **PROGRAM TRACKING REQUIREMENTS**

The program will accurately track the variables necessary to minimize differences between reported and evaluated savings.

#### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of the implementing contractor via vendor operations management.

#### **OVER-SUBSCRIPTION PLAN**

Oversubscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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### 3. High Efficiency Residential and Commercial AC Tune-up Program

#### PROGRAM DESCRIPTION

The program is designed to minimize the following market barriers to efficient cooling in the residences:

- Lack of awareness of energy and cost savings potential for existing air conditioners
- Lack of easy access to qualified vendors and installers of advanced tune-up services
- Lack of awareness of services that result in properly-tuned air conditioning systems
- Lack of awareness of differences between levels and completeness of tune-up and maintenance services

The Energy Smart High Efficiency AC Tune-Up Program will provide residential customers with a comprehensive set of options to lower the energy consumption and cost associated with keeping their homes cool and comfortable in the summer.

Customers with functioning ACs can improve the efficiency of their units with the help of a comprehensive AC Tune-up. Research shows that most central AC systems have tune-up opportunities, resulting from either improper refrigerant charge and/or incorrect airflow rates<sup>1</sup>. These inefficiencies can lead to increased energy usage and accelerated equipment degradation. The program will build capacity within the territory's HVAC contractor network to address these issues and provide value-added services to its customers. These services are eligible to be incentivized because they go above and beyond the standard industry practices and offerings in the marketplace. Marketing efforts will promote the value of these services to customers and the energy-saving and economic benefits.

The AC Tune-up offerings will be cross-promoted with the other residential programs, and, will help create a transformed AC market in New Orleans by:

- Targeting consumers at the decision point of maintaining their equipment,
- Targeting contractors to integrate the program tune-up into their business plan,
- Rewarding best practice, including cleaning indoor and outdoor components, measuring and adjusting airflow, and refrigerant charge adjustment using the most accurate tools and methods.
- Minimizing lost opportunities by cross-promoting comprehensive and efficient air conditioner maintenance and tuning through the other programs offered by the utility to its residential and commercial customer base.

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<sup>1</sup> Consortium for Energy Efficiency, *Specification of Energy-Efficient Installation and Maintenance for Residential HVAC Systems*, 2000



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## TARGET MARKET

Residential customers with functioning central air conditioners.

### AC Tune-Up

All residential customers with working central air conditioning or heat pumps, including larger, commercial applications are the target market for this program.

## MARKET SIZE

There are approximately 182,000 residential customers in ENO's territory. The market is limited to those customers who have central air conditioning or heat pumps. Air conditioners and heat pumps have a 15 year life-time.

## ELIGIBLE MEASURES & INCENTIVE STRATEGY

### AC Tune-Ups

ENO anticipates paying HVAC contractors an incentive amount per tune-up that is adequate to motivate contractors and customers to perform the comprehensive steps required and which aligns with the level of verified savings achieved. Final incentive levels may change pending discussions with the implementation contractor, changes in service prices and availability, or other factors. Over time, these incentives may also be adjusted based upon customer and market response, and verified savings.

## DELIVERY STRATEGY

Participating contractors will deliver the program.

Key elements of the delivery strategy include:

1. *HVAC Contractor recruitment and training:* The implementation contractor will recruit HVAC contractors and organize required trainings, including AC Tune-up best practices, tools and required steps, and training in program processes and procedures. The implementer will ensure that all participating contractors are legally licensed in the state and are adequately insured to protect themselves and ENO in the event of damages or injury. The implementer will ensure that individual participating technicians have the legally required licensing or registration under their employer's license, as well as EPA refrigerant handling certification.
2. *Marketing:* This is a contractor-driven initiative - HVAC contractors will recruit customers through direct marketing efforts. However, ENO's implementer will also recruit customers through cross-promotion with other programs, as well as general awareness activities. Program information will also be posted on the Energy Smart Web site, and provided through the call center.
3. *Project implementation:* Trained and Qualified participating HVAC contractors will provide tune-up and installation services according to program protocols.



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4. *Incentive application & payment:* HVAC contractors will submit all project paperwork to the implementation contractor for QA/QC review. Contractors will provide the incentive as an upfront discount off their services to the customer. The contractor will be reimbursed for the discount provided to the customer following application review and approval. Contractors with Quality Assurance failures, non-Program compliant work, or customer satisfaction issues may have their incentive payments held until corrections have been completed and verified.
  5. *Project verification:* All technical air conditioning performance data submitted by contractors and utilized to calculate savings will be verified by the implementer as legitimate and accurate. Verification of customer approval of the Program services and any expenditures must be documented by customer signature and date. Data transferred from the contractor to the implementer will be transferred via a secure path and encrypted to ENO's standards. Implementer will take reasonable steps to ensure that incentives are not paid for projects submitted on previously-participating systems before the measure life expires. A third party evaluator will perform post-installation verifications prior to payment on a target of a 10% random sample of all projects submitted PER TECHNICIAN. ENO reserves the right to site-verify installations prior to approval and incentive payment for any project. Over time, as technicians exhibit consistently high performance (100% "Pass" rate), verifications for those technicians may be reduced. Technicians who exhibit poor performance will be re-trained and have 100% of their projects verified for a period of time, and can be removed from the program if poor performance continues.

## **PROGRAM TRACKING REQUIREMENTS**

### **AC Tune-Up**

#### Unit data

- Model number
- Serial number
- Nominal tonnage
- Split system or Package unit
- AC only or Heat Pump
- Whether or not the unit is well maintained
- Approximate remaining effective useful life (EUL)
- Tune-up data
  - Pre/post refrigerant charge levels
  - Pre/post air flow measurements
  - Other checklist items
    - Condenser coil cleaning
    - Evaporator coil cleaning
    - Blower assembly cleaning
  - Date of tune-up

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## **ADMINISTRATIVE REQUIREMENTS**

The implementation contractor responsibilities include working with ENO on final program design, marketing materials development, program marketing and outreach activities, management and oversight of the contractor and distributor networks, QA/QC activities, customer and contractor dispute resolution, tracking and reporting, and program element goal achievement.

## **OVER-SUBSCRIPTION PLAN**

Over-subscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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## 4. Residential Lighting and Appliances

### PROGRAM DESCRIPTION

The objective of the Lighting and Appliances initiative is to increase awareness and sales of efficient lighting and appliances to ENO's residential population. The program will offer customers the opportunity to purchase, largely through retail locations, a variety of discounted products that are ENERGY STAR qualified or better.

The Residential Lighting and Appliances Program is designed to minimize the following market barriers to EE implementation for ENO's residential customers:

- Lack of information about energy-saving lighting products and appliances
- Lack of easy access to ENERGY STAR qualified products
- Higher first-cost for ENERGY STAR qualified products
- Consumer misinformation about the quality of efficient products

The two main program activities include (1) retailer recruitment and merchandizing, and 2) administration of the incentive process (including program tracking). The implementation contractor will work to expand the retail network, as well as increase the number of available products. Recruitment will also include the development of a marketing strategy that leverages the ENERGY STAR brand, development of point-of-purchase (POP) materials, and ongoing retailer training.

The incentive process will include both midstream and upstream approaches. ENO will continue its in-store/instant coupon-based approach, but will also negotiate with retailers and manufacturers to buy-down the cost of program-qualified products.

### TARGET MARKET

The Residential Lighting and Appliances Program will be available to all qualified residential customers.

### MARKET SIZE

There are approximately 182,000 residential customers in ENO's service territory.

### ELIGIBLE MEASURES & INCENTIVE STRATEGY

The program currently utilizes a markdown/buy down incentive process and distribution of products directly to customers, as well as mail-in rebates to ensure all retailers and customers are able to participate.

- **Markdowns / Buy downs** are provided directly to a manufacturer or retail partner with the goal of lowering first costs of products and passing the savings on to the customer. The customer is able to see the actual discount offered compared to everyday price on the shelf. The selected implementation contractor will solicit participation by retailers in its service territory. A solicitation process allows ENO to partner with industry to support the most important objectives of the program, the APSC's goals, and to continuously specify key objectives throughout the life of the Program.

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- **Distribution of products to customers** for no charge at events where face-to-face interaction can take place.
  - **Mail-in rebates** for appliances will be paid directly to customers who apply and are qualified to receive rebates.

## Anticipated Measures

Measures eligible for rebates are likely to include, but will not necessarily be limited to:

### Lighting

- CFLs
- CF fixtures
- LEDs
- LED fixtures

### Appliances

- ENERGY STAR Refrigerators
- ENERGY STAR Window AC
- ENERGY STAR Heat Pump Water Heaters

### Home Electronics

- Advanced power strips

ENO anticipates that this program will decrease the volume of rebates for CFLs concurrent with the federal phase-out of general service incandescent lighting. The Energy Independence and Security Act of 2007 (EISA) established minimum efficiency requirements for general service lamps effective in 2012, which will essentially phase out general-service incandescent lighting for most applications.

Note that final incentive levels and measure mix may change pending discussions with the implementation contractor, with retailers, changes in product prices and availability, or other factors. Over time, incentives may be adjusted based upon customer or retailer response.

## DELIVERY STRATEGY

The implementing contractor will assist ENO with program delivery.

Key elements of the Residential Lighting and Appliances Program implementation include:

1. *Retailer and supplier recruitment:* The implementation contractor will solicit participation by retailers, including those currently participating in the Program. The implementation contractor will finalize product specifications and performance criteria, product stocking based on anticipated rebate volume, and data sharing requirements.

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2. *Training requirements:* The contractor will provide training to retailers on the ENERGY STAR product line, and on program processes. On-going training and merchandising visits by field staff will create a foundation for the program to participate in manufacturer and retailer seasonal promotions, taking advantage of ENERGY STAR and other national campaigns while ensuring continuous education for the customer.
  3. *Marketing plan development and implementation:* ENO will work with the implementation contractor to develop a marketing plan. Marketing will focus on two key tactics:
    - Leverage broader marketing campaigns by providing engaging in-store collateral materials to inform and educate potential buyers
    - Conduct ongoing promotions to drive traffic to ENO's program website. The website will contain information about specific appliances and lighting products.
  4. *Incentive process:* ENO will work with the implementation contractor to develop an incentive payment plan. This needs to involve a strategy for advancing funds to the implementation contractor and ultimately to the participating retailers.
  5. *QA/QC review:* Applications for payment from manufacturers will be subject to a QA/QC review to ensure all required information has been submitted and that incentive calculations are correct. To minimize errors there will be a 100% review of all payment requests and sales data.
  6. *Project verification:* Because this program does not track individual participants in markdown/buy down promotions, the implementation contractor will not verify installation of the products rebated by the program via this delivery mechanism. Tracking products and reporting accomplishments will be completed through agreements reached with retailers and manufacturers. All participating retailers will be audited on a regular basis to ensure compliance with program processes. For participants in appliance promotions where individual participant information is known, a statistically significant sample of participants will be audited to verify installation of the products rebated by the program.

## **PROGRAM TRACKING REQUIREMENTS**

The implementing contractor will develop a robust program data tracking system to calculate gross program energy and demand savings. The minimum data collection requirements for this program are expected to include:

- Number
- Type
- Quantity
- Date, and
- Location of transaction

of products that receive incentives through retail markdowns and

- Participant name
- Participant address, and

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- Participant account number

of products that receive incentives through mail-in rebates, as well as their deemed savings. Other information required to calculate savings may be required.

### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of the implementing contractor via vendor operations management. The implementing contractor will develop a program data tracking system. The implementer will be responsible for uploading all required program data from their database into this system on a weekly basis. This may also include re-uploading any data that is necessary due to changes in the New Orleans Technical Reference Manual which are applied retroactively to that program year. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

### **OVER-SUBSCRIPTION PLAN**

Over-subscription in a markdown promotion can be proactively managed through careful planning and allocation of funding. Once the budget for the current year is expended, the program will be terminated until the following program year.

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## 5. Residential Direct Load Control

### **PROGRAM DESCRIPTION**

This opt-in load control initiative would allow the Company to cycle off a participant's home central air conditioners ("CAC") condenser during peak events. Over the long-run system and customer benefits include, amongst others lower rates (due to a lesser need to dispatch the most expensive generating units), and better regional air quality (since peaking units emit higher levels of criteria pollutants relative to other units). To minimize discomfort, the enabling technology allows the air-handler fan to remain powered to circulate air throughout the house.

The program – which will be delivered by a turn-key implementation contractor – will employ load control technology both radio switches (installed directly on the CAC) and smart thermostats (installed in the customer's home) to control participants' AC units that will have the provision to integrate with smart metering technology in the future to attempt to implement with a "no regret"<sup>2</sup> strategy. Enrollees will be compensated at varying levels depending on the cycling option they choose; the greater the level of cycling during the peak period, the greater the incentive. Specific cycling options will be determined following program approval, but typical cycling options range from 25% to 100%.

The peak period will be defined.

### **TARGET MARKET**

Residential customers with functioning CACs will be eligible.

Rental properties will be eligible, but only if the property owner gives their approval to install the control equipment.

### **MARKET SIZE**

The target market includes all residential customers with CACs. The functional status and/or effective useful life ("EUL") of these units is not known at this time. In order to better understand the existing stock of CACs both this program and the Cooling Solutions initiative will collect field data, including CAC model number and other information.

### **ELIGIBLE MEASURES & INCENTIVE STRATEGY**

Customers will receive an annual bill credit for participating in the program. The bill credit will be paid each year regardless of whether any peak events were called. Participants may opt out at any time but will not be able to re-enroll for 12 months following the date of opt out.

Incentive levels will vary by cycling strategy, which will be finalized pending program approval.

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<sup>2</sup> The no regret strategy is implementing demand response technology in such a way as to reduce the risk of losing the technology investment when smart grid/ automated metering (AMI) technology is deployed.

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ENO anticipates offering at least two cycling strategies ranging from:

- **100% cycling.** Participants opting for this strategy would have their AC cycled off for up to six hours during the peak event, for example.
- **25% cycling.** Participants opting for this strategy would have their AC cycled off for 15 minutes, then back on for 30 throughout the peak event, for example.

Other common strategies include 50% and 75% cycling options.

The anticipated number of peak events is not known at this time.

ENO will not provide incentives that are prohibited within the promotional practice rules.

### **DELIVERY STRATEGY**

An implementation contractor will be selected by the Company for turn-key program implementation.

Key elements of program delivery include:

1. *Customer recruitment* through i marketing channels such as direct mail, outbound calling, the program website, and other tactics.
2. *Customer intake and installation scheduling services*
3. *Pre-screening* of interested customers
4. *Radio and thermostat installation services*, including customer instruction of thermostat functionality and programming
5. *Customer support and complaint resolution*
6. *Maintenance and repair* or replacement of defective control units
7. *Updated cycling forecasts* on program Web site and communication of cycling events via phone, email or other media
8. Administration of cycling events
9. Annual incentive payment
10. “*Scram*” tests in the absence of cycling events to ensure system is operational
11. *Monitoring of actual load impacts*, and development of a demand impact adjustment factor (prior to evaluation)
12. *QA/QC.* Quality control audits will be performed by the contractor on a statistically significant sample of each installer’s sites.

### **PROGRAM TRACKING REQUIREMENTS**

The implementing contractor and ENO will develop a robust program data tracking system. The minimum data collection requirements for this program are expected to include:

1. Customer scheduling and customer service data
2. Thermostat and radio switch installation information, including but not limited to:
  - a. Model of equipment installed
  - b. Date of installation
  - c. CAC data, including model number and other data.



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3. Quality assurance results;

The turn-key implementation contractor will be expected to track program data and upload program information to the Company at regular intervals

**ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO and the implementing contractor via vendor operations management.

**OVER-SUBSCRIPTION PLAN**

Oversubscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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## 6. Low Income

### **PROGRAM DESCRIPTION**

The Low Income program allows qualified customers the opportunity to receive energy efficiency measures in their homes free of charge. Customers must qualify on the basis of their annual income. Bidders should feel free to be innovative in the design of their low income program.

### **TARGET MARKET**

All Orleans Parish customers who qualify on the basis of their income.

### **DELIVERY STRATEGY**

The delivery strategy is intentionally vague to allow for flexibility in design and implementation of the program.

### **PROGRAM TRACKING REQUIREMENTS**

The program implementer will have the ability to track and verify the energy savings associated with the low income program.

### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO. The implementing contractor will have a program data tracking system. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

## 7. Large Commercial & Industrial Solutions

### **PROGRAM DESCRIPTION**

The primary objective of the Large Commercial and Industrial Solutions Program (“Large C&I”) is to provide a solution for nonresidential customers interested in purchasing energy efficient technologies that can produce verifiable savings either through a calculated (prescriptive) or a measured and verified (custom) approach. Participants can receive incentives for a wide range of measures, such as lighting and controls, variable speed drives, HVAC equipment, refrigeration equipment, office equipment, food service equipment, air compressor systems, and industrial process upgrades. Incentives and savings for prescriptive measures will be based primarily on measures in the ENO TRM.

The Large C&I program is designed to reduce or bypass market barriers such as:

- Lack of EE information and awareness of energy and non-energy benefits;
- The perception that energy efficient technologies have high “first costs”;
- Lack of customer understanding about measure payback;

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- Lack of customer awareness of energy efficient technologies;
  - Lack of easy access to qualified vendors and installers;
  - Absence of tools to quantify savings;
  - Lack of access to capital; and
  - Split incentives between owners and tenants in leased spaces.

The Large C&I program is designed to generate significant energy savings, as well as a longer-term market penetration by nurturing delivery channels, such as design professionals, distributors, installation contractors, and Energy Service Companies (“ESCO”s).

### **TARGET MARKET**

The Large C&I program will be available to all C&I customers with a connected load of over 100 kW. Additionally, the program will be available to all commercial new construction customers.

### **ELIGIBLE MEASURES & INCENTIVE STRATEGY**

For Prescriptive measures, incentives will be paid for measures in the New Orleans TRM. Examples of these are included below:

#### **HVAC**

- Air-Air Heat Pump Systems
- Water Source Heat Pumps
- Electronically Commutated Motors
- Unitary HVAC/Split Systems
- Air Cooled and Water Cooled chillers

#### **Lighting**

- CFL
- Efficient Linear Lighting
- LED Exit Sign
- LED
- Induction
- Occupancy Sensor
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#### **Food service measures**

- Efficient cooking equipment
- Process Heating, Cooling and Refrigeration
- Machine Drive and Data Center
- New Construction Measures

For Custom measures, any measure that must be measured to show electrical savings will be eligible, provided it is cost-effective.<sup>3</sup> Examples of efficient technology types that may be incorporated in a custom project include:

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<sup>3</sup> Under the Total Resource Cost test.

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- Process chillers;
  - Machine Drive;
  - Compressed Air;
  - Data Center Efficiency;
  - HVAC system improvements (chilled water, economizers, building automation)
  - Custom Lighting,
  - Process upgrades;
  - Pump upgrades.
  - Variable speed drives;
  - Other process/ non-process use;
  - Retrocommissioning;
  - New Construction measures

Incentives will be paid to program participants pending project completion and verification. The incentive levels will vary by measure, and final incentive levels will be determined in the final program implementation planning period. For planning purposes, most incentives were targeted to achieve 50% of incremental costs in order to reduce the payback of measures to under 3 years.

Paid-incentive totals will be initially capped by Tax ID Group so that all customer groups have an equal chance to participate. ENO reserves the right to change cap levels based on expected or demonstrated participation and savings rates among Tax ID Groups in order to maximize program cost-effectiveness. To maximize participation, incentives will be subject to a per customer cap. All incentive levels and caps will be determined during the final program design.

ENO will not provide incentives that are prohibited within the promotional practice rules.

## **DELIVERY STRATEGY**

The implementing contractor selected by ENO will deliver the program key elements of the Large C & I Program. Implementation strategy shall include, but is not limited to:

1. *Trade ally recruitment and training.* Trade allies (installation contractors) are a key delivery mechanism for this program as they promote participation and available incentives to their customers. Trade allies will be recruited to participate in training sessions which will be designed to inform them about program incentives, participation processes, and requirements. Trade allies actively participating in the program and other ENO program offerings will receive regular communications about program activities and changes to ensure they are informed and engaged participants.
2. *Marketing.* Customers will be recruited through participating contractors, inbound calls, through other communication and outreach activities, and ENO account representative referrals. To ensure that nonresidential customers perceive ENO's EE programs as a seamless set of offerings, cross-referrals from other programs will also be provided where appropriate.

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3. *Technical assistance:* The program implementation contractor will provide program participants with any requested facility assessments, upgrade recommendations, requested calculations, and measurement of savings. Program staff will also provide guidance on documentation and assistance regarding program offerings and participation processes/requirements. These efforts will be provided to customers and trade allies to help minimize confusion and overcome barriers to participation.
  4. *Application submittal:* Customers will submit project applications as prepared by program implementation staff prior to installation of qualifying EE measures. Following installation, participant and/or program trade ally to submit required documentation (invoicing and product data) to program implementation staff.
  5. *QA/QC review:* Incentive applications will be subject to a QA/QC review to ensure all required forms and documentation have been submitted and that incentive calculations are correct. To minimize errors in this process there will be a 100% review on all applications for verification of equipment efficiency rating, proper installation, etc. on the part of the Company.
  6. *Project verification:* An independent evaluator will perform pre- and post-installation verifications on all projects and will verify all projects. ENO reserves the right to site-verify installations prior to approval and incentive payment for any project.
  7. *Incentive payment:* To minimize barriers to participation, the program will seek to expedite incentive payments to participating C&I customers. The implementer is responsible for the processing of all incentive payments to customers.
  8. *Communication support:* Implementation contractor will provide communication support to the utility, utility customers, and trade allies as needed.
  9. *Reporting:* All projects will be uploaded for verification in the implementing contractor's database for approval.
  10. *Auditing and evaluation:* All projects are subject to auditing and/or evaluation requirements as set by ENO and/or the Council. The implementer is responsible for responding to all questions and data requests sent through the utility, which can include documentation, savings calculations, and implementation processes.

### Program Tracking Requirements

The implementing contractor will develop a robust program data tracking system. The minimum data collection requirements for this program are expected to include:

1. Business NAICS and Tax ID code
2. Participant information
  - Contact Data
  - Physical address
  - Utility account data
3. Contractor information

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4. For each project:
- A unique project ID
  - Characteristics of measures installed, including but not necessarily limited to, where appropriate
    - Photo evidence and documentation of inspections
    - Tracking of old and new equipment as required to assist in determining actual energy savings
      - model number
      - capacity, size, or electrical demand
      - efficiency
      - logged data
    - Location of installation
    - Hours of operation
    - Orientation of building surfaces treated
    - Seasonality of equipment
  - Calculated project savings
    - Deemed savings calculations or
    - Measured and verified savings calculations and/or reports
  - Project audit/verification status and date
  - Project total cost (or incremental cost)
  - Incentive amount and paid date

#### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO via vendor operations management. The implementing contractor will maintain a program data tracking system. This may also include re-uploading any data that is necessary due to changes in the New Orleans Technical Reference Manual which are applied retroactively to that program year. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

#### **OVER-SUBSCRIPTION PLAN**

Over-subscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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## 8. Small Business

### **PROGRAM DESCRIPTION**

ENO's Small Business program will provide small businesses and other qualified non-residential customers the opportunity to achieve electricity savings through the use of the program. The program will help small business customers analyze facility energy use and identify energy efficiency ("EE") improvement projects. Program participants will be consulted as to the available offerings through the program as well as financial incentives for eligible efficiency measures that are installed in their facilities using trade allies.

This initiative is designed to reduce or bypass market barriers such as:

1. Small business owners without technical expertise or time to devote to EE improvements. Most of these businesses do not necessarily have adequate time or resources to focus on EE improvements.
2. Most small businesses have limited access to investment capital. This means that business owners may not be able to front the money for the efficiency upgrade without immediate assistance from the program.

### **TARGET MARKET**

Eligibility for this program will be limited to Small Business customer with less than 100 kW of peak demand.

### **ELIGIBLE MEASURES & INCENTIVE STRATEGY**

The Small Business program offers direct install (DI) and prescriptive measures as listed below:

#### **Direct Install Measures**

- Low-flow faucet aerators
- Pre-rinse spray valves
- Vending machine controls
- Compact fluorescent lamps (CFLs)
- Low-flow showerheads

#### **Prescriptive Measures**

- High efficiency lighting
- Lighting controls
- Refrigeration
- High efficiency HVAC
- Duct ceiling (converted residences only)
- Ceiling insulation (converted residences only)
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For Custom measures, any measure that must be measured to show electrical savings will be eligible, provided it is cost-effective.<sup>4</sup> Examples of efficient technology types that may be incorporated in a custom project include:

- Process chillers;
- Machine Drive;
- Compressed Air;
- Data Center Efficiency;
- HVAC system improvements (chilled water, economizers, building automation)
- Custom Lighting,
- Process upgrades;
- Pump upgrades.
- Variable speed drives;
- Other process/ non-process use;
- Retrocommissioning;
- New Construction measures

Incentives for prescriptive measures will be paid to program participants or trade allies pending project completion and verification by the program. The incentive levels will vary by measure, and final incentive levels and incentive capping will be determined in the final program implementation planning period

## **DELIVERY STRATEGY**

The implementing contractor selected by ENO will administer this program. Key elements of the implementation strategy include:

1. *Trade Ally recruitment*: The implementation contractor will recruit contractors to provide program delivery services.
2. *Trade Ally Training*: The program will provide both technical and sales training to contractors.
  - a. Technical training will focus on key aspects of the technical knowledge and skills needed by trade ally personnel to provide customers with the specified energy-efficient products and services.
  - b. Sales training will help trade allies increase their understanding of the benefits associated with up-selling customers to energy efficient technologies.
3. *Marketing*: Specific tactics to promote this program are likely to include:
  - a. Direct mail postcards
  - b. Online Marketing
  - c. Small Business Events and Direct Outreach/Grassroots Marketing

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<sup>4</sup> Under the Total Resource Cost test.



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4. *QA/QC review:* All projects applications will be subject to a QA/QC review to ensure all required forms and documentation have been submitted and that incentive calculations are correct. To minimize errors in this process there will be a 100 % review on all project documentation for verification of equipment efficiency rating, proper installation, etc. on the part of the Company.
  5. *Project verification:* The implementation contractor will perform pre- and post-installation verifications on 100% of projects. ENO reserves the right to site-verify installations prior to approval and incentive payment for any project.
  6. *Incentive payment:* Incentives for retrofit projects can be built into the trade ally invoice as a discount to the customer or the customer may choose to receive the financial incentives upon program verification of project completion.
  7. *Reporting:* All projects will be uploaded for verification in the implementing contractor's database for process approval.
  8. *Auditing and evaluation:* All projects are subject to auditing and/or evaluation requirements as set by ENO and/or the Council.

#### **PROGRAM TRACKING REQUIREMENTS**

The program will accurately track the variables necessary to minimize differences between reported and evaluated savings.

#### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO via vendor operations management. The implementing contractor will have a program data tracking system. The implementer will be responsible for uploading all required program data from their database into this system on a weekly basis. This may also include re-uploading any data that is necessary due to changes in the New Orleans Technical Reference Manual which are applied retroactively to that program year. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

#### **OVER-SUBSCRIPTION PLAN**

Over-subscription will be managed by suspending marketing and outreach. Once the budget for the current year is expended, a waiting list will be established for program participation in the following program year.

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## 9. Publicly Funded Institutions

### PROGRAM DESCRIPTION

The Publicly Funded Institutions Program is a public sector program that is targeted to local publically funded institutions. The program should assist end use customers in overcoming barriers that are specific to public funded groups. Through hands on expertise and consulting, the program benchmarks the partner's energy use, and identifies a roadmap to success for the partners. Customers will be given guidance throughout their experience in the program.

The Publicly Funded Institutions Program is designed to minimize the following market barriers to energy efficiency (EE) implementation for ENO's public sector customers:

- Budget constraints
- Lack of understanding about project financials
- Lack of awareness on energy efficient technologies

The implementation process for Publicly Funded Institutions includes the following steps:

1. Program expertise and consulting
2. Benchmarking energy use
3. Developing an Energy Master Plan
4. Technical assistance with EE projects
5. Communication support

In addition, the program implementation contractor will educate customers on the various financial vehicles available to fund the implementation of energy efficiency improvements. The implementation contractor will further leverage the program's incentive dollars and encourage the participation of contractors that can deliver energy efficient products and services in a cost-effective manner.

### TARGET MARKET

The Publicly Funded Institutions program is targeted to public sector facilities, including those run by counties, cities, towns, as well as public/private primary and secondary schools, and junior colleges and universities in ENO's service territory.

### ELIGIBLE MEASURES & INCENTIVE STRATEGY

The Publicly Funded Institutions program offers direct install (DI) measures, prescriptive measures and custom measures that can be measured and verified. Examples of some EE measures are listed below:

#### Direct Install Measures

- Low-flow faucet aerators
- Pre-rinse spray valves
- Vending machine controls
- Compact fluorescent lamps ("CFLs")

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- Low-flow showerheads

### **Prescriptive Measures**

- High efficiency lighting
- Lighting controls
- Refrigeration
- High efficiency HVAC / Chillers
- Personal Computer Power Management (“PCPM”)
- High efficiency new construction

### **Custom Measures**

- Variable frequency drives (“VFDs”)
- Water / Waste water treatment upgrades
- HVAC / Chiller controls
- Building automation controls

ENO will provide financial incentives for approved measures. The incentive levels will vary by measure, and final incentive levels and incentive capping will be determined in the final program implementation planning period

### **DELIVERY STRATEGY**

The implementation contractor will help ENO administer the Publicly Funded Institutions Program.

Key elements of the Publicly Funded Institutions Program implementation strategy include:

1. *Contractor recruitment and training:* Contractors will be recruited to participate in training sessions regarding program incentives, and participation processes and requirements.
2. *Public sector customer recruitment:* Customers will be recruited primarily through direct outreach activities by the implementation contractor.
3. *Program implementation:* The implementation contractor will work with customers to collect and review building and energy use data, benchmark performance, and develop an Energy Master Plan. The plan will then be used to recommend upgrades that are eligible for rebates and technical assistance. The implementation contractor will guide customers and trade allies through the participation process to minimize barriers to participation.
4. *QA/QC review:* Incentive applications will be subject to a quality assurance review by program technical staff to ensure accuracy of savings and incentive calculations. There will be a 100% review on all applications for verification on the part of the implementation contractor.
5. *Project verification:* ENO reserves the right to site-verify installations prior to project approval and incentive payment. The implementation contractor will pre and post

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inspection site verification on 100% of all projects to verify the performance of work completed.

6. *Incentive payment:* Incentives for retrofit projects can be built into the trade ally invoice as a discount to the customer or the customer may choose to receive the financial incentives upon program verification of project completion.
7. *Communication support:* Implementation contractor will provide communication support to the customer as needed.
8. *Reporting to ENO:* All projects will be uploaded for verification into the implementing contractor's database for approval.
9. *Auditing and evaluation:* All projects are subject to auditing and/or evaluation requirements as set by ENO and/or the Council.

#### **PROGRAM TRACKING REQUIREMENTS**

The program implementer will accurately track the variables necessary to minimize differences between reported and evaluated savings.

#### **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO. The implementing contractor will have a program data tracking system. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

## **10. Schoolkits Program**

#### **PROGRAM DESCRIPTION**

The Schoolkit program will continue to target middle school students in the New Orleans area. The program implementer will work with local schools to enhance energy efficiency lessons and provide students with energy efficiency kits that they will use in their homes. .

#### **TARGET MARKET**

5<sup>th</sup> – 7<sup>th</sup> graders in Orleans Parish

#### **DELIVERY STRATEGY**

The delivery strategy is intentionally vague to allow for flexibility in design and implementation of the program.

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## **PROGRAM TRACKING REQUIREMENTS**

The program implementer will accurately track the variables necessary to minimize differences between reported and evaluated savings.

## **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO. The implementing contractor will have a program data tracking system. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

# 11. Behavioral Program

## **PROGRAM DESCRIPTION**

The program implementer will provide customers with information regarding potential ways to lower their electric bills.

## **TARGET MARKET**

All Orleans Parish customers

## **DELIVERY STRATEGY**

The delivery strategy is intentionally vague to allow for flexibility in design and implementation of the program.

## **PROGRAM TRACKING REQUIREMENTS**

The program implementer will have the ability to track and verify the energy savings associated with the behavioral program.

## **ADMINISTRATIVE REQUIREMENTS**

Program administration will be the responsibility of ENO. The implementing contractor will have a program data tracking system. The implementer will also be required to respond to any requests for program data from ENO, evaluators, the Council or independent auditors hired by ENO.

**ENTERGY NEW ORLEANS, INC.**

**SCOPE OF WORK**

**2017 – 2019**

**ENERGY EFFICIENCY PROGRAMS**

**March 1, 2016**

## 1. PROJECT SUMMARY

Entergy New Orleans, Inc. (“**ENO**” or the “**Company**”) is issuing this Request for Proposal (“**RFP**”) for the selection of an experienced Third Party Administrator (“**TPA**”) to deliver any number or all of the energy efficiency programs summarized herein and attached as Appendix A as part of the ENO comprehensive three-year plan (“**EE Plan**”) as well as a Third Party Evaluator (“**TPE**”) to provide independent evaluation, measurement and verification for all programs. The TPA will be retained by ENO to implement, deliver, administer and conduct Quality Control/Quality Assurance (“**QC/QA**”) and some measurement and evaluation of the energy conservation and demand side management programs approved by the New Orleans City Council (“**Council**”). The EE Plan’s energy efficiency programs are available to ENO retail customers and are further described in other attachments.

The contracts covering the scope of work will be a series of one-year term agreements through March 31, 2020. A **Sample Contract** is included with this RFP. ENO expects that the Sample Contract will not be substantially negotiated or amended. Bidder must note any exceptions to the provisions in the Sample Contract as part of its response in the Bidder Certification Form and must include a redline markup of the Sample Contract. A portion of the TPA’s compensation will be “at-risk” dependent upon satisfactorily reaching individual program goals. Bidders are expected to include an “at-risk” portion in their budget proposals.

Bidders are requested to prepare and submit separate detailed proposals for both ENO-Legacy and ENO-Algiers as outlined herein no later than May 2, 2016. A detailed timeline of events is provided in the table below.

**Table 1 – RFP Scheduled Milestones**

<b>Task Name</b>	<b>Completion Date</b>
Deadline for issuing RFP.	Tuesday, March 01, 2016
Deadline for submission of bidder questions prior to Pre-bid meeting.	Tuesday, March 15, 2016
Pre-bid Conference Call and On-line Meeting; potential bidding parties to participate in the pre-bid meeting.	Tuesday, March 22, 2016
Submission of additional questions from bidders	Friday, April 01, 2016
Deadline for ENO to respond to bidders' questions	Monday, April 18, 2016
Proposal Submission Deadline.	Monday, May 02, 2016
Deadline for submission of stakeholder interview questions	Monday, May 02, 2016
Bid Finalists Selection process; bids to be selected for interview process.	Monday, May 23, 2016
Bid Finalists to be interviewed by:	Wednesday, June 01, 2016

Contractors selected	Wednesday, June 15, 2016
Independent Monitor's Review of RFP Process Complete	Friday, July 08, 2016
Submission of ENO's choice of TPA to Council.	Friday, July 22, 2016
Council to evaluate ENO's TPA choice	-

## 1.1.ENERGY EFFICIENCY PROGRAM SUMMARIES

The following program descriptions are available for proposals for the Entergy New Orleans, Inc. 2017 through 2020 Program year. All programs are expected to be available for operation/implementation April 1, 2017. Detailed program descriptions are attached as Appendix A. Bidders should feel free to modify, add to, or subtract from the program designs below, thus allowing flexibility to be innovative in approach and design. The winning bidder(s) will be expected to work with ENO, the Council and its Advisors, as well as other stakeholders in the final detailed design of the programs.

Other key criteria not described in the program summaries or descriptions below include:

- All programs demand reduction (kW) and energy savings (kWh) are based upon evaluated results. Evaluated results for each year are completed by July of the following year. Programs must be flexible to adjust to both annual Evaluation, Measurement and Verification (“EM&V”) and Technical Resource Manual (“TRM”) adjustments implemented retroactively.
- All proposals will need to plan to use controlled disbursement accounts for customer incentive payments.
- All collection data technologies will need to be updated each year to handle changes in energy savings and demand reductions as a result of retroactive TRM and EM&V adjustments.
- ENO prefers some portion of the proposing TPAs cost to be at risk to align with ENO’s intention of achievement of the energy efficiency targets in New Orleans.
- All programs need to be designed to be cost effective through the life of the program proposal period.
- All responders to this RFP will need to include cost of participation in any or all energy efficiency.
- Plan on at least 6 months for completing contracts once ENO makes a winning proposal decision. Final contracts will not be finalized and implementation began until Council approval for programs are completed. ENO reserves the right to refuse any and/or all proposals.
- The implementing contractor will have an independent database to use for management tracking, invoice payments and regulatory reporting by ENO.
- Most current Deemed Savings and EM&V protocols are available in the New Orleans TRM

**1.1.1. Home Performance with Energy Star (“HPwES”)** – This program will achieve long-term, significant cost-effective electricity savings through the use of local auditors and



contractors who will help residential customers analyze their energy use and identify opportunities to improve efficiency, install low-cost energy-saving measures, and identify and implement more comprehensive home efficiency projects. HPwES will offer three levels of home energy audits. The Tier 1 Audit will include a “walk-through” inspection and direct installation of low-cost measures, such as CFLs and hot water heater tank wraps. The Tier 2 Audit is a comprehensive home inspection with diagnostic testing, performed by a qualified contractor.

**1.1.2. Energy Smart for Multifamily** - This program targets multifamily property owners (landlords) and managers, as well as apartment and condo renters. The program will address their unique needs, which are often overlooked, through a combination of incentives for both direct install and prescriptive measures, and through property owner and tenant education.

**1.1.3. High Efficiency AC Tune Up Program** - The Energy Smart High Efficiency AC Tune-Up Program will provide residential customers with a comprehensive set of options to lower the energy consumption and cost associated with keeping their homes and businesses cool and comfortable in the summer. Customers with functioning ACs can improve the efficiency of their units with the help of a comprehensive AC Tune-up. The program will build capacity within the territory’s HVAC contractor network to provide value-added services to its customers. These services are eligible to be incentivized because they go above and beyond the standard industry practices and offerings in the marketplace. The AC Tune-up offerings will be cross-promoted with the other programs, both residential and commercial, and, will help create a transformed AC market in the New Orleans.

**1.1.4. Residential Lighting and Appliances** - The objective of the Lighting and Appliances initiative is to increase awareness and sales of efficient lighting and appliances to ENO’s residential population. The program will offer customers the opportunity to purchase, largely through retail locations, a variety of discounted products that are ENERGY STAR qualified or better. The two main program activities include (1) retailer recruitment and merchandizing, and 2) administration of the incentive process (including program tracking). The implementation contractor will work to expand the retail network, as well as increase the number of available products. Recruitment will also include the development of a marketing strategy that leverages the ENERGY STAR brand, development of point-of-purchase (POP) materials, and ongoing retailer training. The incentive process will include both midstream and upstream approaches. ENO will continue its in-store/instant coupon-based approach, but will also negotiate with retailers and manufacturers to buy-down the cost of program-qualified products.

**1.1.5. Residential Direct Load Control** – This program is an opt-in load control initiative will allow ENO to cycle off a participant’s home CAC condenser during peak events. To minimize discomfort, the enabling technology will allow the air-handler fan to remain powered to circulate air throughout the house. The program – which will be delivered by

a turn-key implementation contractor – will employ load control technology both radio switches (installed directly on the CAC) and smart thermostats (installed in the customer’s home) to control participants’ AC units. Enrollees will be compensated at varying levels depending on the cycling option they choose; the greater the level of cycling during the peak period, the greater the incentive. Specific cycling options will be determined following RFP selection, but typical cycling options range from 50% to 75%. The peak period will be defined prior to issuance of the RFP

**1.1.6. Large Commercial & Industrial Solutions** - The primary objective of the Large Commercial and Industrial Solutions Program (Large C&I) is to provide a solution for larger (greater than 100 kW demand) nonresidential customers interested in energy efficiency through a prescriptive or custom approach. Incentives and savings for prescriptive measures will be based primarily on measures in the New Orleans TRM. The Large C&I program is designed to generate significant energy savings, as well as a longer-term market penetration by nurturing delivery channels, such as design professionals, distributors, installation contractors, and Energy Service Companies (“ESCO”s).

**1.1.7. Small Business** - ENO’s Small Business program will provide small businesses and other qualified non-residential customers the opportunity to achieve electricity savings through the use of the program. The program will help small business customers analyze facility energy use and identify energy efficiency (EE) improvement projects. Program participants will be consulted as to the available offerings through the program as well as financial incentives for eligible efficiency measures that are installed in their facilities using trade allies.

**1.1.8. Behavioral Program** – Subject to the results of the original ENO behavioral pilot and the desire of the Council, ENO’s behavioral program will offer customers advice on behavioral changes which can help lower their electric bills.

**1.1.9. Schoolkits Program** – The Schoolkit program will continue to target middle school students in the New Orleans area. The program implementer will work with local schools to enhance energy efficiency lessons and provide students with energy efficiency kits that they will use in their homes.

**1.1.10. Low Income Program** – ENO’s low income program is designed to offer qualifying customers free (or very low-cost) energy efficiency projects. The program implementer will work with ENO to identify and qualify customers for participation.

**1.1.11. Publicly Funded Institutions** is a public sector program that is targeted to local publically funded institutions. The program should assist end use customers in overcoming barriers that are specific to public funded groups. Through hands on expertise and consulting, the program benchmarks the partner’s energy use, and identifies a roadmap to success for the partners. Customers will be given guidance throughout their

experience in the program. The implementation process for Publicly Funded Institutions includes the following steps:

- Program expertise and consulting
- Benchmarking energy use
- Developing an Energy Master Plan
- Technical assistance with EE projects
- Communication support

In addition, the program implementation contractor will educate customers on the various financial vehicles available to fund the implementation of energy efficiency improvements. The implementation contractor will further leverage the program's incentive dollars and encourage the participation of trade allies that can deliver energy efficient products and services in a cost-effective manner.

In addition to marketing and implementation of the above-mentioned programs, the implementing contractor will also market any Time of Use or other Demand Side Management initiatives which are placed under the Energy smart umbrella.

## **2. PROGRAM TARGETS AND COST ALLOCATION**

Program funding is subject to Council discretion. The targets and funding allocated for each program and available to the TPA to administer the EE programs to cover both the incentive and non-incentive costs will be shown in a table below. The TPA must adhere to the spending allocations for the first year of the program. Any changes to these allocations must be pre-approved by ENO as a demonstrated, cost-effective enhancement.

ENO expects that a portion of the TPA's fee will be at risk based upon its performance in the areas of, at a minimum, kWh energy savings, kW reduction and customer satisfaction. As part of Bidder's response and Cost Proposal, Bidder will be required to propose a structure for setting or creating performance metrics for the performance-based compensation. Bidder proposal should be specific about how this will be captured. Bidder needs to identify the level of performance-based compensation that will be linked to each of the relevant performance areas. The bidders compensation shall not exceed the total funding allocation as described in Table 2.

## **3. ROLES AND RESPONSIBILITIES**

This section provides an overview of the roles and responsibilities of ENO with regards to oversight of the TPA and the EE programs in order to aid the Bidder in their development of budget, marketing and other responses requested in this RFP..

**Entergy New Orleans, Inc. Roles and Responsibilities** ENO anticipates providing regulatory services, high level administrative, contract management and oversight of the selected TPA through a dedicated program manager. The following is a high-level review of the anticipated roles and responsibilities for ENO staff:

- 3.1.1.** Obtain regulatory approval to implement any or all programs.
- 3.1.2.** Provide high-level guidance and direction to the TPA, including review and revision of proposed annual implementation plans and milestones;
- 3.1.3.** Evaluate portfolio and program effectiveness; recommend and approve modifications to the programs on an as-needed basis;
- 3.1.4.** Oversee program metrics, budget, timeline and evolving program design;
- 3.1.5.** Coordinate with TPAs on further development of EM&V criteria for each program;
- 3.1.6.** Perform periodic field observations and monitoring to provide quality assurance regarding customer related interactions and other programmatic responsibilities fulfilled by the TPA and Participating Local Contractors.
- 3.1.7.** Provide internal and external reporting of program performance to ENO leadership and to the Council and independent EM&V monitor.
- 3.1.8.** Coordinate and be responsible for the flow of EE funds from ratepayer collection to program expenditures as specified in the program budget;
- 3.1.9.** Audit the invoices of TPA and subcontractors (via independent auditor, Council's auditors and ENO audits);
- 3.1.10.** Review and approve any printed materials and advertising plans;
- 3.1.11.** Assist marketing efforts through normal customer service activities.
- 3.1.12.** Report annual results to regulators and seek approval for any program changes as a result of market changes, retroactive EM&V changes and Technical Resource Manual changes.
- 3.1.13.** ENO is ultimately responsible for portfolio marketing and marketing strategy ENO will review, modify and reach agreement with TPA prior to implementation. Furthermore, ENO Communications will create and provide templates for any recurring communications, and ENO will review and approve all marketing campaigns and collateral before distribution to trade allies and local participating contractors.
- 3.1.14.** Assist with handling escalated customer complaints
- 3.1.15.** ENO will obtain the services of independent EM&V consultant.

**3.1.16.** ENO maintains the right to perform customer satisfaction surveys at the Company's sole discretion.

**3.1.17.** Final approval at program rates, requirements, eligibility criteria and incentive levels.

**3.1.18.** Program management, on sight and coordination with all ENO organizations with assistance of TPA as maybe required.

## **4. SCOPE OF WORK**

The five major areas of focus for the Scope of Work for the TPA shall be the Final Program Design and Implementation, Marketing, Data Management and Tracking, Quality Assurance / Quality Control ("QA/QC"), and General Administration and Management. Please provide a concise yet detailed narrative indicating your proposed approach to providing the TPA Scope of Work, including the detailed tasks, timelines and stages involved, in response to the sections below. It is important to ENO and the Council that the programs are implemented as quickly and efficiently as possible.

### **4.1. QUALIFICATIONS – EXPERIENCE**

Please include descriptions of your firm and/or team's experience and capabilities in managing, delivering and implementing the programs requested for this scope of work. Vendors should provide detailed information on their overall core team qualifications and experience. Please note that it is a requirement of this contract that the TPA maintain a local office within the ENO service territory during the term of this contract and that key personnel who are assigned full time to the EE Program be located within the New Orleans office.

#### **4.1.1. Management Structure**

4.1.1.1. Provide a brief description of your company and the services it provides including number of employees, office locations and capabilities. Describe the business structure under which you typically operate (i.e., -for-profit corporation, not-for-profit corporation, partnership, etc.). If a new organizational structure is planned by a Vendor, that structure should be described fully and clearly. If Vendor currently has an office in New Orleans, provide its address. If you do not currently have an office in New Orleans, describe your plans to open such an office and the personnel to be located there.

4.1.1.2. Include your management and organizational chart to accomplish the tasks included in the Scope of Work below. Indicate position, title, job responsibilities, percentage of FTE equivalent and whether the position/personnel is based in New Orleans. Involvement at the professional level of New Orleans domiciliaries.

- 4.1.2.** Provide the professional experience and resumes of partners, principals and employees in your company who will be responsible for, and actively involved in, the provision of professional services related to this scope of work including the appropriate evidence of accreditation, certification or licensing in their respective stated professions. Also provide proof that it, its staff and the staff of Subcontractors is (or has a plan prior to contract execution to be) in compliance with applicable state and city permitting, licensing and certification requirements.
- 4.1.3.** Vendors must clearly specify any Subcontractors who are retained by the Vendor at the time of the application and/ or who are expected to perform work as a Subcontractor in connection with this project. Provide the same detailed information regarding Subcontractors' project staff as requested above for the Vendor's proposed staff. The Vendor must obtain the prior written consent from ENO to use any Subcontractors who are not included in the original bid submission.
- 4.1.4.** Please provide any additional information that may be useful in evaluating your proposal.

## **4.2. REPORTING**

- 4.2.1.** Vendors shall describe their proposed approach for general management, budgeting, financial management and reporting. This section shall address the methods through which the Vendor proposes to manage the required data, information technology requirements and reporting functions.
- 4.2.2.** Vendor will describe their financial management systems related to budgeting, invoicing and payments to Subcontractors, Participating Local Contractors, employees and customers. Please confirm that your financial accounting system is consistent with generally accepted accounting principles. Please also confirm that you shall be able to provide information and documentation required for independent annual financial audits.
- 4.2.3.** Describe your proposed plan to administer the incentive funds flow between ENO, the TPA and the customers or Participating Local Contractors. If your proposal requires ENO to advance incentive funds to the TPA, additional forms of security will be required.
- 4.2.4.** Describe the reports you will prepare and provide on a weekly, monthly, quarterly and annual basis detailing program performance to date, anticipated activities, accomplishments, issues and opportunities. Please include in your exhibits to the proposal templates of reports to be delivered to ENO.
- 4.2.5.** Describe ability to assist in preparation of annual regulatory reporting requirements as described with guidelines.

- 4.2.6. Describe your approach to accommodating updates and revisions to the program design in coordination with ENO staff to ensure performance targets are achieved.
- 4.2.7. Please provide any additional information that may be useful in evaluating your proposal.

### **4.3.PROGRAM DESIGN AND IMPLEMENTATION AND DELIVERY**

- 4.3.1. Given the program framework and budget previously approved by the Council, please describe your approach and strategy for program design, implementation and delivery. Outline your proposed timeline from initial contract signing to program launch and ongoing delivery for the contract period. Please outline all appropriate milestones and goals.
- 4.3.2. Please describe your launch strategy, start-up activities and ongoing program delivery strategy; provide specifics for each program where needed.
- 4.3.3. Describe your plan with respect to Participating Local Contractors including:
  - 4.3.3.1. Recruitment plan; This plan will be a factor considered in the evaluation process.
  - 4.3.3.2. Plan to ensure that these contractors are licensed and insured; and
  - 4.3.3.3. Training and Certification plan.
  - 4.3.3.4. On-going marketing support for participating local contractors (business to business). The criteria for including the local participating contractor(s) and the process to exclude or remove a local participating contractor from programs.
- 4.3.4. Describe your plans to deliver training to ENO staff to help facilitate program coordination and success.
- 4.3.5. The TPA must provide access to a professional, dedicated and knowledgeable energy efficiency call center for customers inquiring about the EE Plan. The call center will handle all inbound customer inquiries. Describe your approach to providing this service including call center location, staffing and projected performance levels.
- 4.3.6. Define, in broad terms, the activities that will be taken to achieve the energy savings goals.
- 4.3.7. Highlight any new and innovative ideas as well as your proven best practice approaches that you propose for the ENO EE Programs.

- 4.3.8.** Please provide any additional information that may be useful in evaluating your proposal.

#### **4.4. MARKETING<sup>1</sup>**

Describe your previous overall experience developing marketing and outreach plans and materials to support similar programs. Include relevant examples of creative marketing and technical support pieces for design proposals (e.g. mock-up's of EE website designs) as an exhibit(s) to your proposal. Examples should be included as separate attachments to the Proposal; hyperlinks or references to external sources will not be accepted as a satisfactory response.

- 4.4.1.** Given your understanding of ENO's local market, generally describe your marketing and communications strategy to support the EE program delivery. The marketing strategy shall include both pre- and post-launch components.
- 4.4.2.** Provide the marketing strategy to raise awareness and demand for each customer segment (residential/ small commercial/ large commercial & industrial) and each program within those customer segments, including key milestones and timeline.
- 4.4.3.** Describe your means of tracking the results of marketing initiatives, including the description of any databases to be used for this purpose.
- 4.4.4.** Please provide any additional information that may be useful in evaluating your proposal.

#### **4.5. DATA MANAGEMENT AND TRACKING**

The TPA shall develop and maintain a data management system to track program participation and integrate with ENO database.

- 4.5.1.** Include your experience and approaches to program and participant data tracking.
- 4.5.2.** Provide a brief overview of your existing data tracking system capabilities and proposed enhancements. Include representative “screen shots” of your proposed data tracking system as an indication of what will be developed for this program.
- 4.5.3.** Describe your capability to provide a secure web-based password protected program tracking and real-time reporting capabilities for TPA and upload access for ENO. Read

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<sup>1</sup>ENO retains ultimate responsibility for program marketing and marketing strategy ENO will review, modify, and reach agreement with Program Administrator prior to implementation. Furthermore, ENO's Marketing Communications will create and provide approved templates for any recurring communications, and ENO will review and approve all marketing campaigns and collateral before distribution to the Trade Ally Network.



only access for program manager, the independent EM&V, and COUNCIL EM&V vendor and the Council’s Advisors to monitor.

**4.5.4.** Demonstrate your ability to provide and maintain a proven data management system that will include deemed savings measurements adopted for New Orleans. The data management system shall include but not be limited to the following information:

Recommended Data Fields Description	Description
<p><b>Participating Customer Information</b>                      Unique customer identifier, such as account number                      • Customer contact information – name, mailing address, telephone number                      • Date/s of major customer milestone such as rebate application date, approval date, rebate processing date, etc.</p>	<p>Information to readily identify customers for follow-up Contact</p>
<p><b>Measure Specific Information</b>                      • Measure Group (Equipment Type)                      • Equipment Fuel/Energy Source                      • Equipment size                      • Equipment quantity                      • Efficiency level                      • Estimated savings                      • Estimated incremental measure cost, if applicable                      • Equipment Useful Life                      • Measure Name - Text Description                      • * Measure Code- Numerical Code                      • Serial Number (where applicable)                      • Reported age of equipment replaced (if available)                      • Reported measure type of equipment replaced (if available)</p>	<p>Information which documents the details of the equipment installed and equipment replaced under the program  <b>*Measure Codes:</b> All data should be captured in numeric format to facilitate data tracking and analysis. Therefore, a data legend should be identified for each measure type and contractor type.                       This data legend should be clearly identified in the program database’s supporting materials.</p>
<p><b>Vendor Specific Information</b>                      • Name and Contact Information for Contractor                      • Contractor Type                      • Date of Installation                      • Cost of the installed equipment (if available)                      • Efficiency level of the installed equipment</p>	<p>To be collected when the measure is installed by a third-party vendor.                      This information can be determined from the supporting documentation provided to qualify for the program incentive</p>
<p><b>Program Tracking Information</b>                      • Date of the initial program contact/rebate information                      • Date of rebate/incentive paid                      • Incentive amount paid to date                      • Incentive amounts remaining                      • Application Status (i.e., number of applications approved, pending or denied)                      • Reason and Reason code for application denial</p>	<p>Information to determine program cost effectiveness and timing for rebate applications and processing</p>
<p><b>Program Costs</b>                      • Overall program budgets                      • Program costs to date                      • Incentive Costs</p>	<p>This information related directly to program expenses. This information may be tracked in a separate worksheet from measure costs; however the totals should be reported out annually.</p>

<ul style="list-style-type: none"> <li>• Administrative Costs</li> <li>• Marketing/Outreach Costs</li> <li>• Evaluation Costs</li> </ul>	
<b>Recommended Data Fields Description</b>	<b>Description</b>
<b>Marketing and Outreach Activities</b> <ul style="list-style-type: none"> <li>• Advertising and marketing spending levels</li> <li>• Media schedules</li> <li>• Summary of number of community events/outreach activities</li> <li>• Other media activities - estimated impressions via mailings, television/radio, print ads</li> </ul>	The program implementers should provide separate documentation regarding the type, number, and estimated impressions made for each marketing or outreach activity.

A measure code legend and database input for measure specific descriptions to facilitate independent EM&V review.

**Example of Data Legend for Database Tracking and Evaluation Purposes**

Example Measure Category	Example Measure Code
Air Source Heat Pump	1
Room Air Conditioner	2
Central Air Conditioner	3
Natural Gas Furnace	4
Storage Water Heater (Gas)	5
Tankless Water Heater (Gas)	6
Storage Water Heater (Electric)	7
Heat Pump Water Heater	8
Attic Insulation	9
Wall Insulation	10

Similarly, contractor should also be identified by a category to facilitate analysis and tracking. The program database and tracking system should also be linked to the utilities or energy provider’s current Customer Information System so that it can be updated regularly to verify eligibility.

**Example of Contractor Codes**

Example Contractor Type	Example Contractor Code

Architect	11
Engineer	22
Plumber	33
HVAC	44
Insulation Installer	55
Home Builder (Production)	66
Home Builder (Custom)	67
Specialty	90

Database tracking and development also should capture the following types of information during data collection to facilitate EM&V.

**Data Collection Fields**

<b>Data Collection Fields</b>	<b>Description</b>
<p><b>Premise Characteristics</b></p> <ul style="list-style-type: none"> <li>• Housing Type</li> <li>• Number of Occupants</li> <li>• Estimated/Actual Square Footage</li> </ul>	This information includes descriptions of the housing type and questions asked of participants during the Measure Installation
<p><b>Measure Characteristics</b></p> <ul style="list-style-type: none"> <li>• Efficiency level of equipment removed (retrofit only)</li> <li>• Model level for equipment removed (retrofit only)</li> </ul>	This information is commonly captured by the contractor or recorded from the invoice and should be tracked in the database.

Program specific data to be collected are shown in the program descriptions within Appendix A.

- 4.5.5.** Describe the software format, data exchange format and database structure you propose to use for tracking participant and savings data, and your ability and flexibility to change formats depending on the request of ENO. Any custom software and databases built for ENO shall be considered property of ENO and transferred upon request.
- 4.5.6.** Outline your proposed quality assurance procedures and controls, such as protection of customer information and audit procedures in compliance with Section 14.7 of the Sample Contract.
- 4.5.7.** Please provide any additional information that may be useful in evaluating your proposal.

#### **4.6.EVALUATION, MEASUREMENT AND VERIFICATION ( for the EM&V TPE only)**

Evaluation, Measurement and Verification (“EM&V”) functions for each program shall be consistent with Council orders, including those in Resolution R-14-XXXXXXXX. Until approval of EM&V Protocols the EM&V shall be consistent with approved the New Orleans TRM and stipulated net-to-gross ratios. The TPE must provide annual EM&V submittals for each program to the Council as part of the annual program review process.

- 4.6.1.** Detail the M&V activities you plan to include for each program including both impact and process evaluations.
- 4.6.2.** Describe how the New Orleans Technical Resource Manual will be updated and verified annually.
- 4.6.3.** Describe what variables will be considered in your analysis (kWh data, temperature or other related variables).
- 4.6.4.** Describe your QA/QC process to verify that installations and work claimed and charged by Participating Local Contractors have been adequately performed.
  - 4.6.4.1. Describe the quality control process to evaluate the performance of Participating Local Contractors.
  - 4.6.4.2. Describe the process to verify and track customer satisfaction, complaints and satisfactory resolution.
  - 4.6.4.3. The QA/QC must meet the minimum requirements described with the EE programs in Exhibit A.
- 4.6.5.** Please provide any additional information that may be useful in evaluating your proposal.
- 4.6.6.** Please also see Appendix C which contains more detailed information regarding the selection of an EM&V TPA.

## Appendix C EM&V TPE Scope of Work

### A. Field Evaluation and Technical Resource Manual Development and Update: 4/1/17 to 3/31/20

Entergy New Orleans, Inc. (“ENO”) will retain an independent third party evaluator (“TPE”) to perform field evaluations, review current New Orleans’ deemed savings standards, and approve or recommend revisions to the values and methodologies in updating the New Orleans Evaluation, Measurement, and Verification Resource Manual (“EMVRM”). This process will review past deemed savings values used in New Orleans, other states’ program savings documentation (*e.g.*, Technical Reference Manuals, measure databases) baseline changes, and deemed savings values being utilized in neighboring jurisdictions. The EMVRM will be updated through consideration of approaches in other jurisdictions, but will take into account ENO’s coincident peak and avoided cost period definitions and weather files (including dry- and wet-bulb design conditions and cooling/heating degree-day differences).

ENO and the TPE will review program performance data, survey results, activity in other jurisdictions, and baseline or code changes to update the EMVRM. The EMVRM will reflect New Orleans-specific utility grid and climate conditions.

Funding for the project shall be set by the New Orleans City Council

#### 1. Deliverables

Updated EMVRM for New Orleans which:

- i) organizes the methods and sources used to develop average and default values by DSM category and sector;
- ii) Summarizes the results of recent EM&V research as well as planned EM&V; and
- iii) Lays out the resulting savings per measure estimates in the form of savings values, algorithms, and/or calculation tools for New Orleans energy efficiency measures.

The EMVRM should also provide guidance on the frequency that key inputs and/or equations (an algorithm with stipulated or variable parameters) should be updated based on the vintage of the input parameters, as well as an assessment of the level of variability in energy efficiency reduction estimates across the range of likely applications in New Orleans.

### B. Impact Evaluation : 4/1/17 to 3/31/20

Review program databases, project documentation and quality assurance inspection results to confirm the appropriate calculation of program savings. Impact evaluation will review the application of deemed savings and International Performance Measurement and Verification Protocol IPMVP approaches for custom projects. Review internal process evaluation documentation provided by the TPA’s Planning and Evaluation and Core Engineering Services Departments.

The use of the stipulated Net to Gross values from the Energy Smart Program Application will be

used to determine net savings for each of the programs. The TPE will be responsible for developing Verified Net Savings for the programs through the impact evaluation.

**1. Deliverables**

Prepare three Impact Evaluation Reports, including supporting analyses, one for Program Year 7 (April 1, 2017 through March 31, 2018), one for Program year 8 (April 1, 2018 through March 31, 2019) and one for Program year 9 (April 1, 2019 through March 31, 2020) .

**C. Measurement & Valuation (“M&V”) Support Services: April 1, 2017 through March 31, 2020**

Upon request, support the Third Party Administrator TPA in developing an M&V or stipulated approach for select projects, or for adding measures to the EMVRM based upon the unique characteristics of the climate, city and customer base.

DRAFT

**ENERGY NEW ORLEANS, INC.**  
**P. O. Box 61000**  
**New Orleans, LA 70161**  
**Attn.: Supply Chain Contracts, L-ENT-5B**

**Contract Number:#####**  
**Effective Date:**

**ENERGY TRAINING, CONSULTING OR PROFESSIONAL SERVICES  
STAND-ALONE CONTRACT**

THIS CONTRACT is between Entergy New Orleans, Inc. (“Owner” or “ENO”) and TPA (“Contractor”). Contractor’s commencement of performance of services or acceptance of any payments hereunder in advance of Contractor’s execution hereof shall constitute acceptance of all terms set forth herein.

In consideration of the undertakings and subject to the conditions set forth herein, the parties agree as follows:

**1. Definitions.** The words and terms specified in this Section, or pronouns used in their stead, shall, for the purpose of this Contract, have the meanings set forth below unless the context clearly indicates another meaning:

1.1 “Affiliate” means (a) Entergy Corporation, (b) any corporation, company, partnership or other entity in the United States which Entergy Corporation now or hereafter owns or controls, directly or indirectly (“Affiliated Company”), (c) any joint venture in which Entergy Corporation or an Affiliated Company owns fifty percent (50%) or more of the ownership interest, (d) any corporation, company, partnership or other entity that has an ownership interest, directly or indirectly, in any Site controlled, operated or managed by an Affiliated Company, or joint venture as described in (c) immediately preceding, and (e) any successor in interest to (a) through (d) above.

1.2 “Arkansas Gross Receipts Tax” means the tax levied by Ark. Stat. Ann. § 26-52-301 et seq. on the seller of tangible personal property or taxable services pursuant to Ark. Stat. Ann. § 26-52-519(a) and GR-79.

1.3 “Competence” or “Competent” means the expertise, experience, capability and specialized knowledge to perform Work in a good and workmanlike manner and within all accepted standards for the industry.

1.4 “Contractor Taxes” shall mean all applicable sales, use, gross receipts and similar taxes legally imposed on Contractor or any Subcontractor for the Work as the primarily responsible party and not as collection agent on behalf of Owner, including, but not limited to, sales taxes paid (or which should have been paid) to Contractor’s or Subcontractors’ vendors, or use taxes self-accrued and remitted directly (or which should have been self-accrued and remitted directly) to taxing authorities by Contractor or Subcontractors, if such sales, use, gross receipts and similar taxes are incorporated (or should have been incorporated) in lump sum fixed price contract prices set forth herein. Contractor Taxes shall

specifically include, but are not limited to, sales, use, gross receipts and similar taxes on consumables, rentals and any other taxable items that are purchased for use in the performance of the Work but do not become part of the permanent materials of Owner at the end of the Work and Mississippi Contractor's Tax. Despite the fact that Arkansas Gross Receipts Tax is legally imposed on Contractor as the primarily responsible party, Arkansas Gross Receipts Tax shall be excluded from Contractor Taxes.

1.5 "Law" means all applicable laws including, without limitation the following: constitutional law, civil law, common law, international law, equity, treaties, statutes, decrees, edicts, codes, orders, judgments, rules, Privacy Laws, ordinances and regulations of any local, municipal, territorial, provincial, federated, state, national or other duly constituted governmental authority or agency.

1.6 "Mississippi Contractor's Tax" means the tax levied by Miss. Ann. Code § 27-65-21 and Rule 41.

1.7 "Related Documentation" means, with respect to Software, all materials, documentation, Specifications, technical manuals, user manuals, flow diagrams, file descriptions and other written information that describes the function and use of such Software.

1.8 "Site(s)" means the locations where the Work is to be performed, as designated in this Contract.

1.9 "Software" means the source code and object code versions of any applications or other programs, operating system software, computer software languages, utilities, other computer programs and Related Documentation, in whatever form or media, including the tangible media upon which such applications or other programs, operating system software, computer software languages, utilities, and computer programs and Related Documentation are recorded or printed, together with all corrections, improvements, updates, and releases thereof.

1.10 "Specifications" means all technical or other detailed requirements and any description of required services, maintenance, repair, modification, or other services required by the Owner as set forth in this Contract.

1.11 "Subcontractor(s)" means any subcontractors, suppliers or materialmen providing services or material to Contractor for the purpose of completing Work.

1.12 "Work" means each and every element of the services, maintenance, repair, modification, technical services, or other activities required by this Contract, and includes all labor, testing, materials, equipment, transportation and other items necessary to complete such activities, except for items that are expressly stated to be the responsibility of the Owner in this Contract.

1.13 "Personal Information" means:

A. First name or initial and last name along with any of the following:

1. social security number;
2. driver's license number or state identification card number;
3. account number, credit card number, or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account;



4. medical information or vital record information;
5. biometric data (retina, iris image, fingerprints, etc.);
6. government passport number;
7. health insurance identification number;
8. physical or mental health;
9. the provision of health care to the individual;
10. payment for the provision of health care to the individual;
11. mother's maiden name; or
12. stock or other security certificate or account number.

or

- B. Any other number or code or combination of numbers or codes, such as account number, security code, access code, or password, that allows access to or use of an individual's financial or credit account.

or

- C. Username or email address in combination with a password or security question and answer that would permit access to an online account.

Confidential Information (as defined below) includes Personal Information.

1.14 "Privacy Laws" means various privacy and consumer protection rules, laws and regulations, and orders, including any state and federal to which Owner, Affiliates, or Contractor may be subject.

2. **Terms.** Contractor agrees to perform and complete the Work as described below for the amount of money and in accordance with Owner's schedule described below. At the end of this term, this agreement shall automatically renew upon Council approval for a period to be determined by the Council.

3. **Description and Schedule of Work.** Contractor shall perform and complete the Work or jobs in accordance with Owner's Specifications or standard and as more fully described in this section below. Should any provision of any document provided by Contractor and attached to this Contract be in conflict with any of the provisions of the main body of this Contract, such provision of such Contractor-provided document will be null and void.

Contractor will serve as the Third Party Administrator (TPA) and will be required to design, implement, deliver and administer the Energy Smart Programs as summarized in the attached Exhibit A Scope "Energy New Orleans Energy Smart Program" dated May 2015 -and subsequent addendums, and in Exhibit B, Scope "**2015-2017 Energy Smart Program Overview**"

The Programs which the TPA shall administer are as follows:

- **Home Performance with ENERGY STAR**
- Consumer Products Program
- Low Income Audit & Weatherization
- School Kits & Energy Education Program
- Residential Heating & Cooling Program
- Small Commercial (C&I) Solutions
- Large Commercial C&I Solutions

Additionally, in its role as TPA for the “New Orleans Energy Smart Plan”, the TPA shall also be responsible for development, oversight and execution of all programmatic and project management related functions necessary to effectively implement, deliver and administer the programs set-forth in the plan and shall include, but not be limited to following:

- Program Design, Implementation and Delivery
- Marketing
- Data Management and Tracking
- Evaluation, Measurement and Verification, and
- General Administration, Funds Management and Reporting

#### Program Budget and Funding

The (3) year total budget and allocations for each of the programs is outlined in the attached Exhibit A. The amounts shown are available to the TPA to administer the programs and include funding to cover both the incentive and non-incentive cost.

Note 1: Funding associated with the One Stop Shop is allocated among all TPA administered programs.

Work will start on or about **May 8, 2015** and shall be entirely completed on or before **May 31, 2017**. Time is an essential element of this Contract. Contractor’s Work shall be undertaken in full cooperation with the Owner and with the least-possible interference with the continuity and efficiency of other activities being conducted at the Site. Should any provision of any document provided by Contractor and attached to this Contract be in conflict with any of the provisions of the main body of this Contract, such provision of such Contractor-provided document will be null and void.

#### **4. Compensation**

**Non-Incentive** - The total compensation under this contract for Contractor services associated with all Non-Incentives scope of Work is \$4,829,958 million over the two (2) year period; the annual spending limit is:

Non Incentive scope of work cost will be paid in accordance with Section 6 and as described in Payment Structure for the Energy Smart Programs, Exhibit A, attached here to and made a part of; and shall be billed against this Contract No. #####.

**Pay-for-Performance/At-Risk Compensation.** Contractor will be paid for performance with at-risk compensation as described in Exhibit A.

**Incentive** - The total compensation under this contract for the program participants Incentive Payouts is \$##### million over the three (3) year period. The approved annual spending limit is:

All incentive payments shall will be paid net 10 days and shall be billed against this **Contract No. #####**

. A separate contract number is issued due to different payment terms and for tracking purposes. All of the scope and terms and conditions are governed by Contract No. #####.

To request incentive funds from Owner, TPA must utilize the procedures outlined in Exhibit C – Program Participant Incentive Funding Procedures which is attached to the Scope of Work.

**5. Representatives and Claims Notifications.**

5.1 The following representatives are designated by Owner and Contractor respectively, for communications and liaison relative to this Contract:

Owner's Contract Manager:	Contractor's <u>Legal Department</u>
Name: <u>Derek Mills</u>	Attn: <u>Legal Department</u>
Company: <u>Entergy New Orleans, Inc.</u>	Company: <u>TPA</u>
Address: <u>1600 Perdido, Bldg</u>	Address: _____
<u>New Orleans, LA 70112</u>	_____
Phone: <u>504-670-3527</u>	Phone: _____
_____	With a copy to:
_____	Contractor's <u>Project Manager:</u>
_____	Name _____
_____	Company: <u>TPA Consulting Inc.</u>
_____	Address: _____
_____	_____
_____	Phone: _____

5.2 The Contract Manager shall not have the authority to waive any terms hereof or to execute Amendments; except that a Contract Manager is authorized to make minor changes pursuant to Section 10. Contractor's "Project Manager" shall have full authority to act for Contractor in connection with this Contract. Contractor shall not change this designated representative without the prior written approval of the Owner.

5.3 Any notice given by either party to the other pursuant to this Contract, including but not limited to, termination notices or assignments or subcontracts, shall be in writing and be deemed validly given if delivered in person, delivered by private, prepaid courier, sent by facsimile with confirmation or deposited in the mail properly stamped with the required postage and addressed to the last-known office address of the respective addressee. Either party hereto shall have the right to change any address or addressee it may have given to the other party by giving such other party due notice in writing of such a change. Until so changed, notices shall be given to the addressees at the addresses set forth above.

5.4 Contractor shall immediately notify the Owner's Contract Manager in writing of any Claims or accidents or injuries to persons or property in connection with Work hereunder and shall provide Owner prompt and free access to accident reports or claim investigations as requested by Owner. A copy of the notice required in the preceding sentence shall be sent by Contractor to Claims Management, Entergy Services, Inc., P.O. Box 8082 Little Rock, Arkansas 72203, and to Legal Services Department, P.O. Box 61000, New Orleans, Louisiana 70161. Claims shall mean all claims (a) brought for which Owner or an Affiliate may be liable, or (b) asserted as arising from or connected with the contractual relationship, or (c) which may materially impair the ability of the Contractor to perform any of its obligations to Owner and all events that in the light of reasonable experience may give rise to a claim included in the above categories.

**6. Invoicing and Payment and Taxes.**

6.1 For the satisfactory performance of Work, Owner agrees to pay Contractor the compensation due for the Work specified above upon the later of (i) acceptance of the Work by Owner or (ii) forty-five (45) days from Owner's receipt of Contractor's properly prepared invoice for the completed

Work subject to the Owner's right to withhold those portions of the charges set forth therein that the Owner may contest in good faith, and other applicable provisions hereof. Invoices must be submitted within sixty (60) days of completion of Work or Contractor waives its right to compensation. Payment of Contractor's final invoice is conditioned upon receipt by Owner of satisfactory evidence of no undischarged liens arising because of the Work. Acceptance by Contractor of final payment shall constitute a waiver and release of all claims by Contractor against Owner in connection with the Work performed. All invoices submitted by Contractor shall be in the form and supported by such documentation as Owner may reasonably require. Any money due Contractor under this or other contracts between the parties shall be adjusted for amounts inappropriately invoiced, whether discovered prior or subsequent to payment by Owner. For all Work performed on time and material, unit price, or cost reimbursable basis, Contractor shall keep complete books or records and receipts of expenses to support charges billed. Overtime may be required in order to complete a specific portion of the Work or to carry out the Work effectively. If this is a fixed-price or lump-sum Contract, such overtime shall be deemed to be included as part of the fixed-price or lump-sum stated. In other cases, prior to scheduling any overtime, the written approval of the Contract Manager is required. Owner shall not pay the Contractor or its employees for non-performance time, i.e., vacation time, sick time, holidays or other leave time authorized by the Contractor, nor for travel time to and from the Site designated for the performance of services hereunder or time during which Contractor's employees are unable to work due to Contractor's noncompliance with Site-specific rules and regulations. The Contractor's holidays shall be consistent with the holiday schedule at the Site for which Work is being performed, unless otherwise specified.

6.2 Notwithstanding anything to the contrary in this Contract, in no event shall mark-ups or amounts in excess of any reimbursable expense or cost be charged or billed by Contractor, nor shall Owner or any Affiliate be liable for payment of same. In the event that this Contract provides for reimbursement of any Contractor expenses or costs, reimbursement shall be limited to the actual, reasonable amount expended or paid by Contractor and reimbursement for such expenses, in the aggregate, shall not, without express, written approval, exceed 15% of the amount of any lump-sum specified to be paid hereunder for performance of the Work. In the case of a time and materials compensation basis, reimbursement, in the aggregate, shall not exceed 15% of the time charges.

6.3 Owner's Contract Manager and the appropriate Contract Number must be referenced on all invoices. Upon request, Owner's Contract Manager will provide the mailing address for submitting invoices for payment.

#### 6.4 Taxes.

6.4.1 Owner shall be responsible for all applicable sales, use, gross receipts and similar taxes levied on items sold pursuant to this Contract, provided, however, Owner shall not be responsible for Contractor Taxes except as provided in Section 6.4.2, and Owner shall not be responsible for any sales, use, gross receipts or similar taxes for which Owner, in its sole discretion, asserts any available exemption or exclusion from such taxes. Contractor shall cooperate with Owner and diligently prosecute any exemption or exclusion (including, if applicable, a request for refund) asserted by Owner, in Owner's sole discretion, from any sales, use, gross receipts or similar taxes on any item furnished in connection with the Work.

6.4.2 If Contractor bills Owner for Mississippi Contractor's Tax and Owner has not asserted any available exemption, exclusion or lower applicable rate of such Mississippi Contractor's Tax, Owner shall reimburse Contractor for such Mississippi Contractor's Tax if Contractor shall state such taxes as a separate line item on its invoice to Owner at the time of the performance of the Work. If Contractor does not state Mississippi Contractor's Tax as a separate line item on its invoice to Owner at the time of the performance of the Work, Owner shall be relieved of any obligation to pay or reimburse

Contractor for Mississippi Contractor's Tax. For the avoidance of doubt, Owner shall not be responsible for Mississippi Contractor's Tax not billed to Owner at the time of the performance of the Work, but instead subsequently assessed on Contractor and billed after an audit or inquiry by taxing authorities or otherwise.

6.4.3 Other than for lump sum fixed price Work, Contractor shall separately state the price of materials and labor on its invoice.

6.4.4 Contractor shall develop procedures and make reasonable efforts to minimize the applicable sales, use, gross receipts and similar tax burden on Contractor's purchases of equipment, materials and services under this Contract, including, if applicable, the purchase of any equipment, materials and services exempt from sales, use, gross receipts and similar taxes via presentation of a resale exemption certificate or other applicable documentation to Contractor's vendors and Subcontractors.

6.4.5 Contractor will indemnify, defend and hold the Owner and Affiliates harmless from taxes, penalties or interest for Contractor Taxes.

6.4.6 Prior to payment of any subsequently assessed sales, use, gross receipts or similar taxes for which Contractor is entitled to reimbursement pursuant to this Section 6.4, Contractor shall give Owner written notice of any proposed or actual adjustment or assessment of any such taxes imposed on Contractor arising out of this Contract, within such time as will allow Owner a reasonable period in which to evaluate and timely respond to the underlying adjustment or assessment of such taxes without being prejudiced thereby. If Contractor fails to provide Owner with the written notice contemplated by this Section 6.4.6 in time to allow Owner to challenge such taxes without being prejudiced thereby, Owner shall be relieved of its obligation to reimburse Contractor for such taxes. For the avoidance of doubt, Owner shall not be responsible to pay or reimburse Contractor for penalties or charges of any kind, or interest on taxes subsequently assessed on Contractor and billed after an audit or inquiry by taxing authorities or otherwise.

**7. Termination.** Owner reserves the right to terminate this Contract, at any time, and for any or no reason, upon prior written notice to Contractor. In such event, Work in process and information developed for Owner by Contractor prior to termination shall be delivered to Owner. In the event Work is terminated in accordance with this Section, Owner shall pay Contractor, subject to any other provisions of this Contract that may reduce or suspend payment, (a) according to the compensation provisions contained in this Contract for non-lump sum or non fixed-price Work performed and obligations incurred prior to the termination, (b) for lump-sum or fixed-price Work, the percentage of any lump-sum or fixed-price which represents the percentage of the Work satisfactorily completed by Contractor, (c) for direct costs that Contractor incurs in terminating Work under the Contract, provided those costs (1) were authorized in advance by Owner, and (2) are properly supported by timesheets, invoices and the like. Owner's sole liability to Contractor for termination is contained in this Section and Owner shall not be liable for any costs, claims, damages or liabilities whatsoever of Contractor or its Subcontractors, including, without limitation, consequential, special or indirect damages, loss of anticipated profits or reimbursement for Work unperformed. Termination shall not relieve either party of obligations arising out of this Contract in connection with the Work performed prior to termination.

Contractor may terminate this Contract if Owner fails to pay any undisputed amounts due and owing after providing written notice and affording Owner thirty (30) days to cure. Contractor shall comply with Owner's retention and destruction directions provided by Owner's Contract Manager. In addition to any rights that Owner may have, upon expiration or termination of this Contract or termination for any reason, Contractor shall, within 10 calendar days, return all data belonging to Owner to the applicable Contract

Manager in any form reasonably requested by such Contract Manager, except that Contractor may maintain file copies to the extent necessary to meet any contractual or legal obligation.

**8. Suspension.** Owner may suspend, at any time and for any reason, all or any of the Work upon prior written notice to Contractor and Contractor shall promptly comply and shall not place further orders or subcontracts for material, services or facilities unless required to do so in the suspension notice from Owner. Owner may, at any time, authorize Contractor to resume any part of the suspended Work and Contractor shall then promptly do so. Within ten (10) days from a subsequent written notice from Owner to Contractor to resume the suspended Work, Contractor shall submit a written invoice to Owner setting forth any actual and reasonable increases in Contractor's costs resulting solely from the Owner's suspension, and Owner shall reimburse Contractor for such costs, subject to Owner's right to contest in good faith the accuracy of the costs. Owner's sole liability to Contractor for suspension shall be determined in accordance with this Section 8, and Owner shall not be liable for any other costs, claims, damages or liabilities whatsoever of Contractor or its Subcontractors, including without limitation, loss of anticipated profit or reimbursement for Work suspended. Contractor's contracts with Subcontractors shall contain a similar provision to this Section 8 to protect Owner from liability to Subcontractors for suspended Work.

**9. Risk of Loss and Use.** In the event Owner provides Contractor with materials, tools or equipment, Contractor will make a full and complete accounting to Owner of the disposition of all such items issued and delivered to Contractor by Owner. Contractor will be responsible (at full replacement cost) for the loss or destruction of any materials, tools or equipment in its possession during the period of contract performance and for Work in process until the Work is accepted in its entirety by Owner. Upon completion of the Work, Contractor shall return any such property to Owner in the condition in which it was received, except as repaired or modified in the performance of the Work. Any or all such materials, tools or equipment are furnished on an AS-IS, WHERE IS, basis and Contractor shall be solely responsible for assuring itself of the safety and suitability of such equipment prior to use and shall indemnify, hold harmless and defend Owner, its employees, agents and Affiliates against any claims or damages arising from such use by Contractor.

**10. Amendments and Minor Changes.** The Contract Manager shall have the authority to order, orally or in writing, minor changes in the scope of Work contained in this Contract, provided the change does not affect the compensation, cost or schedule of performance. The Contractor shall carry out such directions promptly. Except for the foregoing, no waiver, addition, deletion, or modification of any provision contained in this Contract shall be binding unless in writing and signed by duly-authorized representatives of both parties.

**11. Warranty.**

11.1 The Contractor represents and warrants that it has the Competence to perform the Work, has or shall obtain the necessary tools, equipment and personnel to perform the Work, shall assign qualified and competent personnel to the performance of the Work, such personnel shall use their best efforts to perform the Work described herein in the most expeditious, professional and economical manner consistent with the interests of the Owner, shall maintain and use all tools and equipment in accordance with manufacturer's specifications and recommendations and good engineering and operational practices, has or shall obtain, at its expense, before performing any Work all the necessary certificates, permits, licenses and authorizations to perform Work and conduct business, shall perform all Work in accordance with applicable Law, shall perform all Work in good faith, promptly and with due diligence and Competence, and fully comprehends the requirements and contingencies for performing Work.

11.2 The Contractor warrants that it will perform the Work provided for in this Contract in conformance with the highest standards of care and practice appropriate to the nature of the Work and exercise the highest degree of thoroughness, competence and care that is customary in the utility industry. The Contractor further warrants that the Work performed hereunder will be of the kind and quality described in this Contract and will be free of defects in design (except where the Owner has furnished the design), title, workmanship, and materials. Contractor warrants that any equipment or goods supplied hereunder shall be new unless otherwise specified in this Contract and that any Work supplied, repaired or modified by Contractor shall meet all performance or acceptance criteria in the applicable Specifications.

## **12. Independent Contractor.**

12.1 Contractor shall maintain the status of an independent contractor with the sole authority to control and direct the performance of the details of the Work being rendered by its and Subcontractors' employees, and with responsibility for determining the safety of its and Subcontractors' employees performing Work. Contractor will at all times act as an independent contractor, and nothing stated or implied in this Contract shall be construed to make Contractor, nor shall Contractor represent Contractor to be, an employee or agent of Owner or any of its Affiliates. While Contractor's services shall meet with the approval of Owner, Owner is interested in the results to be achieved and, accordingly, the detail, manner and method of performing Work shall be the responsibility of, and under the supervision and control of, Contractor and Subcontractors. Contractor shall supply all personnel utilized by it in performing Work. Contractor and Subcontractors shall have complete control of, and supervision over their personnel, tools and equipment. The Owner shall have the right, but not the duty, to review the qualifications of Contractor's personnel and to disapprove unqualified personnel before assignment to perform Work hereunder. Nothing in this section shall be construed as precluding the Owner from raising the "Statutory Employer" defense, if applicable, to any suit filed against the Owner by an employee of the Contractor or any Subcontractor. Further, notwithstanding anything in this Subsection to the contrary, the parties mutually agree that it is their intention to recognize the Owner as the statutory employer of the Contractor's and Subcontractors' employees, whether direct employees or statutory employees of the Contractor or any Subcontractor, in accordance with Louisiana Revised Statute 23:1061, while Contractor's and any Subcontractors' employees are providing Work hereunder within the State of Louisiana.

12.2 Notwithstanding anything in this Contract to the contrary, Contractor, and not Owner or any Affiliate, shall be solely responsible for (a) payment of all wages or salary or other compensation to Contractor personnel; (b) as applicable, withholding and payment of federal, state or local individual income taxes, FICA and other payroll taxes and applicable amounts with respect to any payments made to Contractor and Contractor personnel, except for taxes allowed to be recovered pursuant to Section 6.4; (c) providing all pension and welfare benefits and other employment-related benefits, as applicable, to Contractor personnel, including, but not limited to, vacation, sick-pay, insurance, pension, medical, disability benefits, dental and life insurance and any profit-sharing benefits; and (d) all other legal and labor requirements regarding Contractor personnel. Contractor shall indemnify and hold harmless Owner and its past, present and future Affiliates, and any one or all of its past, present and future officers, directors, employees, plan fiduciaries, shareholders, and agents with respect to any claims, loss, expenses (including attorneys' fees and court costs), liability and damage, and penalties that any one or all of them may incur relating to or arising from or out of or in connection with any allegations by Contractor personnel or Contractor or any third party, including any governmental entity that (1) any Contractor personnel are or were employees of Owner or Affiliate; (2) that any one or all are entitled to benefits from Owner or any Affiliates, including, without limitation, benefit or welfare plan participation, vacation, or sick leave; (3) asserts wrongful termination, libel, slander, interference with employment or business

relationships, or any type of alleged employment action or alleged discrimination in employment activities.

### **13. Laws, Project Rules and Licenses**

13.1 Contractor shall, prior to commencement of Work at any Site, request in writing from the Contract Manager copies of any applicable Site health, safety, quality and security rules, procedures and programs. Contractors and Subcontractors with access to the Owner's or Affiliates network shall also be required to abide by the then-current communications policies to which Owner subscribes, and which are available upon request. Owner may require Contractor, Subcontractor, and some or all of their employees to execute a confidentiality agreement related to the enforcement of the Entergy Communications Systems Policy; provided however, that failure of the Owner to require the execution of such confidentiality agreement shall not relieve the Contractor and Subcontractor from liability for failure to adhere to such policy. Contractor and its Subcontractors, if any, shall observe and comply with all such applicable Site health, safety and security rules, procedures and programs, and shall abide by all Law and the terms of any permit required for, or relating to, the Work to be rendered pursuant to this Contract. Contractor shall indemnify, defend and hold harmless Owner and its Affiliates with respect to any claims, expenses (including attorneys' fees), liability or damage arising out of Contractor's or Subcontractors' failure to comply with any such Law, rules, procedures or programs or the provisions of this Section 13.

13.2 Contractor shall be responsible for providing a healthful and safe work place and working environment for its employees and Subcontractors during performance of the Work. Contractor shall protect the health and safety of Contractor's, Subcontractor's and Owner's employees, the public, and other third parties from any danger associated with the Work. All tools, equipment, facilities and other items used by the Contractor and its practices employed to accomplish the Work are considered part of the working environment. No representation or warranty is made by Owner or its Affiliates that applicable Site health, safety, quality or security rules, procedures and programs are complete or adequate to protect any person from danger. To the contrary, it is incumbent upon the Contractor to assess the risks of its operations and develop safety procedures accordingly. Contractor's obligations under Section 13 hereof are minimum requirements and Contractor's observance and compliance with such rules, procedures and programs shall not serve to discharge or release Contractor from its responsibility to provide its employees and Subcontractors a healthful and safe work place and working environment or to adapt more stringent rules, procedures and programs as may be necessary to prevent personal injury, death or property damage arising out of or relating to the Work to be performed. In addition, Contractor is responsible for and shall ensure that all Work is performed in compliance with any changes to such Site health, safety, quality and security rules, procedures and programs as are made by Owner. Contractor agrees to adopt whatever methods, procedures and precautions are necessary to comply with the provisions of this Section 13 and shall not rely entirely upon Owner rules, procedures or programs to accomplish the goals and requirements of such Section. Owner may modify or replace, at any time, the Site health, safety, quality and security rules, procedures and programs applicable to Work by notifying Contractor either orally or in writing without complying with any provision on giving notice in this Contract. Contractor shall furnish Owner with written notice of Contractor's individual who is responsible for supervising Contractor's safety program and related record-keeping. If required by this Contract, Contractor shall employ a full-time, on-site qualified safety representative.

13.3 Contractor shall not undertake performance of the Work until the Work can be done safely. Contractor shall at all times conduct all Work under this Contract in a manner to avoid the risk of bodily harm or property damage. Contractor shall promptly take all precautions that are necessary and adequate to guard against any conditions that involve a risk of bodily harm or property damage. Contractor will only employ Competent, skilled employees and Subcontractors who are knowledgeable of dangers involved in the Work. Contractor shall continuously inspect all Work, materials and equipment to



discover and determine any such conditions and shall be solely responsible for identification and correction of any such conditions. Contractor shall notify the Owner immediately of any accident or injury. Contractor shall provide the Owner a complete copy of all accident reports and access to any accident investigations or descriptions.

13.4 The Contractor shall not permit or suffer the introduction or use of intoxicating liquor, beverages, drugs or the possession of firearms, explosives, or weapons or any other contraband upon Work or Sites, or upon any location owned, leased or controlled by Owner.

13.5 It is incumbent upon Contractor, Subcontractors, and their personnel, to perform all tasks with safety as its highest priority. To this end, when non-English speaking personnel are employed or present on the Site, it is the Contractor's obligation and responsibility to ensure that all personnel understand all work area signage, emergency announcements via public address systems, Owner radios, cell and land-based phones, computer and personal communications, as well as safety training information, including but not limited to videotaped recordings provided by Owner or its Affiliates to the Contractor and that all non-English speaking personnel are capable of notifying others of safety hazards encountered or created in the workplace or Site. Supervision by an individual capable of translating shall be used to ensure that all signs, announcements or notifications can be translated immediately, providing for effective and safe work-rule enforcement. Should there be multiple non-English speaking crews, a translator is required for each crew. In the event the translator leaves a work site where the Work is being performed by non-English speaking personnel, the Work being performed shall stop and the non-English speaking personnel shall vacate the work site areas until they have a translator. Manpower charges to Owner shall cease for the time period the non-English speaking personnel are without a translator.

13.6 Contractor acknowledges that compliance with the provisions of Sections 13 is of the highest importance. Any breach of this Section shall constitute a substantial and material breach of this Contract entitling Owner, to exercise the rights and remedies specified in this Contract and any other rights and remedies under applicable Law or equity.

13.7 Contractor shall comply with all applicable Law. Without limiting the foregoing, unless this Contract is exempt from Executive Order 11246, under the rules and regulations of the Secretary of Labor (41 C.F.R. § 60), the Contractor agrees that during the performance of this Contract, it will fully comply with the provisions of the equal opportunity clause as set forth in Section 202 of Executive Order 11246 and 41 C.F.R. § 60-1.4(a)(1-7), which provisions are hereby incorporated by reference and made a part of this Contract. During the performance of this Contract, Contractor also agrees that it will fully comply with the applicable equal opportunity provisions of the Rehabilitation Act of 1973, as amended, and applicable regulations, 41 C.F.R. § 60-741, et seq., and the Vietnam Era Veterans Readjustment Act of 1974, as amended, and applicable regulations, 41 C.F.R. § 60-2.50, et seq., which are hereby incorporated by reference and made a part of this Contract. The Contractor certifies that it does not and will not maintain or provide for its employees any facilities that are segregated by race, color, religion or national origin, or permit its employees to perform any services at any location, under its control, where segregated facilities are maintained, and Contractor will obtain a similar certification for all non-exempt Subcontractors, as required by 41 C.F.R. § 60-1.8. **Contractor and Subcontractors shall abide by the requirements of 41 CFR 60-300.5(a) prohibiting discrimination against qualified protected veterans and requiring affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. Contractor and Subcontractors shall abide by the requirements of 41 CFR 60-741.5(a) prohibiting discrimination against qualified individuals on the basis of disability and requiring affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.** The Contractor further agrees that to the extent applicable, including but not limited to, the purposes of promoting small and small disadvantaged businesses, the Contractor will fully comply with the

requirements of the Small Business Act, 15 U.S.C. Section 631, et seq., and the Office of Procurement Policy Act, 41 U.S.C. Section 423, et seq., as implemented in the Federal Acquisition Regulations found at 48 C.F.R. Part 1, et seq., all of which are hereby incorporated by reference and made part of this Contract. Contractor shall provide Owner with information, as requested by Owner or its Affiliates, to support any reporting that Owner must make pursuant to legal requirements, including information that Owner or its Affiliates need or otherwise request in order to comply with reporting requirements of 48 C.F.R. 53.219 concerning small, small disadvantaged, and women-owned small businesses. Notwithstanding the foregoing, Contractor shall comply with the regulations identified in 48 C.F.R. 52.244-6, all of which is incorporated herein by reference. Contractor shall ensure that any Subcontractors do the same. In addition, Contractor shall, if applicable, comply with the Fair Labor Standards Act of 1938 (particularly sections 6, 7 and 12 thereof), as amended; the Social Security Act, as amended; and federal and state unemployment tax laws.

### 13.8 Supplier Diversity

#### (a) Plan for Utilization of Diverse Suppliers

Contractor shall comply with the provisions contained in 48 CFR 52.219-8 (May 2004) (Utilization of Small Business Concerns) and 48 CFR 52.219-9 (Jan 2002) (Small Business Subcontracting Plan).

Contractor shall submit a plan for utilizing diverse suppliers to Owner's Director, Supplier Diversity and Development. The plan shall include a listing of each proposed supplier expected to be directly utilized by Contractor broken out by category of service/material with the targeted spend amount for each. Contractor may use the Subcontracting Plan Template, a copy of which is attached hereto as a Exhibit D, to satisfy this requirement.

Contractor may consult with Owner's Director, Supplier Diversity and Development or his/her designee for assistance in identifying potential diverse suppliers.

#### (b) Reporting Diverse Supplier Spending

Contractor's reporting, as prescribed below, shall include a listing of each of the diverse suppliers by company name, address, point of contact, commodity group and/or services and spend amount. Upon request, Contractor shall provide a detailed plan of action to overcome any performance gaps against its initial Subcontracting Plan.

Contractor shall provide quarterly reporting of diverse supplier spending through Owner's third-party managed registration and second tier spend reporting website, [www.entergy.cvmsolutions.com](http://www.entergy.cvmsolutions.com). For reporting purposes, women owned businesses shall be limited to non-minority women. As such, ethnic minority women owned businesses shall be reported as minority owned businesses and not a part of women owned business reporting. Contractor shall contact Owner's Supply Chain Director, Supplier Diversity and Development, or his/her designee to gain access to this website.

#### (c) Maintaining Competitive Business Practices

Nothing contained in the section is intended to imply or to impose any obligation on the part of the Contractor to pay a premium for the utilization of diverse suppliers. Consistent with good business practices, Contractor shall fulfill these requirements while maintaining competitive prices for goods and services procured from all suppliers.

#### (d) Owner's Supplier Diversity and Development

Owner's Supplier Diversity and Development group may be contacted as follows:

Mr. Rivers Frederick  
Supplier Diversity and Development  
Entergy Services, Inc.  
L-ENT-5B  
639 Loyola Ave.  
New Orleans, LA 70113  
(504) 576-4924  
[rfreder@entergy.com](mailto:rfreder@entergy.com)

13.9 Contractor and all Subcontractors shall procure at their own expense all necessary municipal and other governmental permits, licenses and inspections in connection with Contractor's and Subcontractors' Work performed under this Contract, including, but limited to, applicable sales, use, gross receipts and similar tax permits. When required by Law or Owner, Contractor warrants that it will hold and will maintain current throughout this Contract, a Certificate of License issued by the Contractors Licensing Board of Arkansas if performing Work in Arkansas, a Certificate of Responsibility issued by the Mississippi Board of Contractors if performing Work in Mississippi, a license issued by the Louisiana State Licensing Board for Contractors if performing Work in Louisiana, any license required under Texas law if performing Work in Texas, or similar licenses from other states that are recognized and accepted by, if applicable, such Arkansas, Louisiana and Mississippi and Texas Boards. Contractor warrants that such license numbers were furnished to the Owner and were accurately printed on the exterior of Contractor's bid for the Work. Contractor will verify, and represents to Owner that all Subcontractors approved by the Owner are duly-licensed.

13.10 With respect to the Work performed by Contractor or any Subcontractor, Contractor shall provide the Owner with such records and reports, including safety reports, concerning the Work as the Owner shall request.

13.11 Whenever requested to do so by the Contract Manager, Contractor shall immediately remove from the Sites, any employee of Contractor, any Subcontractor or any employee of Subcontractor performing Work. Contractor shall not allow such employee whom Owner or any Affiliate have requested be removed, back on the Site or on any of Owner's or Affiliates Sites or facilities without the prior written consent of the Owner. **CONTRACTOR HEREBY RELEASES, FOREVER DISCHARGES AND HOLDS HARMLESS OWNER AND ITS AFFILIATES FROM ANY COSTS, CLAIMS, LOSSES, AND DAMAGES OF ANY KIND WHATSOEVER BASED UPON NEGLIGENCE (ACTIVE OR PASSIVE) DEFAMATION, WRONGFUL DISCHARGE OR OTHERWISE WHICH CONTRACTOR, OWNER OR AFFILIATES MAY PAY, SUFFER, OR INCUR AS THE RESULT OF ANY SUCH REMOVAL.**

13.12 Owner may, from time to time, issue one or more requests to Contractor to furnish to Owner any or all of the following information: financial statements (including, but not limited to, balance sheets and income statements certified as prepared in accordance with generally accepted accounting principles), bank and trade references, Dun and Bradstreet Number, the legal form, state of incorporation or organization and full legal name of all of Contractor's parent companies, and periodic updates to any or all of the foregoing information. Contractor, at its sole cost and expense, shall promptly comply with such requests.

#### **14. Use of Information, Copyrights, Patents and Infringement Indemnity; Escheatment.**

#### 14.1 Confidentiality.

- a. *Confidentiality.* All confidential information, specifications, drawings or other data, Software, materials or other business or technical information (collectively the “Confidential Information”) disclosed or made available to Contractor or obtained by Contractor, directly or indirectly, from Owner or developed or obtained by Contractor (or others under its direction or supervision) in connection with the performance of this Contract shall be deemed Confidential Information belonging to Owner. During the term of this Contract and thereafter, Contractor shall not use or otherwise disclose such Confidential Information for any purpose (nor permit its use or disclosure by others who are under its supervision or direction) without Owner having given its prior written consent, except (1) to the extent necessary in connection with the performance of the Work hereunder and under obligations of confidentiality at least as strict as those described herein, or (2) where such Confidential Information was publicly available, or (3) Contractor otherwise demonstrates to the satisfaction of Owner that such Confidential Information was either actually known to Contractor prior to this Contract, or was independently and properly obtained or developed by Contractor apart from this Contract or any connection with Contractor or its Affiliates (directly or indirectly) and without breach of any confidential relationships. Notwithstanding anything to the contrary contained herein, neither Contractor nor its Subcontractors or the employees of either of them shall be restricted from providing Confidential Information to judicial or regulatory bodies to the extent required by law or court order; provided, however, that Contractor, to the extent reasonably practical, shall give maximum advance notice of such disclosure requirement and shall cooperate with Owner in seeking to oppose, minimize or obtain confidential treatment of the Confidential Information ordered or required to be disclosed, in each case to the extent reasonably practical.
- b. *Contractor Proprietary Information.* All trade secrets or other proprietary information of Contractor, excluding deliverables and information contained therein (collectively the “Proprietary Information”), disclosed or made available to Owner (or others under its direction or supervision) in connection with the performance of this Contract, and which Contractor expressly identifies at the time of disclosure as Proprietary Information pursuant to this provision, shall be deemed Proprietary Information belonging to Contractor. During the term of this Contract and thereafter, Owner shall not disclose to unaffiliated third parties (this does not include attorneys, auditors, contractors, and other agents of Owner) such Proprietary Information for any purpose (nor permit its use or disclosure by others who are under its supervision or direction) without Contractor having given its prior written consent, except (1) to the extent necessary to receive the benefit of the Work under this Contract and under obligations of confidentiality at least as strict as those described herein, or (2) where such Proprietary Information was publicly available, or (3) Owner otherwise demonstrates to the satisfaction of Contractor that such Proprietary Information was either actually known to Owner prior to this Contract, or was independently and properly obtained or developed by Owner apart from this Contract or any connection with Owner or its Affiliates (directly or indirectly) and without breach of any confidential relationships. Notwithstanding anything to the contrary contained herein, neither Owner nor its employees, attorneys, auditors, contractors, and other agents shall be restricted from providing Proprietary Information to judicial or regulatory bodies to the extent required by law or required or requested by applicable regulatory agencies; provided, however, that Owner, to the extent reasonably practical, shall give maximum advance notice of such disclosure requirement and shall cooperate with Contractor in seeking to oppose, minimize or obtain confidential treatment of

the Proprietary Information ordered or required to be disclosed, in each case to the extent reasonably practical.

*b. Data Security.*

1. *Information Security Program.* Contractor shall have implemented and shall maintain appropriate operational, technical, and organizational measures to protect Confidential Information, whether in paper, electronic, or other form, against accidental, unauthorized, or unlawful access, disclosure, or alteration during its collection, storage, access, transmission, transportation, and destruction (“Information Security Program”). Such program shall include, but not be limited to encryption, redaction, secure user authentication protocols, up-to-date firewall protection, physical safeguards, training, prohibition on saving Confidential Information on thumb drives, and any other necessary controls. Contractor shall designate one or more employees to maintain the Information Security Program.

2. *Monitoring & Testing the Information Security Program.* Contractor shall regularly test (at least annually) or otherwise monitor the effectiveness of the Information Security Program. Contractor periodically shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of Confidential Information, and ensure that there are safeguards in place to control those risks. Contractor shall monitor and ensure that all Contractor personnel are compliant with the Information Security Program. Contractor shall review the Information Security Program at least annually or whenever there is a material change in its business practices or Laws that may reasonably impact the Information Security Program.

3. *Policies related to the Information Security Program.* Contractor shall implement policies related to collection, storage, access, transmission, transportation, and destruction of Confidential Information, including appropriate monitoring to ensure compliance with such policies and Laws as part of its Information Security Program.

4. *Personnel.* Contractor shall conduct appropriate background investigations of Contractor personnel (“Personnel”). No Personnel shall be given access to Confidential Information until such investigation is complete and the results are acceptable given the nature of the Confidential Information to which such Contractor Personnel shall be exposed. Contractor shall conduct reasonable privacy and information security training, as appropriate, for Personnel who will have access to Confidential Information. Contractor shall require any Personnel who process or access Confidential Information to sign, and annually affirm in writing, an enforceable confidentiality agreement that includes requirements to keep the Confidential Information confidential, if required by Owner. Contractor’s policies shall impose disciplinary measures for violations of the foregoing. Contractor shall prevent terminated employees from accessing Confidential Information immediately upon termination. Contractor shall not give temporary employees access to files that contain Confidential Information.

5. *Notice of a Data Security Incident.* Contractor shall notify Owner immediately in the event of an unauthorized access or suspected unauthorized access to or alteration of Confidential Information, regardless of the form in which the data is kept or the nature of the unauthorized access (“Incident”). Access is considered unauthorized when it is made for any purpose other than the direct performance of Work hereunder.

*c. Export Compliance / Data Export.*

1. Notwithstanding any other provision of this Contract, Contractor understands and agrees that it is subject to, and agrees to abide by, any and all applicable United States laws and regulations controlling the export of certain export-controlled technology, computer software, laboratory prototypes, related information, and export-controlled products (collectively, "Controlled Technology").

2. Contractor understands that sharing Controlled Technology and Confidential Information with certain foreign nationals who are not lawful permanent residents of the United States, even if it is not sent out of the United States, may constitute an export that is subject to such laws and regulations, and may require an export license. Prior to allowing any foreign national who is not a lawful permanent resident of the United States access to any Confidential Information or Controlled Technology provided by Owner or otherwise employed in the Work, Contractor will ensure that the use by such individual (1) complies with all applicable United States laws and regulations, including ensuring that such individual is not, at any time, on the Specially Designated Nationals List published by the U.S. Office of Foreign Assets Control and (2) does not require an export license. Failure to abide by these requirements shall constitute a material breach of this Agreement. At Owner's request, Contractor shall periodically confirm its compliance with laws that apply to Confidential Information and Controlled Technology.

3. Notwithstanding the foregoing, Contractor shall not host on a foreign server, or otherwise allow access to Controlled Technology or Confidential Information from outside of the United States, or allow access to Confidential Information by foreign nationals who are not lawful permanent residents of the United States, without Owner's prior written consent.

*d. Special Provisions for Personal Information.* If Contractor will have access to Personal Information, the following provisions will apply.

1. *Compliance with Privacy Laws.* Contractor acknowledges that the data to which it will have access pursuant to this Contract may contain Personal Information, the use of and access to which is subject to Privacy Laws. Contractor agrees to abide strictly by all such Privacy Laws pertaining to Personal Information, as they are promulgated and applied, currently and in the future, and to implement appropriate mechanisms to comply therewith as part of its Information Security Program. Furthermore, Contractor shall execute any and all agreements, notices, consents, and other documents necessary for Owner's and Contractor's compliance with any Privacy Laws. If Contractor's use (whether directly or indirectly) of Personal Information is contrary to any Privacy Law or any of the restrictions set forth in this Contract, Owner shall have the right to terminate this Contract for cause if such breach has not been cured within 5 business days of receipt by Contractor of written notice, and pursue any other legal and equitable remedies.

2. *Personal Information Incident.* While Contractor shall notify Owner of an Incident implicating Personal Information, Contractor shall not notify individuals whose Personal Information was the subject of an Incident unless required to do so by applicable Law or unless and until directed to do so by Owner. Contractor shall document any responsive action taken in connection with the Incident, and mandatory post-Incident review of events and actions taken, if any, relating to protection of Personal Information.

3. *Liability in Connection with an Incident.* Notwithstanding any other provision of this Contract, and in addition to its indemnification obligations, Contractor shall reimburse Owner on demand for reasonable and customary out-of-pocket costs and expenses incurred by them to

the extent attributable to any Incident or other violation of Contractor's duties hereunder with respect to safekeeping of Personal Information consisting of the following costs and expenses associated with addressing and responding thereto, if directed to do so by Owner: (i) preparation and mailing or other transmission of legally required notifications or notifications otherwise to be sent at Owner's discretion; (ii) preparation and mailing or other transmission of communications to employees, customers, agents, or others affected by the Incident that are required by law, required or recommended by a governmental authority, or sent at Owner's discretion; (iii) establishment and maintenance of a call center or other communications protocols in response to such violation (e.g., Owner service FAQs, talking points, and training); (iv) reasonable legal and accounting fees and expenses associated with the investigation of and response to the Incident; (v) costs for commercially reasonable credit-reporting and identity-theft services for individuals whose Personal Information is affected by the Incident for a minimum of 12 months or such longer time as required by Law, required or recommended by a governmental authority, or as directed by Owner as a reasonable mechanism for mitigating the Incident; (vi) costs associated with credit freezes for individuals whose Personal Information was affected by the Incident; and (vii) all fines, penalties, and interest imposed by any governmental authority.

14.2 All deliverables, whether Software or otherwise, to the extent prepared, produced or first developed by Contractor for Owner under this Contract, shall be and will remain the exclusive property of Owner, and all right, title and interest therein (including, without limitation, copyright and patent rights) shall vest in Owner, and shall, to the fullest extent permitted by Law, constitute "work made for hire" under United States copyright law. Contractor shall retain all right, title and interest in its know-how, concepts, materials and information that were or are developed entirely independently of Work performed pursuant to this Contract (the "Retained Rights"), whether or not such Retained Rights are embodied in a deliverable.

14.3 With respect to Contractor's Retained Rights embodied in any deliverable, Owner is hereby granted a nonexclusive, perpetual, worldwide, royalty-free, fully paid-up license under Contractor's Retained Rights to use the deliverables for its business operations. The license granted under this paragraph shall extend to Owner's Affiliates use of deliverables for their business operations and to all successors or assignees of the business function for which the deliverables were acquired or created or of the system to which the deliverables relate.

14.4 Contractor will not disclose or provide to its clients, customers or any third party a copy of the version of any deliverable that was (i) prepared, produced or first developed by Contractor for Owner or (ii) tailored to meet Owner's specific needs. However, Contractor may extract and use know-how, expression or concepts gained during the performance of this Contract to develop, distribute and use templates, materials and tools for itself and other client projects, so long as such templates, materials and tools do not contain any Information which may not be disclosed pursuant to the first paragraph of this Section 14.

14.5 The Contractor shall execute such documents and do such things as may be necessary to effectuate this Section 14 and to ensure that the intellectual property described or contemplated herein shall become the sole property of Owner, and shall require each of its employees and Subcontractor employees to do the same, all at Contractor's sole cost and expense.

14.6 If either Contractor or Owner is made the subject of any claim or lawsuit based on the alleged infringement of any third-party patent, copyright or trade secret by reason of any aspect of the materials, services or Work provided or performed hereunder, it shall promptly notify the other party thereof in writing. Owner shall defend, hold harmless and indemnify Contractor against those claims or



lawsuits based on the actual or alleged infringement of any third-party right by Contractor only to the extent that Contractor's allegedly infringing conduct is expressly required by Owner's Specification or expressly required in writing by Owner. This indemnity shall not extend to conduct of Contractor that is discretionary to Contractor. Contractor shall defend, hold harmless and indemnify Owner and Affiliates against all other claims or lawsuits based upon the actual or alleged infringement of any third-party right. The indemnities set forth in this Subsection 14.6 shall include, without limitation, all penalties, awards and judgments; all court and arbitration costs; attorneys' fees; and other reasonable out-of-pocket costs incurred in connection with such claims or lawsuits. The indemnifying party shall have the right to control the defense of any litigation, and to settle or compromise all claims or lawsuits subject to its indemnity. However, the indemnifying party may not settle or compromise such claim or lawsuit without the written consent of the indemnified party if any settlement or compromise requires the indemnified party to part with any right or make any payment not indemnified or subjects the indemnified party to any injunction. Subject to the foregoing, the indemnified party shall have the right, at its option and expense, but not the obligation, to retain advisory counsel to represent its interests in defending any such claim or lawsuit. If any action results in an injunction against Owner with respect to the Work, materials, services or facilities provided under this Contract, or in the event the use of the Work, materials, services or facilities furnished by the Contractor hereunder, or any part thereof, is, in such suit, held to constitute infringement, Contractor agrees that it shall, at its option and sole expense, either (1) procure for Owner the right to continue using the infringing subject matter, or (2) replace the infringing materials, Work, services or facilities with non-infringing items of equivalent value and functionality or modify the same so that it becomes non-infringing and retains its full value and functionality.

14.7 **Escheatment.** Contractor shall timely file and remit and/or turnover to the appropriate state agency all unclaimed property.

## 15. **Release and Indemnity.**

15.1 Contractor shall, to the fullest extent allowed by applicable law, indemnify, protect and hold harmless Owner, its Affiliates and their contractors and each of their officers, directors, control persons, employees, agents and representatives (the "Indemnitees") from and against any and all losses, damages, including consequential, incidental and punitive damages, claims, liabilities, costs and expenses (including, without limitation, demands, fines, remediation costs, penalties, attorneys' fees, court costs, legal, accounting, consulting, engineering and other expenses) that may be imposed on, incurred by, or asserted against the Indemnitees 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) Contractor's or Subcontractor's breach of any provision of this Contract, including, but not limited to, the representation and warranties set forth in this Contract, (b) Contractor's or Subcontractor's negligence, wrongful act or omission, breach of implied warranties, or strict liability by reason of property damage, personal injury or death, of whatsoever nature in connection with the performance of the Work by the Contractor or Subcontractor, (c) any violation of Law by Contractor or Subcontractor, except to the extent caused by the gross negligence or willful misconduct of an Indemnitee. Indemnitees may require Contractor to defend all suits or claims concerning the foregoing.

15.2 Further, the Contractor shall be solely responsible for and shall indemnify, protect and hold harmless Indemnitees, and upon request of an Indemnitee, defend the Indemnitees, and each of them, from and against any and all losses, damages, including consequential, incidental and punitive damages, claims, liabilities, costs and expenses (including, without limitation, demands, fines, penalties, attorneys' fees, court costs, legal, accounting, consulting, engineering and other expenses), on account of the death of, or injury to the Contractor or any Subcontractor, any employee or agent of either, or any third party, caused by, connected with, relating to or arising from, in any way, in whole or in part, directly or



indirectly, the Work performed or to be performed, or from the presence of the Contractor, Subcontractor, or their suppliers, materialmen, employees, agents or representatives on or near any Site or any property owned, leased, controlled or occupied by Owner or any Affiliate, **WITHOUT REGARD TO WHETHER ANY SUCH DEATH OR PERSONAL INJURIES HAVE BEEN CAUSED BY OR ARE ATTRIBUTABLE TO, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, THE NEGLIGENCE, ACTIVE OR PASSIVE, OF ANY OR ALL INDEMNITEES, THE CONDITION OF THE SITE, STRICT OR PRODUCTS LIABILITY, OR OTHERWISE, AND NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN TO THE CONTRARY.**

**16. Subcontracts or Assignments.**

16.1 For Work to be performed in Louisiana, Contractor agrees to give preference to sources of supply within the State of Louisiana in subcontracting opportunities. Contractor shall not employ outside Subcontractors to perform any of the services covered by this Contract without first procuring the written consent of Owner and requiring the Subcontractor or assignee to produce evidence of insurance coverage required in paragraph 17. No approval shall relieve Contractor of any of its obligations under this Contract. Contractor shall be responsible for Work performed by all of its Subcontractors (approved or otherwise) to the same extent it is for activities performed by Contractor's employees and shall remain liable for all acts, omissions, errors and negligence of a Subcontractor. Contractor further hereby agrees to provide maximum practicable opportunity to small and small disadvantaged businesses (as such businesses are defined by the Small Business Administration or by the Federal Acquisition Regulations) for participation in any subcontracts that are to be let by Contractor in the performance of its obligations under this Contract. Lists of all Subcontractors that qualify as such small or small disadvantaged businesses shall be supplied to Owner by Contractor.

16.2 Contractor shall not assign this Contract in whole or in part except to an affiliate, without the prior written consent of Owner which consent may be withheld for any reason and any such purported assignment shall be null and void and, at Owner's option, will constitute a material breach of this Contract. No assignment of this Contract even if consented to by Owner shall relieve Contractor of its responsibilities under this Contract. Any assignee of Contractor shall meet all the requirements of Section 17 as a condition precedent to the assignment.

**17. Insurance.**

17.1 Without limiting any obligations or liabilities of Contractor under this Contract, Contractor shall provide and maintain during the term of this Contract, at its own expense, without direct reimbursement, insurance coverage in forms and amounts which Contractor believes will adequately protect it, but in no case less than:

(a) Workers' Compensation Insurance, and such insurance shall be in accordance with all applicable state, federal, and maritime laws, including Employer's Liability Insurance in the amount of \$500,000 per accident/disease. Policy shall be endorsed to include a waiver of subrogation in favor of the Owner and Affiliates. This coverage shall be maintained regardless of the number of employees employed by Contractor.

(b) Commercial General Liability Insurance including Contractual Liability Coverage covering liability assumed under this Contract, Products/Completed Operations Coverage, Broad Form Property Liability Coverage, and Personal injury Coverage in the amount of \$1,000,000 per occurrence for Bodily Injury and Property Damage and Underground Collapse and Explosion Hazards.

(c) Commercial Automobile Liability Insurance including all owned, hired, leased, assigned and non-owned vehicles, with a combined single limit of \$1,000,000 per accident.

(d) Errors and Omissions Liability Insurance as may be appropriate and available in the amount of not less than \$1,000,000 per claim covering claims or damages because of injury or damages arising out of any act, error, or omission of Contractor in the rendering of professional services.

(e) Data Security Insurance Coverage, insuring Security and Privacy Liability as well as Data Breach Costs (including notification expenses and event management costs) with liability limits of \$1 million per event.

(f) Excess Liability Coverage to provide excess of paragraphs 17.1(a) through 17.1(c) in the amount of \$5,000,000 per occurrence.

17.2 Contractor's insurance policies required by paragraphs 17.1(b) through 17.1(e) above, shall include Owner and Affiliates as Additional Insureds with respect to Contractor's liability arising from this Contract. Contractor hereby waives all rights of recourse, including any right to which another may be subrogated, against Owner and Affiliates for personal injury, including death, and property damage.

17.3 All of Contractor's policies of insurance shall be primary and non-contributing with any insurance maintained by Owner and Affiliates. Contractor shall provide Owner with thirty (30) days' prior written notice of cancellation or any material adverse change in conditions.

17.4 Contractor shall provide Owner with Certificates of Insurance issued to the Owner and Affiliates as the Certificate Holder, evidencing coverage currently in effect upon execution and for the duration of this Contract. Contractor shall require any Subcontractor providing on-Site services under this Contract to carry insurance coverage in a form and amount consistent with the requirements of this Insurance Section. Contractor shall obtain Certificates of Insurance evidencing such coverages prior to the commencement of services by the Subcontractor and shall present such Certificates to the Owner upon request and, in any case, no later than completion of Work hereunder.

17.5 Contractor and Subcontractors shall not begin Work until all of the insurance required of Contractor and Subcontractors is in force and the necessary documents have been received by Owner. Compliance with this requirement is hereby expressly made a condition precedent to the obligation of Owner to make payment for any Work performed. The minimum insurance requirements set forth above shall not vary, limit or waive Contractor's or Subcontractors' legal or contractual responsibilities or liabilities to any party.

**18. Title.** Title to all Work, services, materials, supplies and structures procured by Contractor from third parties or supplied by Contractor and incorporated, or intended at the time of the procurement or supply to be incorporated, into the Work (excluding Contractor's tools, equipment and leased and rented items) shall pass to the Owner upon payment therefore by Owner, upon delivery to Owner's Site or when consumed in the performance of Work, whichever occurs first.

**19. Audit.**

19.1 The Contractor and all Subcontractors shall, throughout the term of this Contract and for at least four (4) years thereafter, keep and maintain complete and accurate time and other records or accounts of the Contractor, its affiliates and Subcontractors as are necessary to verify and support any and all charges billed to the Owner associated with this Contract. This includes verification that any and all material, services, labor and other expenses incurred under this Contract have been paid. This provision

shall not entitle the Owner to audit fixed prices. All books and records shall be maintained in accordance with generally accepted accounting principles. Such books and records shall be made available at the Contractor's facility in the United States for verification, copying, audit and inspection by the Owner or its representatives, including Owner-authorized third-party auditors. Any such audit shall be at the Owner's expense and conducted following reasonable notice from Owner to Contractor and during the Contractor's normal working hours; provided, however, that the Contractor shall provide reasonable assistance necessary to enable the Owner to conduct such audit, and shall not be entitled to charge the Owner for any such assistance. Amounts incorrectly or inappropriately invoiced to the Owner, whether discovered prior to or subsequent to payment by the Owner, shall be adjusted or reimbursed to the applicable Owner by the Contractor within five (5) days of notification by the applicable Owner to the Contractor of the error in the invoice. Contractor shall include the necessary provisions in its agreements with Subcontractors that shall assure access by Owner's employees and representatives to applicable records of Subcontractors.

19.2 Contractor represents and warrants that all financial settlements, billings, and reports rendered to Owner or its representatives shall reflect properly the facts about all activities and transactions handled for the account of Owner, which data may be relied upon as being complete and accurate in any further recordings or reporting made by Owner or its representatives for whatever purpose. Contractor shall notify Owner promptly upon discovery of any instance where the Contractor fails to comply with the foregoing. If Contractor discovers or is advised of any errors or exceptions related to its invoicing for Work, Contractor and Owner shall together review the nature of the errors or exceptions, and Contractor will, if appropriate, promptly adjust the relevant invoice and refund overpayments.

19.3 Contractor shall, throughout the term of this Contract and for the period of 4 years immediately thereafter, keep and maintain complete and accurate records of all operational, technical, and security tests, background checks, employee and vendor confidentiality agreements, security audit results and other organizational measures and mechanisms employed to protect Confidential Information against accidental or unlawful destruction, alteration, unauthorized disclosure or access. Such records shall be made available at the Contractor's facility in the United States for verification, copying, audit and inspection by Owner or its representatives, including Owner-authorized third-party auditors. Any such audit shall be at the Owner's expense and conducted during Contractor's normal working hours; provided, however, that Contractor shall provide reasonable assistance necessary to enable Owner to conduct such audit, and shall not be entitled to charge Owner for any such assistance. Contractor shall include the necessary provisions in its agreements with Subcontractors that shall assure access by Owner's employees and representatives to Subcontractor's applicable records. At Owner's request, Contractor shall demonstrate the adequacy and validity of all mechanisms in place to implement compliance with Laws.

#### **19.4 SSAE No. 16 Type II / ISAE 3402 Type II Reporting Obligations.**

**19.4.1 The Report.** Contractor shall each calendar year during the term of this Contract, commencing with the year in which this Contract is effective, deliver to Owner a Statement on Standards for Attestation Engagements Reports ("SSAE No. 16") or an International Standard on Assurance Engagements ("ISAE 3402") (as applicable), Service Organization Control "1" ("SOC 1") Type 2 report ("Report") for financial-statement-related controls. The Report shall be prepared in accordance with attestation standards established by the American Institute of Certified Public Accountants. The Report must be comprehensive and cover all services provided to Entergy Corporation or any of its Affiliates in connection with the Work during the period specified in the Report ("Period").

**19.4.2 Bridge Letter.** If the Report does not cover the entire period of January 1 – December 31 of a given year, then Contractor must provide to Owner a letter to encompass the missing period of time, stating that since Contractor submitted its most-recent Report, there have been no significant or material changes to Contractor’s or a Subcontractor’s procedures, people, software, data, and infrastructure (the “System”) and that management is unaware of any design or operational control deficiencies during this interim period (“Bridge Letter”). Such Bridge Letter shall be provided to Owner no later than January 15 of the following year.

**19.4.3 Subcontractors.** The Report will identify all Subcontractors and describe with specificity their role in the System. Contractor shall, upon request, provide a Report for its Subcontractors. Contractor shall review Subcontractors Report(s) or equivalent independent testing results, and notify Owner of any significant exception(s), material objective(s) not met, or qualified opinion.

**19.4.4 Misc.** Notwithstanding the foregoing, Contractor shall provide information on its data-security practices upon request.

**19.4.5 Changes to the System.**

- a. Contractor expressly agrees that prior to, or at the time of any significant or material change to Contractor’s or a Subcontractor’s System, that would or might impact the Work it provides hereunder, or that would, or might, have a significant or material effect on the System’s risk mitigation or upon the integrity of Entergy Corporation or its Affiliates’ financial reporting or disclosures, it shall provide Owner with timely written notice, and include full details of the change, so as to enable Owner to review the change and evaluate its impact on its internal controls and financial reporting. Contractor shall, in such an event, timely provide additional information and access to the System for testing purposes by Owner and its external auditors.
- b. Changes which, in Owner’s reasonable judgment would reduce the probability that an independent third-party auditor would be willing to issue an opinion, and any failure of Contractor to perform any of the obligations set forth in this Section fully shall constitute a default. Such a default shall entitle Owner, at its option, to terminate this Contract or any other agreement incorporating it. It is expressly agreed and acknowledged that Owner’s delay in exercising its right of termination shall not constitute a waiver of any rights that Owner may have, or give rise to any defense of laches, estoppel or any like defense. In the event that Owner elects to so terminate, Owner shall have the right to exercise the rights and remedies in this Contract, any agreement incorporating this Contract or its terms, and any other rights and remedies it may have at law or in equity.

**20. Force Majeure.**

20.1 Force Majeure” means any event beyond the control and without fault or negligence of the party claiming inability to perform its obligations and which party is unable to prevent or provide against by the exercise of reasonable diligence, including, but not limited to, acts of God, acts of the public enemy, riot, civil commotion, expropriation or condemnation of facilities or Sites, changes in applicable Law, floods, droughts, fires, explosions, sabotage, terrorism, war, police or hostile action, criminal behavior, or other catastrophes, accidents causing damage to or destruction, in whole or in part, of the equipment or property necessary to perform the Work, or failure or refusal by any regulatory or

other agency to act upon or grant permits, or licenses. Inability to pay moneys or financial hardship shall not, however, constitute events of Force Majeure.

20.2 No delay or failure in performance by Owner or Contractor shall constitute default under this Contract if, and to the extent, the delay or failure is caused by Force Majeure. Unless the Force Majeure event substantially frustrates performance of the Work or the purpose for the Work under this Contract, Force Majeure shall not operate to excuse, but only to delay performance of Work. If Work is delayed by reason of Force Majeure, Contractor shall promptly notify Owner. Contractor shall at its own expense do all things reasonably possible to mitigate or remove the effect of the Force Majeure event, and shall resume performance as soon as possible. In no event shall Owner be liable to Contractor and Contractor shall hold Owner harmless for Contractor's, Subcontractors', and their employees' damages, anticipated profits, or other sums or payments occasioned by the event.

## **21. Termination Due to Contractor's Fault.**

21.1 If any or all Work to be performed is abandoned by Contractor, or if Contractor fails to meet its payroll or other current obligations, or allows any liens to attach to Owner's property under any applicable laws; or if the Owner, in its sole discretion, determines that the schedule of Work is not being maintained or that Contractor is violating any of the conditions or provisions of this Contract, in whole or in part; or if the Owner, in its sole discretion, determines that Contractor is refusing or failing to perform properly any Work or that Contractor is performing Work in bad faith or not in accordance with the terms thereof; or if Owner, in its sole discretion, determines that Contractor is failing to provide the labor, supervision, tools, equipment or materials necessary for the prompt performance of Work or failing to use due diligence in the performance thereof, the Owner may, without notice to Contractor's sureties and without prejudice to or limiting other remedies as may be available to the Owner, terminate Contractor's right to proceed with all or any portion of such Work by issuance of a written termination notice to Contractor.

21.2 Upon termination pursuant to the foregoing paragraph, the Owner shall have the right to complete the Work, the term "complete" to include repairing, remediation, removing or correcting any non-conforming or unsatisfactory Work, or to employ another contractor or other subcontractors to so do, and the Owner shall have the right to take possession of and use any of the materials, tools, equipment, supplies and other property then in use by Contractor for such Work or present on the Site. Owner shall return tools and equipment owned or leased by Contractor to Contractor upon completion of the job in as-good condition as when taken over by Owner, ordinary wear and tear excepted. Should Owner take over completion of the Work or obtain another contractor or subcontractors to so do, Owner's sole obligation shall be to pay Contractor, upon completion of the Work and subject to other provisions of this Contract that may reduce or suspend payment, (a) for Contracts providing for lump-sum or price-fixed based Work, the lesser of either (i) the percentage of any moneys due that represent the percentage of conforming Work satisfactorily completed by Contractor under this Contract prior to the effective date of Owner's termination notice to Contractor, less any amounts previously paid or (ii) the lump-sum or fixed-price for the Contract less all costs and expenses incurred by Owner in completing the Work and less any amounts previously paid; and (b) for Work to be performed on a basis of other than lump-sum or fixed-price, an amount determined by the compensation terms and conditions of this Contract for satisfactory and conforming Work performed and obligations incurred prior to the effective date of Owner's termination notice to Contractor, less any amounts previously paid and less any costs or expenses incurred by Owner to repair, remediate, remove or correct unsatisfactory or non-conforming Work. Notwithstanding anything to the contrary herein, in the case of lump-sum or fixed-price Contracts, if the costs and expenses incurred by Owner in completing the Work when subtracted from (a)(ii) above as provided herein, or in the case of non lump-sum, non fixed-price Contracts, if the costs and expenses incurred by Owner to repair, remediate, remove or correct unsatisfactory or non-conforming Work when

subtracted from (b) above as provided herein, results in a negative sum, the Contractor and its sureties, if any, shall be liable for and shall, upon notice from the Owner, promptly pay to Owner the amount of such negative sum. The Owner shall not be required to obtain proposals for completing such Work, but may make such expenditures as in the Owner's sole judgment will best accomplish such reasonable and timely completion.

21.3 Upon receipt of any such written termination notice, Contractor shall, at its expense, for that Work affected by any such termination, assist the Owner in making an inventory of all materials and equipment in storage at the Site, in route to the Site, in storage or manufacture away from the Site, and on order from suppliers, assign to the Owner subcontracts, supply contracts and equipment rental agreements all as designated by the Owner; and remove from the Site all construction materials and equipment listed in said inventory other than such construction materials and equipment that are designated in writing by the Owner to be utilized by the Owner in completing such Work.

21.4 Owner's sole liability to Contractor for termination pursuant to this Section or for assumption of Work is contained in this Section and Owner shall not be liable for any costs, claims, damages or liabilities whatsoever of Contractor or its Subcontractors, including, without limitation, consequential, incidental, special or indirect damages, loss of anticipated profit or reimbursement for Work unperformed.

**22. Deductions.** Owner shall have the right to deduct any loss, damage, liability, debt or claim, liquidated or otherwise, which such Owner may have against Contractor from the payment or amount owing to Contractor under this Contract or any other agreement between Owner and Contractor, or between or among any Affiliate (individually or in combination) and Contractor.

**23. Protection Against Claims and Bonding.** Contractor shall pay and completely satisfy all claims for labor, equipment, rentals and material employed or used by it in connection with any or all of the Work performed when those claims become due and payable. Contractor shall ensure that no liens of any kind are fixed upon or against the property of Owner by Contractor's employees, Subcontractors or Subcontractor employees. To the fullest extent permitted by law, Contractor hereby indemnifies, holds harmless Owner and Affiliates and agrees to defend same against any claims or rights of lien or security interests upon Owner's property or the Work as a result of the furnishing of labor, material or equipment under the terms of this Contract. Contractor shall, if required by the Owner, at time of delivery of any aspect of the Work or at such time as any payment under this Contract is due to be made, furnish the Owner with a verified certificate (or any similar document reasonably requested) showing names of Contractor's Subcontractors, materialmen and suppliers hereunder, the Work done or to be done by and the amount payable to each, and furnish waivers or other evidence acceptable to the Owner that said Subcontractors, materialmen and suppliers have been paid in full or in sufficient amount to justify the payment that is otherwise due. Should Contractor fail to supply such certificate or waivers or other evidence, or if, at any time, Owner should determine that Owner or any of its property might become liable for any claim or subject to any lien that is chargeable to Contractor, Owner may retain out of any payment then due Contractor under this Contract or any such payment thereafter to become due, an amount sufficient to completely indemnify Owner against such claims and liens, including all of Owner's costs associated therewith. Owner may retain the amount withheld until Contractor delivers to Owner a complete release of the claims and liens that is satisfactory to Owner. Owner may discharge or remove any claims or liens by bonding, payment or otherwise, all of which are chargeable to Contractor together with all attorneys' fees and costs, and Owner may deduct the amount of those claims and liens, attorneys' fees and costs in accordance with Section 22 of this Contract.

**24. Owner-Furnished Information.** Information prepared by the Owner is not intentionally deceptive, but may contain inadvertent inaccuracies or omissions. Accordingly, unless expressly stated

otherwise in this Contract, information that may have been provided by the Owner prior to execution of this Contract or may be provided by Owner subsequent to execution shall in no way relieve Contractor of its responsibilities under this Contract.

**25. Governing Law.** The validity, interpretation and construction of this Contract shall be governed in accordance with the Laws of the state in which the Owner's Site for which the Work being performed is located without reference to that state's principles of conflicts of law, except that Work in Mississippi shall be governed and construed in accordance with Arkansas law. **EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING FROM, UNDER OR IN CONNECTION WITH THIS CONTRACT.**

**26. Nonwaiver.** The failure of Owner to insist upon, in any instance, strict performance by the Contractor of any of the terms of this Contract shall not be construed as a waiver of Owner's right to enforce such terms on any future occasion.

**27. Severability.** It is agreed that if any clause or provision of this Contract is by the courts held to be illegal or void, the validity of the remaining portions and provisions shall not be affected, and the rights and obligations of the parties shall be enforced as if this Contract did not contain such illegal or void clauses or provisions.

**28. Consequential Damages.** **UNDER NO CIRCUMSTANCES SHALL CONTRACTOR, OWNER OR ANY AFFILIATE HAVE ANY LIABILITY TO ANY OTHER PERSON OR ENTITY, INCLUDING, BUT NOT LIMITED TO, OWNER AND AFFILIATE, CONTRACTOR AND SUBCONTRACTORS, THEIR EMPLOYEES, AGENTS AND REPRESENTATIVES, FOR ANY CONSEQUENTIAL, INCIDENTAL, OR OTHER INDIRECT LOSS OR DAMAGES, PUNITIVE, OR EXEMPLARY DAMAGES OR COSTS HOWSOEVER CAUSED.** Any limit of liability contained in any Contractor-provided document attached hereto shall be null and void. THIS PROVISION SHALL NOT IN ANY WAY LIMIT OR AFFECT CONTRACTOR'S INDEMNIFICATION OBLIGATIONS NOR APPLY TO OR AFFECT IN ANY WAY ANY DAMAGES OR CLAIMS RELATED TO OR RESULTING FROM CONTRACTOR'S FAILURE TO COMPLY WITH ANY OBLIGATIONS PROVIDED IN SECTION 14.1.

**29. Headings.** The headings in this Contract are for ease of reference only and shall not be used to construe or interpret the provisions of this Contract.

**30. Attorneys' Fees.** Should it become necessary for Owner or an Affiliate to engage in legal proceedings for the purpose of enforcing this Contract or for the purpose of recovering damages sustained by Owner or an Affiliate due to Contractor's breach of this Contract, Owner and any Affiliate shall be entitled to reimbursement by Contractor for costs, attorneys' fees and any other reasonable expenses incurred in connection with those legal proceedings.

**31. Third-Party Beneficiaries.** Any Affiliate receiving the benefits of Work provided by Contractor, directly or indirectly, shall be a third-party beneficiary entitling such Affiliate to all warranties and indemnities as if the Affiliate were Owner as well as all rights normally accorded to a third party beneficiary. Except for such Affiliates, this Contract is solely for the benefit of the Parties hereto, and no third party shall be entitled to rely upon any provision hereof, claim any benefit hereby or enforce any right hereunder, except permitted successors and assigns.

**32. Counterparts, Signatures, and Originals.**

32.1 This Contract may be executed in multiple counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which, taken together, shall constitute but one and the same Contract. The parties agree that the Contract will be considered signed when the signature of a party is delivered by facsimile transmission. Such facsimile signature shall be treated as having the same effect as an original signature.

32.2 Any original of this Contract or any document it references may be photocopied and stored on computer tapes and disks (the "Imaged Document"). The Imaged Document, if introduced in printed format in its original form in any judicial, arbitral, mediation, regulatory, or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Imaged Document (or photocopies of the Imaged Document) on the basis that such were not originated or maintained in documentary form, under a hearsay rule, a best evidence rule, or any other evidentiary rule.

**33. Survival.** The provisions of this Contract that by their nature continue shall survive any expiration or termination of this Contract, including, but not limited to, all obligations or rights that exist as a result of an event or the failure of an event prior to or at the time of expiration or termination of this Contract, and all confidentiality and indemnity obligations.

**34. Exclusive Obligors.** Notwithstanding anything in this Contract to the contrary, it is understood that the obligations of Owner hereunder shall be exclusively the obligations of the Owner, and other Affiliates shall have no responsibility or liability whatsoever in connection therewith. If this Contract was issued by or on behalf of multiple Owners, it is further agreed that each such Owner is severally and not jointly liable to Contractor, and no Affiliate shall have financial or other responsibility or liability for any goods or services that were not furnished for such Affiliate's Site or operations.

**35. Entire Agreement.** This Contract, including all Exhibits constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, agreements, or understandings, written or oral, with respect to the subject matter hereof. The various parts of this Contract are intended to be complementary; however, any conflicts between the body of this Contract and the Exhibits attached hereto shall be resolved in favor of the terms and conditions contained in the body of this Contract.

**THUS DONE AND EXECUTED** by the following duly authorized representatives of the parties:

**OWNER**

**CONTRACTOR**

\_\_\_\_\_

\_\_\_\_\_

By: Ryan Blessing

By: \_\_\_\_\_

Title: Project Procurement Leader I

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





**COMPLETE AND RETURN THIS SHEET**

**APPENDIX E: COST ALLOCATION TEMPLATE**

**YEAR 1: COST ALLOCATION**

FUNDING ALLOCATION (\$Thousands)		Non-Cash Incentives							
Program Name	Total Program Cost (\$000)	At Risk*	Admin Cost	Implementation Cost	Marketing Cost	EM&V Cost	One Stop Shop	Total Non-Incentive	Total Incentive Cost
		Residential Programs							
Non-residential									
<b>Total</b>									

\* Portion of Non-Cash Costs Placed "At-Risk" for failure to meet goals

**YEAR 1: PERCENTAGE ALLOCATION**

PERCENTAGE ALLOCATION (\$Thousands)		Non-Cash Incentives							
Program Name	Total Program Cost (\$000)	At Risk*	Admin Cost	Implementation Cost	Marketing Cost	EM&V Cost	One Stop Shop	Total Non-Incentive	Total Incentive Cost
		Residential Programs							
Non-residential									
<b>Total</b>									

\* Portion of Non-Cash Costs Placed "At-Risk" for failure to meet goals

