



# AEP Texas Small Business Program Manual



**Small  
Business**

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# PROGRAM OVERVIEW

## PROGRAM DESCRIPTION

The Small Business Direct Install program (“SBDI”) is a market transformation program designed to offer contractor and customer education on energy efficiency technologies. The program aims to equip participating contractors with the tools they need to succeed in generating revenue from projects in the small business market, and offer generous incentives needed to encourage small businesses to install energy efficient products such as high efficiency lighting and refrigeration measures. The program overcomes market barriers by providing substantial incentives to help pay for energy efficiency upgrades. In addition, the SBDI program connects customers with participating contractors that are qualified to provide design and installation services for energy efficient technologies and give customers any additional technical support to make them comfortable with the implementation of efficiency measures in their facilities. AEP Texas has selected CLEARResult (Implementer) to serve as the program implementer for the SBDI program.

The program is designed around a contractor direct install model that enables market transformation to occur at the contractor and customer level. Trained contractors use a Mobile Field Tool Application (“Field Tool”) and Trade Ally Online Portal (“Portal”) that empowers them to engage with customers and streamline program participation.

To participate in the program, eligible contractors must use the Field Tool or Portal to submit projects for eligible lighting, refrigeration, direct install or other eligible measures. No Customer Proposals for energy efficiency measures will be accepted that were not generated by these applications. All additional measures in the Measure Eligibility section will be reviewed and if qualified, accepted through coordination of the Implementer and Participating Contractor. The Field Tool and Portal will enable participating contractors to:

- Perform facility surveys for eligible lighting, refrigeration, direct install and other measures
- Generate Customer Proposals
- Obtain electronic customer signature
- Submit Customer Proposal to reserve program funds (pending customer and program approval)
- Track project and incentive status
- Edit projects if scope of work changes

The program focuses on educating and training participating contractors to provide customer support and will provide direct customer assistance as needed.

The program is designed uniquely for the small business market. This is a program intended to introduce energy efficiency to AEP Texas small business customers while providing substantial economic benefits to them. This program uses an expedited, simple solution appropriate for engaging contractors and nonresidential customers in energy efficiency projects. The program targets cost-effective equipment retrofits that replace inefficient technologies with high efficiency technologies, allowing the program to reduce the project costs enough to engage small businesses in energy efficiency project installation.

The program provides incentives using a performance-based approach described in the section on Program Incentive Rates. Streamlined incentive application and verification and quality control processes are employed to facilitate ease

of participation and minimize the time required for incentive payment. The program also equips contractors to participate in the program so they can improve their business while being a resource to drive projects.

## PROGRAM GOALS

The SBDI program is a market transformation program devised to achieve peak demand and energy savings by providing qualified contractors the direct support, tools, and training necessary to drive energy efficiency among small businesses within the AEP Texas service territory.

Sector	2026 kW Goal	2026 kWh Goal
Central Division	855	3,658,065
North Division	360	1,576,094

These goals will be met through the installation of eligible measures in the AEP Texas service territory. See Measure Eligibility section for a list of measures that are eligible for program incentives.

## PARTICIPATING CONTRACTOR BENEFITS

There are many benefits for contractors participating in the program including incentive levels that offer inroads into the small business sector, incentives that are paid directly to the contractor, training opportunities and free access to the Field Tool and portal to submit and manage projects.

The Field Tool is a valuable software tool developed for use with this program. The Field Tool is configured to collect existing and new equipment information for lighting measures, collect an electronic customer signature and submit Customer Proposals electronically, and can be used by participating contractors to track the status of their projects and incentive payments. See Participating Contractor Eligibility for more information on how participating contractors can access the Field Tool and Portal.

## CUSTOMER BENEFITS

The program seeks to help small business customers with high energy use by providing them with access to technical knowledge on energy assessments and financial incentives to improve the energy efficiency of their buildings. The program connects customers with participating contractors to provide assessments and perform lighting, refrigeration, and other energy efficiency installations. Participating contractors will work with each customer to identify their specific obstacles to adopting more energy efficient equipment or practices. Participating contractors will provide technical support to help customers identify and evaluate energy efficiency opportunities and determine which projects are viable. Participating contractors will also educate customers on energy efficient technologies and the technical criteria and non-technical considerations (aesthetics, maintenance impacts) to contemplate when selecting a product.

## PROGRAM INCENTIVE RATES

Incentives are paid to contractors based upon the estimated demand reduction resulting from qualified installations. Incentive rates and limitations vary by program.

Program	Measure	Program Incentive	Limitations
Central Division	LED Lighting Refrigeration Hand Dryers	\$750/ kW reduced	Incentive ≤ 80% project cost
	Other TRM Eligible Measures		*Consult CLEAResult
	Air Infiltration	\$100/ weather strip \$50/ door sweep	
	Smart Thermostat	\$150/Programmable T-stat Replaced \$200/Manual T-stat Replace	
North Division	LED Lighting Refrigeration Hand Dryers	\$850/ kW reduced	Incentive ≤ 80% project cost
	Other TRM Eligible Measures		*Consult CLEAResult
	Air Infiltration	\$100/ weather strip \$50/ door sweep	
	Smart Thermostat	\$150/Programmable T-stat Replaced \$200/Manual T-stat Replace	

## PROGRAM DATES

The program year runs from January 1, 2026 to December 31, 2026, or until the incentive budget is depleted.

- Program Year Start Date: January 1, 2026
- Project Completion Due Date: The program will pay the participating contractor for documented electric demand reduction produced from eligible energy efficiency measures that are completed no later than 60 days past the date of the signature on the Customer Proposal, or by October 30, 2026, whichever is earlier

## PROGRAM ROLES & RESPONSIBILITIES

### PROGRAM SPONSOR (AEP TEXAS):

AEP Texas is responsible for

- Authorizing and issuing incentive payments for completed projects
- Selection and oversight of the Implementer

### IMPLEMENTER:

CLEARResult was selected by AEP Texas to serve as the Implementer for SBDI program. The Implementer is responsible for:

- Conducting and/or assigning formal on-site pre- and post-installation inspections of eligible projects to approve kW and kWh savings and incentive amounts
- Conducting outreach to potential participating contractors
- Educating customers and providing technical assistance including identification of energy efficiency projects
- Approving eligibility and enrollment for customers and contractors
- Reviewing and approving Customer Proposals
- Oversight and training of participating contractors

### PARTICIPATING CONTRACTOR:

To participate in the SBDI program, participating contractors will be asked to fulfill the following Program requirements:

- Commit to the terms of the Small Business Participating Contractor Agreement
- Conduct a comprehensive facility survey with the Field Tool, or appropriate calculator
- Conduct facility surveys to identify energy efficiency projects that are eligible for incentives
- Educate customers and provide technical assistance including identification of energy efficiency opportunities
- Provide customers with Customer Proposals using the Field Tool, or appropriate calculator
- Obtain signed Customer Proposals and submit them to the Implementer
- Schedule and conduct installations
- Perform installations at qualifying customer facilities in the AEP Texas service territory according to the Customer Proposal within 60 days of the date on the Customer Proposal
- Install products that comply with the Product Quality Requirements included in Appendix A
- Educate customers and provide technical assistance where needed during project installation
- Ensure excellent professional customer service for the facility survey and project installation
- Notify Implementer as soon as an installation has been completed
- Submit project invoice upon completion to Implementer
- Provide Implementer with feedback on the program

### CUSTOMER OF PARTICIPATING CONTRACTOR:

Customers will be asked to:

- Sign the Customer Proposal and commit to installation to reserve incentives
- Provide documentation, including but not limited to an ESI ID, necessary to verify AEP Texas provides electric service to their facility
- Provide access to project facilities both before and after project completion for inspection of the baseline and post-retrofit condition

- Pay any remaining project cost to the participating contractor after program incentives have been applied to the project once installation is complete

# PROGRAM ELIGIBILITY

## CUSTOMER ELIGIBILITY

The program is offered to valid AEP Texas electric delivery customers who have a maximum peak demand usage of ≤150 kW peak demand at any one facility, or a total demand ≤250 kW at all facilities owned by the same customer within the AEP Texas Central or North Division service territory. For the purposes of this program, a “Customer” is defined by a single Tax ID number.



## PARTICIPATING CONTRACTOR ELIGIBILITY

Any contractor who submits a completed and approved Participating Contractor Agreement and agrees to fulfill the role of the participating contractor as laid out in Roles and Responsibilities may participate in the Program. To view contractor eligibility requirements, reference the Participating Contractor Agreement in Appendix F.

Participating contractors have the responsibility to use the Field Tool and Portal that was designed for use with this program. Access and training on the Field Tool and Portal will be as follows:

- The tool application and login will be provided at no cost to participating contractors
- After submitting necessary paperwork to become a participating contractor, they will attend training on effective use of the Field Tool and Portal. Instructions for accessing the applications will be provided during this training
- The Field Tool can be installed on an Apple iOS Tablet only, the Portal is accessible on any browser from a Windows PC or notebook, Android or an Apple iPad tablet.

- If for any reason the participating contractor loses the right to participate in the program, the Field Tool & Portal Login will be remotely deactivated

## MEASURE ELIGIBILITY

AEP Texas offers incentives for the following measures:

Eligible Deemed Savings Measures	
<b>Lighting Efficiency</b>	<ul style="list-style-type: none"> <li>• LED Linear Fluorescent lamp and ballast replacements</li> <li>• LED High-intensity discharge (HID) fixture replacements</li> <li>• LED interior and exterior lamps and fixtures</li> </ul>
<b>DX Air Cooled Equipment</b>	<ul style="list-style-type: none"> <li>• Unitary air conditioner</li> <li>• Unitary heat pumps</li> </ul>
<b>Water Chilling Equipment (Chillers)</b>	<ul style="list-style-type: none"> <li>• Screw – air cooled</li> <li>• Reciprocating – air cooled</li> <li>• Reciprocating – water cooled</li> <li>• Rotary/screw/scroll – water cooled</li> <li>• Centrifugal – water cooled</li> </ul>
<b>Building Envelop</b>	<ul style="list-style-type: none"> <li>• Roofing</li> <li>• Entrance and Exit Door Air Infiltration               <ul style="list-style-type: none"> <li>○ Door Sweeps</li> <li>○ Weather Stripping</li> </ul> </li> </ul>
<b>Refrigeration</b>	<ul style="list-style-type: none"> <li>• Solid &amp; Glass Door Reach-Ins</li> <li>• Electronic Defrost Controls</li> <li>• ECM Evaporator Fan Motors</li> <li>• Evaporator Fan Controls</li> <li>• Cooler Night Covers</li> <li>• Strip Curtains</li> <li>• Zero-Energy Doors</li> <li>• Door Heater Controls</li> </ul>
<b>Food Service Measures</b>	<ul style="list-style-type: none"> <li>• Electric Convection Ovens</li> <li>• Electric Combination Ovens</li> <li>• ENERGY STAR® Dishwashers</li> <li>• ENERGY STAR® Steam Cookers</li> <li>• ENERGY STAR® Fryers</li> <li>• ENERGY STAR® Hot Food Cabinets</li> <li>• Vending Machine Controls</li> <li>• Pre-Rinse Spray Valves</li> </ul>
<b>Lighting &amp; HVAC Controls</b>	<ul style="list-style-type: none"> <li>• VFDs on Air Handlers</li> <li>• Day Lighting Controls</li> <li>• Occupancy Controls (Lighting &amp; HVAC)</li> <li>• Rotary/screw/scroll – water cooled</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Hand Dryers</li> <li>• Smart Thermostats</li> <li>• Other TRM Measures not listed here may be eligible, reach out to CLEARresult for more information and documentation requirements</li> </ul>

AEP Texas energy efficiency programs provide incentives for qualified outdoor lighting measures operating on a control device, which result in **winter peak period** energy savings. Most commonly, this includes exterior lighting that operates throughout the night (dusk to dawn). Typical dusk-to-dawn exterior lighting applications include parking lots, gas station canopies, security lighting (e.g. wall packs), decorative post top fixtures, and landscape lighting.

- A participating contractor may submit one Customer Proposal per ESI ID per program year
- A participating contractor may agree to install additional measures; however only installed measures that meet the requirements of the program will receive incentives
- Costs in excess of the incentive amount, costs related to any measure not on the prescribed list, and costs for any measure on the prescribed list that exceed the program project cap are the responsibility of the customer
- Customer Proposals are accepted until 1) all funding is committed 2) the program completion date is reached or 3) the program is discontinued for any reason. The incentive is payable upon the verified completion of the project (as described in the Customer Proposal). The process for oversubscription is included in the Limits on Participation section
- Program incentives will be paid directly to the participating contractor after the project is completed, documented and verified (post-inspection is required). Checks will be issued within 30 days of project verification
- No participating contractor has unconditional entitlement to program incentive funds

## SAVINGS CALCULATIONS AND VERIFICATION

The program will provide inspections, deemed savings calculations, and other verification activities.

M&V procedures will vary in detail and rigor depending on the measures installed. For each installed measure, the chosen procedures will depend upon the predictability of equipment operation, the availability of evaluation data from previous programs, and the benefits of the chosen M&V approach relative to its cost.

All measures installed that receive program incentives must meet the Quality Requirements provided in Appendix A.

All projects submitted by each participating contractor may be subject to a pre-inspection to verify:

- Correct facility type
- Existing equipment type and number of units/fixtures
- Recommended measures
- Customer satisfaction

All projects installed may be subject to a post-inspection to verify:

- Installed new equipment type and number of units/fixtures
- Quality of installation
- Operating hours reported in survey
- Customer satisfaction

## Program Processes

### PROGRAM IMPLEMENTATION AND DELIVERY

Key elements of the program implementation strategy include:

- Trade ally recruitment and training: The program will recruit and train contractors to perform facility surveys, identify potential lighting projects and/ or other energy efficiency opportunities. Recruited Contractors will be required to participate in program orientation regarding program incentives, participation processes and requirements, and use of the Field Tool and Portal
- Customer recruitment: Customers will be recruited through outreach conducted by the Implementer and participating contractors
- Technical assistance: The Implementer will guide customers and participating contractors through the participation process to maximize knowledge of program processes and requirements and to overcome barriers to participation. Where needed, the Implementer will also provide technical assistance to customers to identify and implement cost-effective energy efficiency measures.
- QA/QC review: Customer Proposals and projects documentation will be subject to a quality assurance review by program technical staff to ensure accuracy of savings and incentive calculations
- Project verification: AEP Texas and the Implementer reserve the right to site-verify installations prior to project approval. All projects may receive a post-inspection by the Implementer prior to incentive payment

### CUSTOMER PROPOSAL PROCESS

Notification of project approval will be sent to the participating contractor before funds are reserved. The contractor must not begin installation prior to written authorization following a pre-installation inspection review.

Below is a step-by-step process by which a participating contractor may identify a project opportunity and have it accepted into the program with financial incentives reserved. The incentive for a project is paid following this process:

- Qualifying Participant Verification
- Facility Assessment
- Signed Customer Proposal
- Pre-Installation Inspection (if required) or Pre-Installation Photo Authorization
- Notification sent to contractor that the project is approved and incentives reserved
- Project Installation
- Project Completion Notice
- Post-Installation Inspection (if required) or Post-Installation Photo Verification
- Incentive Payment

## PROJECT IDENTIFICATION

Participating contractors conduct facility surveys for qualified small businesses. Qualified small business customers that wish to move forward with the program are then asked to sign the customer proposal. Upon receipt of a signed Customer Proposal, the Implementer will review the Customer Proposal for completeness and eligibility. The Implementer may deny approval of a Customer Proposal for a variety of reasons, including, but not limited to:

- The Customer Proposal is incomplete
- The Customer Proposal is received after all funding has been reserved by other participating contractors
- The participating contractor fails to meet program requirements
- The participating contractor fails to submit the required supporting documentation
- The participating contractor is found to have made material misrepresentations in the Customer Proposal
- The participating contractor fails to comply with applicable federal, state and local laws and regulations. Specifically, if participating contractor's status changes after initial qualification and enrollment

If the Implementer denies approval of a Customer Proposal, the Implementer will follow up with the participating contractor to request specific information or recommend specific steps to revise the Customer Proposal. The participating contractor can submit the revised Customer Proposal and the Implementer will consider it for approval after the new submission is received.

The participating contractor will follow up with qualified small businesses that accept surveys but do not move ahead with projects. Participating contractors are expected to exert their best efforts to submit and complete viable projects. The program is not intended to simply provide assessments and customer education. It is intended to stimulate the installation of improvement projects that result in verifiable energy savings for customers, provide business for participating contractors, and add to the local economy.

## PRE-INSTALLATION INSPECTION

The Implementer will send an inspector to the site or sites to perform a pre-installation inspection (if required) and then notify the customer stating that incentive funding has been reserved for the project(s). A pre-installation inspection must pass before any installation work can begin. If pre-installation inspection fails, the Customer Proposal will be reviewed and updated to depict corrections.

If a pre-installation inspection is not required, photo documentation will be used to validate and authorize project for construction. Contractors are required to submit photos for all eligible projects, regardless of inspection status.

Incentives are subject to availability and reservation. To receive incentives from the program, participating contractors must first reserve incentives by completing and submitting a signed Customer Proposal for each individual project. The Implementer will review submitted Customer Proposals and approve eligible projects for an initial incentive reservation. The Implementer will update the participating contractor if any significant changes are made to the incentive amount reserved for their projects. For more information, please see the "Limits on Participation" section below.

## PROJECT INSTALLATION

The implementer will issue a formal written authorization to the participating contractor when the inspection has been completed and funds have been reserved. Participating contractors must complete the project installation within 60

days of the proposal submission and notify the Implementer immediately of any changes to the project scope, equipment selection, or timeline during installation.

### PROJECT COMPLETION NOTICE

Once the project has been installed, the participating contractor will notify the Implementer as soon as possible to arrange a post-installation inspection of the project. The contractor is expected to work with the Implementer to confirm (and update if necessary) the supporting documentation that accompanied the approved Customer Proposal for the now completed project.

### POST-INSTALLATION INSPECTION

Upon notice of project completion, the Implementer schedules a post-installation inspection (if required). Using the most recent project documentation, a program inspector will visit the site or sites to verify the equipment has been replaced as indicated. The participating contractor may provide a knowledgeable representative to accompany the inspector on the post-installation inspection. ***This inspection shall not include evaluations of workplace safety or compliance with codes or laws.***

If a project is not selected for a post-installation inspection, photo documentation will be used to verify completion of project as indicated on the proposal. Participating contractors are required to submit photos for all completed projects, regardless of inspection status.

### INSPECTION POLICY

The Implementer will pre and post inspect 100% of the first five projects submitted by a contractor. Once a contractor successfully passes the initial set of five inspections, an ongoing QC inspection process of 20% of the total projects installed, proportionate to contractor project volume, will be implemented.

In addition to inspections, 100% of all projects require the contractor to provide material invoices and pre and post installation photos. If a contractor is observed repeatedly failing inspections, or not meeting customer satisfaction requirements, a three strikes policy consisting of an initial notification and correction, probation, and finally program exclusion will be implemented.

### PROJECT DOCUMENTATION

In addition to inspections, contractors are required to provide the pre and post documentation for 100% of all projects. Example of photos for lighting project:

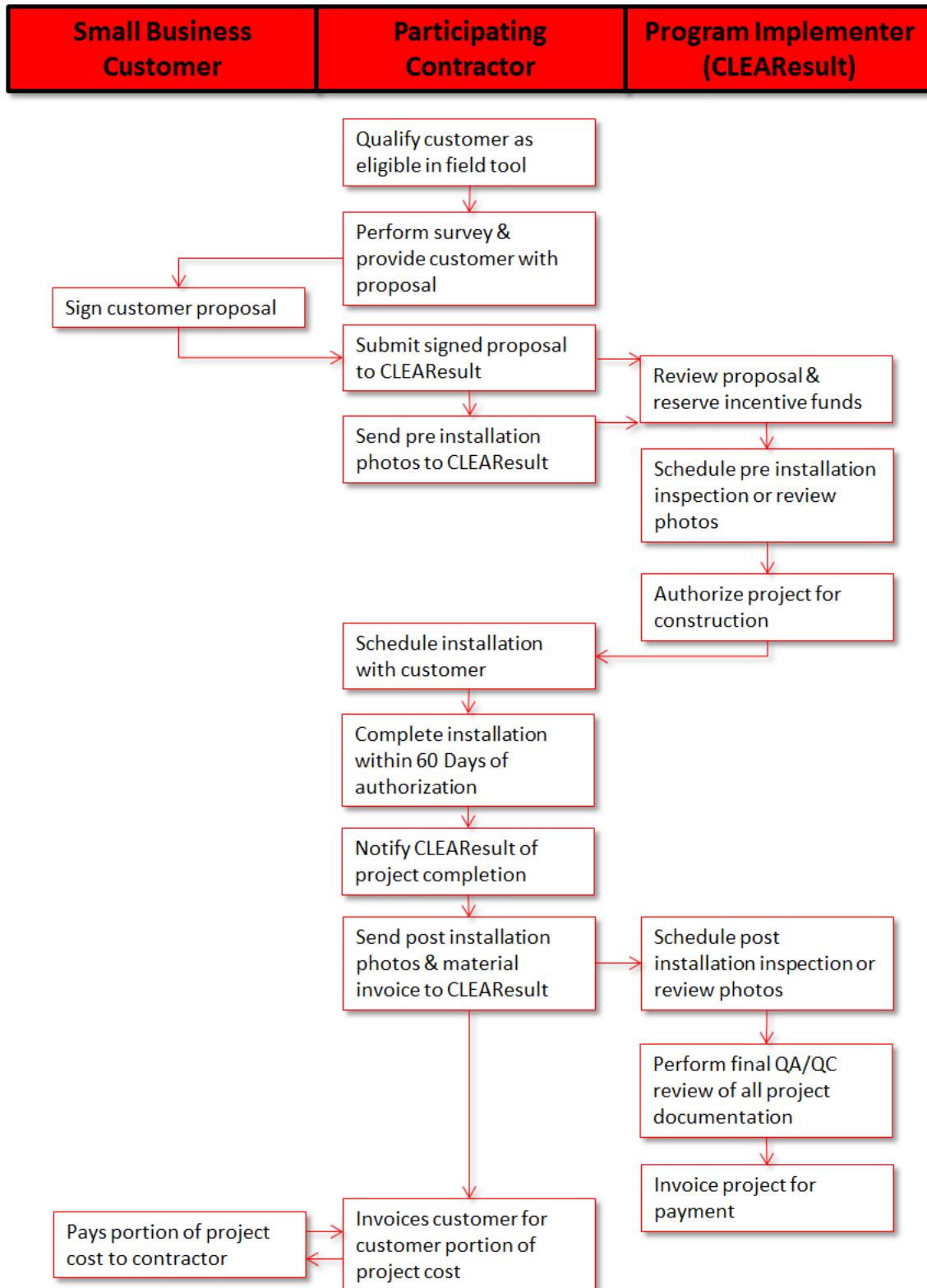
- Pre-Installation Photos
  - Overall room photos
  - Existing installed fixtures
  - Wattage of all existing lamps
- Post-Installation Photos
  - Overall room photos after installation is complete
  - Replacement fixtures installed
  - Wattage & Model number of replacement fixtures
- Material Invoices – showing quantify and model number of efficient fixtures

**See Appendix A for more details**

## **INCENTIVE PAYMENT PROCESS**

Any incentives received through the program are paid directly to the participating contractor after the project is completed, verified, and a post-installation inspection is conducted. Using the results of the post-installation inspection, the Implementer will determine the eligible peak demand savings (kW) and annual energy savings (kWh/Yr) for the project and determine the amount of incentives due to the participating contractor. The program is not under any obligation to provide a participating contractor with more incentives than the amount reserved by the Customer Proposal for any project, even if the participating contractor achieves greater energy savings by the project than were estimated. However, if budget is still available when a project achieves greater energy savings than estimated, the Implementer has the option to pay the participating contractor more than the amount reserved, up to the incentive calculated by the achieved energy savings. For additional details on how incentive payments are determined, scheduled, and paid, please see the “Measure Eligibility” section in this manual.

## CONTRACTOR PROCESS WORKFLOW



## QUALITY MANAGEMENT SYSTEM

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### Quality Assurance

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#### Program Process Workshops (QA)

- The participating contractor will perform an initial survey to identify energy efficiency opportunities. The participating contractor will work with the customer to identify cost-effective upgrades based on the survey findings and their specific needs
- Participating contractors will be educated about the program processes for identifying and incentivizing energy efficiency projects

#### Customer Proposal Review (QA)

- Customer Proposals are reviewed and verified by the Implementer
- 

### Quality Control

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#### Pre/Post-Installation Inspections (QC)

- All projects may be selected for a pre and/or post installation inspection. Any issues noted during the inspections will be discussed with the participating contractors and recommendations for program compliance will be made. Any changes in project scope identified during inspections may result in an adjustment of projected savings and incentive amount

#### Customer Satisfaction Surveys (QC)

- The Implementer may conduct Customer Satisfaction Surveys

## LIMITS ON PARTICIPATION

- Incentive budgets available through the program are limited and are made available to participating contractors on a first come, first served basis.
- Contractors may only reserve 10 projects or \$65,000 in incentive funds at a time from AEP Texas Central Division.
  - Projects submitted by the contractor that exceed the specified limit will be placed on a waiting list.
  - Projects may be moved off the waiting list as reserved projects are closed out.
- In the event incentive reservations exceed the program budget for incentives, the program is considered fully or over-subscribed.
  - If oversubscription to the program should arise, participating contractors will be placed on a waiting list, in the order of when the Customer Proposal was received.
  - Participating Contractors on the waiting list may be able to reserve program incentive funding if projects are cancelled and funds become available.
- Contractors are eligible to participate in multiple energy efficiency programs offered by AEP Texas or executed by the Implementer.
- Projects that have been incentivized through *any program* offered by AEP Texas or the Implementer are not eligible for additional incentives; only the initial incentive reservation will be eligible.
- All projects are subject to pre-authorization prior to completing any work

## PROGRAM NON-CONFORMANCE

### CUSTOMER SATISFACTION

Customers are encouraged to contact program contacts listed on page 14 to report and resolve any complaints about the program.

Receiving direct feedback from customers is an essential part the QA process. Customer feedback can help determine customer satisfaction, program compliance, and identify high and low performing contractors. Customer satisfaction feedback can result in a corrective action (see below: Addressing Non-Conformances and Failures).

### ADDRESSING NON-CONFORMANCES AND FAILURES

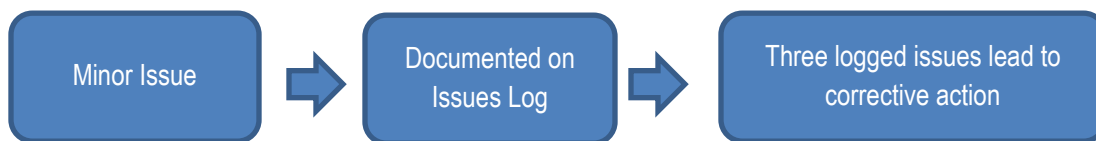
Non-conformance occurs whenever the acceptable variance for a quality indicator is not met or the installation does not measure up to the state and local building standards. The following qualify as non-conformance:

- Installed measures that do not meet industry best practices and standards
- Incorrect incentive amounts based on inspection findings
- Customer or measure eligibility issues
- Customer dissatisfaction

### CRITICAL AND NON-CRITICAL ISSUES

Critical issues will move directly to a corrective action that may include a suspension or removal from program participation.

Non-critical issues are things that do not adversely impact the kW and kWh savings and incentive calculations, but that are not accurately recorded and reported, such as equipment model numbers, will be recorded in an Issue Log. If a contractor has repetitive non-critical issues reported on the Issue Log it will be deemed as a systemic issue and will be addressed with a Corrective Action.



## PROGRAM CONTACT INFORMATION

For questions on program implementation including inspections, payment questions, participation questions, etc., contact:

CLEAResult

CLEAResult AEP Small Business Operations Support

Phone: 855-496-3857

Email: [AEP.TCD.SBDI@clearesult.com](mailto:AEP.TCD.SBDI@clearesult.com) or [AEP.TND.SBDI@clearesult.com](mailto:AEP.TND.SBDI@clearesult.com)

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Email: [mpcraig@aep.com](mailto:mpcraig@aep.com)

## DISCLAIMERS

The selection of a participating contractor to perform work is the sole decision of the property owner, customer, and/or authorized lessee/occupant. Inclusion of a contractor in the participating contractor list for the program does not constitute an endorsement of any product, individual, or company by AEP Texas or the Implementer. Work performed by participating contractors is not guaranteed or subject to any representation or warranty, either expressed, implied or otherwise, by either AEP Texas or the Implementer. Neither AEP Texas nor Implementer make any guarantee or any other representation or warranty, expressed, implied or otherwise, as to the quality, cost, or effectiveness of any product(s) provided or work(s) performed by any participating contractor, any participating contractor employees, subcontractors, or supplies. Energy efficiency gains are subject to a number of variable conditions and circumstances. While it is the intent of the program to achieve energy efficiencies, neither AEP Texas nor Implementer warrants that any specific energy efficiency gains will be achieved for a particular customer under the program

## APPENDICES

Appendix A	QAQC Requirements
Appendix B	Definitions
Appendix C	Sample Customer Proposal
Appendix D	Frequently Asked Questions
Appendix E	Program Marketing Material
Appendix F	Participating Contractor Agreement

## QAQC REQUIREMENTS

All products installed as part of the SBDI program must meet the following Quality Requirements to receive program incentives.

### SUMMARY OF LIGHTING QUALITY REQUIREMENTS

- Ballast Check
  - Requirements for 8-foot T8 systems, where system efficacy (incl. ballast and lamps) must be greater or equal to 80 mean lumens per watt (MLPW)
  - CEE qualified ballast requirements now extend to ballasts running 2-foot, 3-foot, 4-ft 30W, and U-bend T-8 lamps
- Lamp Check
  - Requirements for 8-foot T8 systems, where system efficacy (incl. ballast and lamps) must be greater or equal to 80 mean lumens per watt (MLPW)
  - Requirements for 2-foot, 3-foot, U-bend, and 30W 4-foot T8 lamps as well as for 21.5"/22.5" Reduced Watt long twin tube CFL (CFT40W) lamps
- LED Product Checks, similar to ballast/lamp checks, have been added
  - Resolutions to special cases where unqualified LEDs cannot be avoided
  - All product must be Energy Start or DLC qualified, product will be verified in field tool or portal upon submittal
- For 4-foot T8 system retrofits, only CEE-approved T8 lamps and CEE-approved premium efficiency ballasts qualify. Similar requirements apply to 2-foot, 3-foot, U-bend and 30W 4-foot T8 lamps and ballasts and 8-foot T8 lamps
- There are special procedures described at the end of this section for re-lamping projects
- Exterior lighting must be controlled by a new or existing photo-cell, timer or energy management system to qualify for incentives

### LIGHTING PROJECT DOCUMENT REQUIREMENTS

All deemed savings projects require complete documentation of the items below, insufficient documentation will result in reduce savings or disqualification of the project:

- Pre-Installation photo documentation
  - Wattage and model of existing equipment
  - Pre-existing fixtures installed
  - Overall room photo
- Post-Installation photo documentation
  - Clear photos showing model number and wattages for all installed fixtures & ballasts
  - Efficient measures installed in fixtures
  - Overall room photos of facility
- Project Invoices or Shipping Receipts that contain legible part numbers and quantities for all project ballast, lamp, LED product and control equipment are required
- Signed Customer Proposal, if edits occurred during the project lifecycle a new customer signature may be required

- Other Project Information Fields that are subject to qualify control, upon implementers request
  - Fixture Counts
  - Fixture Type
  - Fixture Location
  - Building Type
  - Customer account number
  - Number of Non-Operating Fixtures

Please note the following:

Any fixtures or areas not represented at the time of project authorization will not be guaranteed funding. If additional fixtures are added after initial authorization, contractor must provide detailed photo documentation. Any additional savings or funding garnered from this will be at the discretion of the implementer and subject to availability

## **LIGHTING PROJECT REQUIREMENTS/DEEMED EQUIPMENT REQUIREMENTS**

### **BALLAST CHECK—RETROFIT**

- Only premium ballasts will be allowed
- Only CEE- approved ballasts will be considered premium ballasts for 2-foot, 3-foot, U-bend and 4-foot T8 systems.
- Must be validated by Project Invoice, or Shipping Receipt or Photo documentation. Consult CEE Web site for the latest listings: <http://www.cee1.org/com/com-lt/lamps-ballasts.xls>
- 8-foot T8 systems (lamp and ballast combination) must meet the total system efficacy requirements shown in the Non- CEE Specifications for T8 Lamps and Ballasts table below to be considered premium.
- Specification sheet on all 8-foot lamps must be provided showing the part number, the mean lumens, the rated life, and the CRI; Part number must be validated by Project Invoice, or Shipping Receipt or Photo documentation.
- Project invoice or shipping receipt documentation is required to verify savings and eligibility. Legible part numbers and quantities of all installed ballasts must be included

### **LAMP CHECK—RETROFIT**

- Only premium lamps, as defined below, will be allowed.
- 4-foot T8 Lamps: Only CEE- approved lamps will be considered premium lamps. Must be validated by Project Invoice, or Shipping Receipt and Photo documentation. Consult CEE Web site for the latest listings: <http://www.cee1.org/com/com-lt/lamps-ballasts.xls>
- 2-foot, 3-foot, U-bend, 30W 4-foot, 8-foot T8, and CFT40W long twin tube CFL lamps must meet all the applicable requirements in the table below to be considered premium
  - Specification sheet on the lamps must be provided showing the part number, the mean lumens, the rated life, and the CRI; Part number must be validated by Project Invoice, or Shipping Receipt or Photo documentation

- Project invoice or shipping receipt documentation is required to verify savings and eligibility. Legible part numbers and quantities of all installed lamps must be included

Lamp Type	Minimum Mean Lumens per Watt (MLPW)	Color Rendering Index (CRI)	Rated Lamp Life (hrs)
2-foot T8 and Reduced Wattage lamps	75 MLPW*	>80	20,000
3-foot T8 and Reduced Wattage Lamps	75 MLPW*	>80	20,000
4-foot T8 30W Reduced Wattage Lamps	80 MLPW*	>80	24,000
8-foot T8 Lamp and Ballast Systems	80 MLPW**	>80	18,000
22.5" U-Bend T8 Lamps	80 MLPW*	>80	18,000
21.5"/22.5" Reduced Watt long twin tube CFL (CFT40W)	92 MLPW*	>80	20,000

\* Lamp Efficacy = Mean Lumens/Lamp Wattage

\*\* System Efficacy = Mean System Lumens/System Wattage; Lamp and Ballast performance taken together.

## LED PRODUCT CHECK

- Products or applications are subject to either ENERGY STAR, or DLC. See LED Product Qualification Listing below for a listing of what products/applications are currently covered by what approval body and go to the appropriate link shown to see if a product has been approved<sup>1</sup>
- Only LEDs that appear on the approved listings qualify for incentives
- Product information is required to be entered into field tool or portal upon project creation and will be verified on our Qualified Product List ("QPL")
- Delisted/Sunset LED Energy Star Bulbs that were listed as of October 2024 are added to the field tool and portal for verification and eligible through end of 2026 program year
- Project invoice or shipping receipt documentation is required to verify savings and eligibility; Legible part numbers and quantities of all installed LEDs must be included
- Legible photo documentation of LED part numbers installed in field will be required for the fixtures identified
- Resolutions to special cases where unqualified LEDs cannot be avoided on a project are provided at the end of this LED section
- LED products with insufficient documentation will be treated as unqualified LEDs and will not receive program incentive

## LED Product Qualification Listings

### ENERGY STAR LED Fixtures

<http://www.energystar.gov>

- Recessed Downlights
- Under-cabinet task lighting
- Desk task lamps

### Design Lights Consortium (DLC) LED Fixtures:

<http://www.designlights.org>

- Outdoor Area/Roadway
- Outdoor Decorative
- Outdoor Wall-Mount
- Parking Garage
- Track and Directional
- Refrigerated Case-Horizontal
- Refrigerated Case-Vertical
- Display Case-Vertical
- Display Case
- 2x4, 2x2 and 1x4 troffers
- Floodlights
- Retrofit kits
- Highbay/Highbay Aisle/Lowbay
- Fuel Pump Canopy Replacement
- Linear Lamps
- Bollards
- Wall-wash Luminaires

<sup>1</sup> Products and Applications are added or dropped by these approval bodies periodically, so please check the links provided for the most up-to-date information

## SPECIAL CASE RESOLUTIONS FOR UNQUALIFIED LEDs

- If unqualified LEDs are included in a retrofit project, options include:
  - Remove unqualified equipment and replace with qualified LED product
  - Seek qualification of the product through one of the approved options listed
  - Remove the measure item from the proposal
- Energy Star sunset their LED Energy Star list for Bulbs early 2026, all products listed before this are eligible for incentive through the end of 2026 program year, they will be validated in our QPL in the field tool and portal

## CONTROL CHECK

- Select the appropriate control type or combination of control types on the project proposal
- Project invoice or shipping receipt documentation is required to verify savings and eligibility. Legible part numbers and quantities of all installed controls must be included
- If invoice or shipping receipt cannot be obtained, photo documentation of controls installed in field will be required for the controls identified
- Exterior lighting measures must utilize a control device such as a timer or photocell to qualify for incentives

## WEATHERIZATION PROJECT REQUIREMENTS

### DOCUMENTATION REQUIREMENTS

Pre authorization is required for any project with more than 5 doors at the location. Pre authorization included submitting scope of work to us in the field tool or portal and providing customer signature and pre photos.

All projects will require the following documentation to be approved for payment:

- Field Notes – use template provided by CLEAResult to document all door measure information required for calculation
- Gap measurement - photo gap between door and frame showing gap, with measuring tape

- Field Notes – listing all doors and measures installed and corresponding gap and size measurements, as required for calculation
- Verification of heating type – gas or no heating are not eligible
- Submitted signed customer agreement

## PHOTO REQUIREMENTS

100% photos required for projects with less than 10 doors. If more than 10 doors, 20% of doors will require photos listed below

- Pre Photos:
  - Overall door photo – with equipment not installed, if existing damaged equipment exists must document photos with damaged weatherization and claim 'partial' in the notes and in the project submission
  - Gap Photo – showing gap of door sweep and gap of weatherstripping (4 photos, 1 for each side of the door). Photo should include a tape measure.
- Post Photos:
  - Overall door photo - showing weatherization installed correctly with no gap remaining

## **OTHER NON-LIGHTING QUALITY REQUIREMENTS**

Refrigeration and Direct Install measures must also be submitted into the program using the Field Tool Application or Portal and are subject to the same inspection and documentation requirements as listed above for lighting and air infiltration. Speak with program team and receive training for any specific QA/QC requirements before starting work on new measures.

Eligible measures meeting the requirements of PUCT energy efficiency rule 25.181 currently not integrated into the Field Tool will be handled individually between the coordination of the participating contractor and the Implementer.

## DEFINITIONS

**Customer** – A person, business, organization, or entity serviced by AEP Texas.

**Customer Proposal** – To qualify as a participant and reserve financial incentives through AEP Texas Small Business, participating contractors must submit a signed Customer Proposal, and provide complete details on the location, account, etc., of the participating customer. Also referred to a 'Assessment Report'

**Deemed Savings** – A set of pre-determined, validated estimates of energy and peak demand savings attributable to energy efficiency measures of specific applications that an electric utility may use instead of energy and peak demand savings determined through measurement and verification activities.

**Demand Savings (kW)** – Peak demand savings that have been approved using one of the eligible measurement and verification protocols as set forth in this Program Manual.

**Estimated Incentive Payment** – Contained in the Customer Proposal (once approved by the Implementer), this is the amount of incentives reserved in the program budget for the list of committed projects.

**Participating Contractor Agreement** – Non-binding agreement signed and submitted by participating contractor, stating their intent to participate in the program. Must be renewed annually.

**Peak Demand** – Electrical demand at the times of highest annual demand on the utility's system.

**Peak Demand Reduction** – Reduction in demand on the utility system throughout the utility system's peak period.

**Peak period** – For this context, the peak period consists of the hours from 1:00 p.m. to 7:00 p.m., during the months of June, July, August, and September, excluding weekends and Federal holidays.

**Post-Installation Inspection** – Inspection performed after installation of new equipment. Post-installation inspection verifies actual installed measure(s) to verify resulting deemed or measured and verified demand and energy savings.

**Pre-Installation Inspection** – Inspection performed prior to any replacement of existing equipment, device, or structural energy efficiency measures (windows, window film, roof coatings, etc.) to validate and collect data on existing equipment and measures.

**Winter Peak Period** – The Texas energy efficiency rule includes a defined Winter Peak Period between the hours of 6:00 a.m. and 10:00 a.m., and 6:00 p.m. and 10:00 p.m., during the months of December, January and February, excluding weekends and Federal holidays.

# SAMPLE CUSTOMER PROPOSAL

ROSITAS FAMILY RESTAURANT INC  
402 E MARKET ST  
ROCKPORT, TX 78382



## AEP TEXAS CENTRAL SMALL BUSINESS ENERGY EFFICIENCY PROGRAM (SBDI)

### ENERGY ASSESSMENT REPORT FOR YOUR BUSINESS

WRK#: WRK-0039346

Date: 01/05/2023

PREPARED FOR
John John ROSITAS FAMILY RESTAURANT INC 402 E MARKET ST ROCKPORT, TX 78382

PREPARED BY
Tony Stark

The Project Summary outlines your facility's energy saving opportunity for the AEP TEXAS CENTRAL SMALL BUSINESS ENERGY EFFICIENCY PROGRAM (SBDI). To encourage your business to install more energy efficient equipment, this program will pay a substantial portion of the project costs directly to the participating contractor on your behalf. The portion paid to the contractor is based on the amount of energy demand (kW) reduced by your project. Your investment in the project costs will not exceed the amount listed as Customer Cost in the Project Savings Section.

The existing equipment at your facility may be verified prior to the installation of your new energy-efficient lighting technologies. This will be coordinated and scheduled with you at your convenience. Once the installation is complete, verification of the installed equipment by a program representative may be necessary. **You are not obligated to pay your portion of the project cost until installation is completed and verified.**

ROSITAS FAMILY RESTAURANT INC  
402 E MARKET ST  
ROCKPORT, TX 78382



## PROJECT SAVINGS SUMMARY

Below you will find a summary of your total savings (kW and kWh), project cost, available incentives, customer cost, and project payback. These estimates will help you plan for and complete your next efficiency project.

PROJECT SUMMARY	
Estimated Annual Bill Savings:	\$ 761.80
Total Project Cost:	\$ 500.00
Customer Incentive:	\$ 400.00
NonEE Costs:	\$ 0.00
Customer Cost after Incentive:	\$ 100.00
Project Payback:	1.58 months
Estimated kW Savings:	7618.01
Estimated kWh Savings:	7618.01

\* Savings are based on \$ 0.10 per kWh utility rate

The table below shows a brief overview of your estimated return on investment as well as the estimated annual savings that may be realized from the installation of the energy-efficient equipment.



1 Year savings: \$661.8  
2 Year savings: \$1,423.6  
3 Year savings: \$2,185.4

## FREQUENTLY ASKED QUESTIONS

### FOR CUSTOMERS

#### Q1. What is the Program?

A1. The SBDI program brings energy efficiency solutions to small businesses. The program offers the following incentives to eligible customers:

- Free, no-obligation facility assessment to identify potential energy-saving opportunities
- Recommendations and estimates of energy savings, project costs, and payback periods
- Installation of approved energy-saving equipment by a local pre-qualified contractor
- Incentives paid directly to the installation contractor by the program
- Ongoing reduction in energy costs

#### Q2: What are the benefits of participation in this program?

A2: As a participating customer in this program you will receive incentives to reduce the initial out of pocket cost associated with energy efficient upgrades. After you install energy efficient equipment at your business you will then receive ongoing energy savings that will result in lower monthly energy bills.

#### Q3. How do I know if I am an eligible customer?

A3. The SBDI program is available to non-residential commercial class customers with a valid AEP Texas account number that utilize less than 150 kW peak demand. Participating contractors can verify eligibility during the site assessment using the ESI ID in the Field Tool. The Implementer can also validate eligibility in instances where the customer has not yet established a contractor relationship, or the Field Tool fails to validate an account number.

#### Q4. Which measures qualify for incentives?

A4. Any measures meeting the requirements of PUCT energy efficiency rule 25.181 that yield energy savings are qualified for incentive when replaced with eligible equipment. Some typical Small Business measures include LED Lighting upgrades, Refrigeration controls, HVAC replacements and other Direct install measures. For a complete list of eligible measure, contact the Implementer.

#### Q5. How do I receive program incentives?

A5. Incentives are available through a participating contractor for qualifying high efficiency lighting and refrigeration technologies. Incentives will be presented in the form of a reduced customer cost on the Customer Proposal.

#### Q6. How do I find a participating contractor?

A6. Visit <https://www.aeptexasenergy.com/open-small-business/> for a list of participating AEP Texas contractors and their contact information or contact the Program Implementer

## FOR CONTRACTORS

### Q1. What are the incentives?

A1. The Program will pay \$650/kW reduced for customers with maximum peak demand of  $\leq 150$  kW; up to 80% of the project cost.

### Q2. How do I get involved?

A2. Visit <http://eeprograms.net/aep> or contact an AEP Texas representative at 1-855-496-3857.

### Q3. How do I schedule a contractor orientation?

A3. Email us at [AEP.TCD.SBDI@clearesult.com](mailto:AEP.TCD.SBDI@clearesult.com) or [AEP.TND.SBDI@clearesult.com](mailto:AEP.TND.SBDI@clearesult.com) to schedule an orientation session.

### Q4. What's involved in the orientation?

A4. Enrolled contractors will participate in a 1-hour training orientation that will review program guidelines and prepare them for using the Field Tool and Portal. We will also review the program requirements for documentation of various measures you will be installing. After completion of this training session, contractors will be equipped to:

- Perform facility surveys for eligible customers using the Field Tool and Portal
- Generate Customer Proposals
- Obtain electronic customer signature
- Submit Customer Proposal to reserve program funds (upon program approval)
- Provide required documentation
- Track project and incentive status

### Q5. How much does the Field Tool cost?

A5. The Field Tool is provided to approved participating contractors free of charge, upon completion of the Participating Contractor Agreement. Any participating contractor wishing to utilize the Field Tool will be responsible for acquiring his/her own mobile device. Currently the field tool is compatible with PC Computers and iPads.

## PROGRAM MARKETING MATERIAL

**Available Incentives**  
AEP Texas (Central Division) offers the following Open incentives based on your peak electric demand.

*Customers with ≤100 kW demand:  
Up to \$650/kW saved*

*Customers are eligible for incentives of up to 80% of total project costs depending on project savings*

**Eligible Projects**  
Eligible energy efficiency measures include indoor lighting, outdoor lighting and refrigeration. The Program pays a higher percentage of project costs, when compared to other commercial energy efficiency programs. Incentives, actual savings, and payback periods vary depending on the equipment installed, building characteristics, energy use patterns, age of existing equipment, location, and other parameters specific to your project.

**Eligible Measures**

- LED lighting upgrades\*
  - Tube lights, bulbs, and fixtures
- Fluorescent lighting upgrades
- Occupancy sensor installations
- LED exit sign retrofits
- Anti-sweat heater controls for refrigerator doors
- And more!

\*LED upgrades must be approved by either Design Lights Consortium, ENERGY STAR®, Lighting Design Lab, or DOE LED Lighting Facts.



**Energy saving solutions for small business customers**

Open can help lower your energy bills!



**Open**

**It's your bottom line – take control of your energy choices.**

For more information, call (855) 496-3857 to speak with a program representative or visit [aepTexasEfficiency.com](http://aepTexasEfficiency.com).

Disclaimer: Products and services are provided solely by approved participating service providers. AEP Texas does not sell goods or services in its energy efficiency programs.



### (Central Division) Open

Open is a program designed to promote energy efficiency for small business customers.

**The Program offers:**

- Free, no-obligation facility assessment to identify potential energy-saving opportunities
- Recommendations and estimates of energy savings, project costs, and payback periods
- Installation of approved energy-saving equipment by a local pre-qualified contractor
- Incentives paid directly to your contractor by the program to reduce your costs of adopting energy-efficient equipment
- Ongoing reduction in energy costs

**Who is eligible?**  
Small commercial customers with:

- A valid ESI ID number
- ≤100 kW peak demand at any one facility or a total demand of ≤250 kW at all facilities owned by the same customer within the AEP Texas (Central Division) service territory.

**Let's get started**

1. A participating contractor will schedule a no cost walk through assessment of your facility.
2. Review and sign the energy savings proposal to reserve program incentives.
3. Participating contractor will install savings measures within 60 days of signed agreement.

**Typical Open project scenario**  
This hypothetical example illustrates a scenario that could take place at a small office building. Simulated existing conditions and sample proposed retrofits are listed with a summary estimate of energy and cost savings below. The data below illustrates how the program operates and its potential value, but is not necessarily indicative of what you may see at your site.

EXISTING INTERIOR LIGHTING	INTERIOR LIGHTING RETROFIT
32 4-lamp Fluorescent fixtures	32 2-lamp LED fixtures
16 60-watt Incandescent	16 10W LEDs
16 2-lamp Fluorescent fixtures	16 1-lamp LED fixtures

**Project by the numbers**

**3.83 kW**  
total annual energy savings

**13,848 kWh**  
total annual energy savings


**\$2,490**  
estimated incentive

**\$2,975**  
net cost to customer

**\$5,465**  
total cost

**\$1,384**  
estimated annual bill savings

**25.8 months**  
payback



## 2026 PARTICIPATING CONTRACTOR AGREEMENT

AEP Texas is offering the SBDI program to improve the energy efficiency of small commercial facilities located within the AEP Texas service territory and has contracted with CLEARResult to promote and administer the program.

### **Contractor Network Benefits**

The program provides the following benefits to participating contractors:

- Training for participating contractors
- Complimentary access and support to the Field Tool to quantify, and demonstrate the value of energy efficiency opportunities and incentives provided by the program
- Access to trainers who are available to assist in clarifying program processes and use of the Field Tool
- The opportunity to promote and market the program to customers of AEP Texas
- Aggressive peak electric demand savings-based incentives aimed at increasing customer adoption of energy efficiency measures

### **Participation Requirements**

#### **Insurance**

During the term, participating contractors shall maintain and provide proof of the following Commercial General Liability

Insurance Minimums:

- \$1,000,000 general liability insurance coverage
- Worker's compensation and employer's liability coverage
- Business automobile liability coverage including owned, non-owned, and hired vehicles

#### **Licenses**

During the term, participating contractors shall maintain and provide proof of all electrical and/or contractor licenses. At all times during the program, participating contractors must adhere to all permitting and licensing requirements as set forth by federal, state, county, and/or municipal authorities with jurisdiction overseeing work performed.

#### **Proof of Insurance**

The implementer (CLEARResult) must be listed as a Certificate Holder on the policy for the duration of program activity.

CLEARResult  
Attn.: Marlene Banks  
6504 Bridge Point Parkway, Suite 425  
Austin, TX 78730

If requested, the participating contractor will provide the implementer with proof of insurance within two business days of the request.

#### **Tax Implications**

Incentives are taxable and, if the annual total is greater than \$600, will be reported to the IRS on Form 1099 unless Participating Contractor has indicated Corporation or Exempt tax status on the Participating Contractor information portion of this Agreement. Participating Contractor must provide the Implementer with its tax identification number on a W9 form. Neither Utility nor Implementer will be responsible for any tax liability imposed on the Participating Contractor as a result of Participating Contractor's receipt of incentives. Participating Contractors and customers are encouraged to consult with their tax advisors about the taxability of any incentive payments.