

PAY AS YOU SAVE[®] MODEL TARIFF
Developed by Energy Efficiency Institute, Inc.
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- 1 **Eligibility:** Eligible on an optional and voluntary basis to any customer who takes service under any rate schedule for energy efficiency improvements (upgrades) where the utility provides electric service to the structure. It shall not be a requirement that the structure be all-electric.
- 2 **Participation:** To participate in the Program, a customer must: 1) request from the utility an analysis of cost-effective upgrades, 2) agree to the terms of the cost-effectiveness analysis fee as described in Section 3.4, and 3) sign the Efficiency Upgrade Agreement that defines customer benefits and obligations, and implement any project that does not require an upfront payment from the customer as described in Section 3.3.
 - 2.1 **Ownership:** If the customer is not the building owner, the building owner must sign an Owner Agreement, agreeing to not remove or damage the upgrades, to maintain them, and to provide notice of the benefits and obligations associated with the upgrades at the location to the next owner or customer before the sale or rental of the property.
 - 2.2 **Notice:** The owner must agree in writing as part of the Efficiency Upgrade Agreement (if the Owner is the customer) or Owners Agreement that they agree to a Notice attached to their property records. Failure to obtain the signature of a successor customer who is renting the premises on the Notice Form or a purchaser in jurisdictions in which the utility cannot attach the Notice to the property records, indicating that the successor customer received notice will constitute the owner's acceptance of consequential damages and permission for a tenant or purchaser to break their lease or sales agreement without penalty.
- 3 **Energy Efficiency Plans:** The utility will have its Program Operator or approved energy efficiency contractor perform a cost-effectiveness analysis and prepare an Energy Efficiency Plan (Plan) identifying recommended upgrades to improve energy efficiency and lower power costs.
 - 3.1 **Incentive Payment:** The utility may reduce the upgrade cost with an incentive payment for program participation that is less than or equal to the value of the upgrades to the utility.
 - 3.2 **Net Savings:** Recommended upgrades shall be limited to those where the annual Program Service Charges (Service Charges), including program fees and the utility's cost for capital, are no greater than 80% of the estimated annual benefit from reduction to customer annual utility charges based on current rates in electricity and/or gas costs.
 - 3.3 **Copay Option:** In order to qualify a project that is not cost effective for the Program, customers may agree to pay the portion of a project's cost that prevents it from qualifying for the Program as an upfront payment to the contractor. The utility will assume no responsibility for such upfront payments to the contractor.
 - 3.4 **Cost Effectiveness Analysis Fee:** If the cost of the cost-effectiveness analysis exceeds the value to the utility of upgrades accepted by customers for installation based on the Utility Cost test, the utility will recover from participants the portion of the cost for the analysis that is greater than the value of the upgrades to the utility. The utility will not recover costs for the analysis if the Energy Efficiency Plan concludes that proposed upgrades are cost effective only with a copay. The utility will recover all of its costs for the analysis at a location from a customer who declines to install upgrades identified in an Energy Efficiency Plan that does not require a copayment. Customer costs for analyses, if

any, will be recovered from participants by rolling them into Service Charges as described in Section 7.

- 3.5 **Existing Buildings:** Projects that address upgrades to existing buildings deemed unlikely to be habitable or to serve their intended purpose for the duration of utility cost recovery will not be approved unless other funding can effect necessary repairs. If a building is a manufactured home, to be eligible it must be built on a permanent foundation and fabricated after 1982.
- 4 **Approved Program Operator:** Utility may operate the program directly with its own staff resources or hire an experienced program operator to implement the program.
- 5 **Approved Contractor:** Should the customer determine to proceed with implementing The Plan, the utility shall determine the appropriate monthly Service Charge as described below. The customer shall sign the Agreement and select a contractor from the utility's list of approved contractors.
- 6 **Quality Assurance:** When the energy efficiency upgrades are completed, the contractor shall be paid by the utility, following on-site or telephone inspection and approval of the installation by the utility or its Program Operator.
- 7 **Program Services Charge:** The utility will recover the costs for its investments including any fees as allowed in this tariff through monthly Service Charges assigned to the location where upgrades are installed and paid by customers occupying that location until all utility costs have been recovered. Service Charges will also be set for a duration not to exceed 80% of estimated life of the upgrades or the length of a full parts and labor warranty, whichever is greater and in no case longer than twelve years. The Service Charges and duration of payments will be included in the Efficiency Upgrade Agreement.
- 7.1 **Cost Recovery:** No sooner than 45 days after approval by the utility or its Program Operator, the customer shall be billed the monthly Service Charge as determined by the utility. The utility will bill and collect Service Charges until cost recovery is complete except in cases discussed in Section 8. Prepayment of unbilled charges will not be permitted to facilitate installed upgrades remaining and continuing to function at the location for at least the duration of cost recovery.
- 7.2 **Eligible Upgrades:** All upgrades must have Energy Star certification, if applicable. The utility may seek to negotiate with contractors or upgrade suppliers extended warranties to minimize the risk of upgrade failure on behalf of all customers.
- 7.3 **Ownership of Upgrades:** During the duration that Services Charges are billed to customers at locations where upgrades have been installed, the utility will retain ownership of the upgrades. At the termination of Services Charges, ownership will be transferred to the building owner.
- 7.4 **Maintenance of Upgrades:** Participating customers and building owners (if the customer is not the building owner) must agree, when signing the Efficiency Upgrade Agreement or the Owner Agreement, to keep the upgrades in place for the duration of Service Charges, to maintain the upgrades per manufacturers' instructions, and report the failure of any upgrades to the Program Operator or utility as soon as possible. If the upgrade fails, the utility is responsible for determining its cause and for repairing the equipment in a timely manner as long as the owner, customer or occupants did not damage the upgrades, in which case they will reimburse the utility as described in Section 8.

- 7.5 **Termination of Service Charge:** Once the utility's costs for Upgrades at a location have been recovered, including its cost of capital, the cost paid to the contractor to perform the work, costs for any repairs made to the upgrades as described in Section 8 the monthly Service Charge shall no longer be billed, except as described in Sections 7.7 and 8.
- 7.6 **Vacancy:** If a location at which upgrades have been installed becomes vacant for any reason and electric service is disconnected, Service Charges will be suspended until a successor customer takes occupancy. If a building owner maintains electric service at the location, the building owner will be billed Service Charges as part of any charges it incurs while electric service is turned on.
- 7.7 **Extension of Program Charge:** If the monthly Service Charge is reduced or suspended for any reason, once repairs have been successfully effected or service reconnected, the number of total monthly payments shall be extended until the Service Charges collected equal the utility's cost for installation as described in Section 7, including costs associated with repairs, deferred payments, and missed payments as long as the current occupant is still benefitting from the upgrades.
- 7.8 **Tied to the Location:** Until cost recovery for upgrades at a location is complete or the upgrades fail as described in Section 8, the terms of this tariff shall be binding on the metered structure or facility and any future customer who shall receive service at that location.
- 7.9 **Disconnection for Non-Payment:** Without regard to any other Commission or utility rules or policies, the Service Charges shall be considered as an essential part of the customer's bill for electric service, and the utility may disconnect the metered structure for non-payment of Service Charges under the same provisions as for any other electric service. If service is disconnected for customers on pre-paid payment plans, Service Charges will be pro-rated by the day.
- 8 **Repairs:** Should, at any future time during the billing of Service Charges, the utility determine that the installed Upgrades are no longer functioning as intended and that the occupant, or building owner if different, did not damage or fail to maintain the upgrades in place, the utility shall reduce or suspend the Service Charges until such time as the utility and/or its contractor can repair the upgrade. If the upgrade cannot be repaired or replaced cost effectively, the utility will waive remaining charges.

If the utility determines the occupant, or building owner if different, did damage or fail to maintain the upgrades in place as described in Section 7.4, it will seek to recover all costs associated with the installation, including any fees, incentives paid to lower project costs, and legal fees.

The Service Charges will continue until utility cost recovery is complete.