



Commercial Load Management
Standard Offer Program

2008

Program Manual

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Final

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This manual summarizes the goals, pricing and application process of the Oncor Commercial Load Management Standard Offer Program (SOP). It includes information about eligibility requirements, incentive payments, the participation process, and descriptions and samples of enrollment materials developed by Oncor for participants. The information included in this manual is subject to change. The latest information and application forms will be found on the SOP website at www.oncor.com/efficiency by selecting the Commercial Load Management SOP link.

LM 1 Introduction

Oncor Company (“Oncor”) is a dependable energy delivery business. We deliver electricity to approximately 2.7 million customers of retail electric providers in Texas. These customers are located in the north, central, east and west Texas areas. Subject to governmental regulation, we offer access to one of the largest energy infrastructures in the world -- over 13,000 miles of electrical transmission lines and some 91,000 miles of distribution lines. Oncor employees are responsible for maintaining and upgrading the infrastructure, which is crucial to the economic well-being of our society.

The Oncor Commercial Load Management Standard Offer Program (the “SOP”) was developed to pay incentives to energy efficiency service providers (e.g., contractors, energy service companies, retail electric providers, or customers) for load curtailments of electric consumption on short notice during peak demand periods. Incentives are based on verified demand savings that occur at Oncor distribution customer’s site as a result of a curtailment.

To participate in the SOP, providing participants (“Service Providers”) undergo an application process and then enter into a contract with Oncor (the “Standard Contract”). A Standard Contract is included as Appendix A of this manual. Under the Standard Contract, the Service Provider agrees to deliver demand savings to Oncor from an Oncor distribution customer using load that is subject to load management curtailment activities (“Curtable Load”) at that customer’s site. Oncor will verify actual demand savings from curtailments (the “Verification Process”) and payment will be submitted to the Service Provider based on the verified savings achieved by the curtailments.

Service Providers must commit Curtable Load to the SOP for a one-year period. During the summer peak demand period the program requires one scheduled 1-hour test curtailment and of up to four unscheduled curtailments. The unscheduled curtailments may have duration of one hour to a maximum of four hours. The maximum hourly total of curtailments per year will be 17 hours. Incentive payments differ for scheduled and unscheduled curtailments.

This chapter provides a general introduction to the SOP, including an overview of SOP features and background information on Oncor’s energy efficiency initiatives. All SOP information, including application materials, will be available via the Internet at www.oncor.com/efficiency by selecting the Commercial Load Management SOP link. **Oncor will begin accepting applications on a date to be announced on the website. Any application received before the published opening time will be returned.**

1.1 Background

This SOP was developed to comply with state energy efficiency goals. The Texas Legislature passed Senate Bill 7 (SB7) in 1999, which restructured the state’s electric utility industry. Specifically, the law calls for each investor-owned utility to meet a goal of 15% reduction in its growth in system demand through energy efficiency programs.

1.2 Program Goals

The primary goal of the SOP is to reduce summer peak demand in the Oncor service territory in a cost-effective manner and to reach the demand savings goals established by SB7 and the Public Utility Commission of Texas (PUCT) regulations. There are secondary program goals that are reflected in the SOP rules and procedures. These secondary program goals include:

- Encourage private sector delivery of energy demand savings during peak demand time on the Electric Reliability Council of Texas (ERCOT) transmission and distribution system of Oncor.
- Create a simple and streamlined program process to stimulate strong program participation from energy efficiency service providers.
- Minimize the burden of measurement and verification requirements for the SOP by implementation of a simple Verification Process by Oncor.

1.3 Eligibility

1.3.1 Service Provider Eligibility

Any entity meeting the participation requirements that identifies Curtailable Load at a facility that is served by Oncor and that has a minimum demand of **750 kW** or more is eligible to participate in the SOP as a Service Provider. Eligible Service Providers include:

- National or local energy service companies (ESCOs).
- Retail electricity providers (REPs).
- Individual customers that identify Curtailable Load in their own facilities.

To ensure that the SOP incentive budget is allocated to projects that are likely to meet with success, all Service Providers will be required to demonstrate a commitment to fulfilling SOP objectives and competency in completing their proposed project. Service Providers may be required to submit information concerning their experience and competency as part of the application process.

1.3.2 Project Eligibility

A project site is defined in the SOP as having Curtailable Load with potential demand savings during the summer peak demand period. Service Providers may include more than one project site in their applications. All projects must meet the following requirements:

- Each project site must include total potential demand savings of at least **100 kW** during the summer peak demand period. The PUCT defines the **summer peak demand period** as the hours occurring between **1 p.m. and 7 p.m. Central Standard Time on Monday through Friday** during the months of **June through September**, excluding federal holidays.

- A single project site may involve identifying Curtailable Load at more than one customer facility, so long as the demand savings from curtailments at the facilities are reported using a single Interval Data Recorder (IDR) that is monitored by Oncor. For example, Curtailable Load at a customer's site may have multiple buildings, with each building individually metered for electricity consumption. However, if all buildings and meters are tied to one IDR, then they may be combined into a single project site.
- Service Provider agrees to verify that the Curtailable electric load that is being used in this Application will not be used in any other Curtailable load or demand response program during the duration of the Customer Contract. This can include, without limitation, any ERCOT, PUCT or any other program that is currently available. Service Provider will notify Oncor within 15 business days of any change in the status of the contracted load or its inclusion in another demand response program. Failure to notify Oncor of any changes in the contracted load can result in the termination of the Customer Contract. This does not prohibit a Service Provider from contracting their existing and/or future electric loads into any other programs. Oncor reserves the right to cancel any Customer Contract when that contracted load has been enrolled in any other competing Curtailable load or demand response program.
- Oncor is not allowed to offer Energy Efficiency programs to a for profit end-use customer that takes transmission level distribution service from Oncor. A transmission service level for profit customer is not allowed to participate in Energy Efficiency programs per Texas Public Utility Commission rules.

1.3.3 Curtailable Load Eligibility

The SOP does not specify eligible Curtailable Load in order to provide Service Providers flexibility in packaging services. Service Providers may propose the inclusion of any Curtailable Load in a project, as long as it meets the following requirements:

- Curtailable Load must produce demand savings through a **curtailment of electrical consumption** during the summer peak demand period.
- Service Providers must commit to making the Curtailable Load **available for a one-year period**.
- Electric service contracts for service to Curtailable Load between customers and their retail electric providers may not prevent or inhibit curtailments.

The following Curtailable Load is excluded from consideration for this SOP:

- Curtailable Load that results in negative environmental or health effects.
- Curtailable Load that receives an incentive through **any other energy efficiency program** offered by Oncor.
- Curtailable load that takes electric service at a transmission level and that load serves a for profit end use customer.

Project incentives will be paid only for demand savings directly related to end-use equipment curtailed under the project.

LM 2 Participation Process

Overview

This chapter provides information on participating in the SOP including the program process and required submittals. Oncor will start accepting applications on a date to be determined at 10 a.m., Central Standard Time on a first-come, first-served basis. Applications will continue to be accepted for the SOP until all funds have been committed (see Chapter 7 - Incentive Budgets & Payments). After this time, submitted applications will be placed on a wait list. Projects on a wait list are not guaranteed acceptance into the program and Program Manager will contact Service Providers when/if load becomes available in the order that the application was received.

2.1 Participation Phases

Participation in the SOP involves these basic phases:

- Service Provider submits a signed application (the “**Application**”) in order for Oncor to review the proposed project for feasibility and to tentatively reserve incentive funding.
- On-line application will be accepted at an Oncor website available to Service Providers when the application phase is opened. Oncor will provide the web address to all potential Service Providers and the date the site will be open for applications.
- Service Provider enters into a **Standard Contract** with Oncor. This also includes the Texas Energy Efficiency Market Agreement required of all Service Providers for participation in Oncor Energy Efficiency programs found in Appendix A Attachment C.
- Service Provider performs scheduled and unscheduled **Curtailments** when notified by Oncor.
- Oncor verifies demand savings from scheduled and unscheduled Curtailments (the “**Verification Process**”).
- Oncor pays the Service Provider for scheduled Curtailments (the “Scheduled Curtailment Payment”) and unscheduled Curtailments (the “Performance Period Payment”).

LM 3 Application

Overview

A Service Provider's first formal step for participation in the SOP is the submission of an Application to Oncor. By submitting the Application and its required attachments and supplemental information, the Service Provider is requesting that Oncor review the Application and, if the Application is approved; reserve funding for the Service Provider based on the proposed level of demand savings in the Application.

The Application material will be available on the Oncor website at www.oncor.com/efficiency and then selecting the Commercial Load Management SOP link. The Application process is completed on line at the website by the Service Provider. The website for applications will be available when the program opens. The Application will be submitted electronically and a hard copy of the Application, letter of intent (the "Application Agreement") and all supporting documents including the Texas Energy Efficiency Market Agreement must then be received by Oncor within 15 business days of the electronic submittal. All applications must be signed by the Provider. Any applications not fully completed can be rejected and any reserved funds will revert back to the program budget at the Program Manager's discretion.

Applications will be reviewed on a first-come, first-served basis until all incentive funding has been committed. Oncor will forward the Service Provider an accepted Standard Contract for the project once the application is successfully completed.

3.1 Service Provider Information

All Service Providers are required to provide Oncor with specific business information including the following:

- Description of the Service Provider's business.
- All contact information for the Service Provider's employees who will be responsible for the operation of the project.
- The Service Provider's Taxpayer Identification Number is required to ensure that Oncor can properly account for any incentive payments made to the Service Provider.

3.2 Project Information

Service Providers must provide information about the scope of their proposed project(s). The type of information requested includes the following:

1. **Customer Information** - Information about the customers associated with all loads that the Service Provider proposes to include as Curtailable Load. If a Service Provider's proposed project involves multiple customers, the Service Provider should

submit separate information for each customer. The following information shall be submitted:

- Customer name
 - Customer address
 - Site address
 - Customer business description
 - Site contact name(s) and all applicable phone numbers and e-mail addresses that will allow Oncor to contact customer during summer peak demand periods, as necessary.
2. **Oncor Distribution Account Number (ESI ID)** – This number can be identified on the customer’s electric bill as a 17 digit number, ex. ESI ID: 10443720001234567. To verify that a customer is an Oncor customer, the Service Provider should look for the distinguishing number, 44372 or 17699, which represents Oncor. This information should be found on customer’s billing records.
 3. **Site Profile(s)** - A profile must be completed for each customer site and shall include estimated demand savings for the site, building type(s), operating schedules, and any additional site information that Service Provider believes is appropriate. Oncor may request additional information as needed.
 4. **Management Plan** - This information includes the design, implementation, operation, and management of the project.
 5. **Curtable Load** - A description of Curtable Load and processes for Curtailment at each customer site. The description must include estimated kW reductions for each site during a one-hour peak demand period Curtailment.
 6. **Service Provider Contact Telephone Number** - The telephone number at which Oncor will contact Service Provider to provide advance notification of a required curtailment. A representative of Service Provider must be available at this number at all times during peak summer demand hours. Should Service Provider need to change this contact telephone number during the term of the project, it must provide a new contact telephone number to Oncor at least two business days prior to the date the new number will take effect.
 7. **Service Provider Contact Name(s) and Information** - Identification and information related to one or more representative(s) of the Service Provider who are responsible for implementation of the project. Phone number(s), pager number(s), mobile phone number(s), and email addresses should be provided if available to allow Oncor to communicate with Service Provider concerning the program.
 8. **Customer Contract** - Agreement that is required from customers contracting with a Service Provider and from customers who act as their own Service Provider. A Customer Contract must be submitted within 15 calendar days after the date the electronic Application is submitted. A copy of the Customer Contract is included in this manual as Appendix A, Attachment B.

9. **Texas Energy Efficiency Market Agreement** – Agreement that customer signs agreeing to provisions that allows the Service Provider to participate in Oncor Energy Efficiency programs. Service Provider will not be allowed to participate in any Oncor Energy Efficiency program without this agreement being completed.
10. **Supporting Documentation** - Service Providers may submit additional supporting documentation that they determine is relevant for any project.

As part of the Application review, Oncor will review the feasibility of the proposed Curtailable Load and the accuracy of the curtailable demand savings estimates. Oncor may request clarification of, or additional information about, any item in the Application. Service Providers must respond to such requests within the time period specified by Oncor. **If the clarification or additional information is not forthcoming in a timely manner, Oncor reserves the right to discontinue its evaluation of the Application and reject the application.**

3.3 Electronic Submittal

Electronic submittal of the Application will be executed through the Oncor website at <http://www.oncor.com/efficiency> or at a website provided by Oncor prior to the opening of the program. The date that applications can be submitted will be announced by the Program Manager on this website along with all other application details. Hard copies must be received by the Program Manager within 15 business days of website submittals. For questions and other comments regarding this SOP you may contact the Oncor Program Manager at [1-800-273-8741](tel:1-800-273-8741) option 6.

3.4 Hardcopy Submittal

Oncor must receive hard copies of the Application within fifteen (15) business days of receipt of the electronic submittal. Hard copies should include all Application materials and supporting documents and the signed Application Agreement. Any missing documentation could result in application being put on hold or being rejected at the Program Manager's discretion.

Table 2.1: Addresses to obtain and submit program materials

Material	Mechanism	Address or location
Obtain Enrollment Material	Website	www.oncor.com/efficiency and an additional website to be available when the program opens
Submit Application and all required supporting documents that are amenable to electronic submittal	Website	www.oncor.com/efficiency and an additional website to be available when the program opens
Hard Copy of Application and required supporting documents, including Application Agreement	Mail	Oncor Electric Delivery – TEEM CLM SOP 1601 Bryan St., Suite 21-100A Dallas, TX 75201-3411 Attn: Commercial Load Management
Completed Customer Contracts	Mail	Oncor Electric Delivery – TEEM CLM SOP 1601 Bryan St., Suite 21-100A Dallas, TX 75201-3411 Attn: Commercial Load Management
Contact Program Manager	Phone	1-800-273-8741 option 6

3.5 Confidentiality

The SOP is subject to oversight by the PUCT, which may request a copy of any program materials that Oncor receives. Sensitive company and project information submitted by the Service Provider to Oncor such as financial statements will be treated confidentially to the extent possible. However, Oncor will have no liability to any Service Provider or other party as a result of public disclosure of any information submitted by the Service Provider.

3.6 Submission of False Information

Oncor reserves the right to discontinue its evaluation of all submittals and terminate all contracts of a Service Provider that submits false, misleading, or incorrect information.

LM 4 Standard Contract

Overview

Once an Application has been approved, the Service Provider shall complete a Standard Contract, which is attached as Appendix A to this manual. The terms of the Standard Contract will be **non-negotiable** unless unique circumstances merit and require revision, at the sole discretion of Oncor. In order to incorporate each Service Provider's project information, the approved Application will be included as an attachment to the Standard Contract and will become legally binding as part of the Standard Contract. This includes the signing of the Texas Energy Efficiency Market Agreement included in Appendix A Attachment C.

Once the Standard Contract is signed between the Service Provider and Oncor, the Service Provider's primary obligation will be to perform the following:

- Perform Curtailment of Curtailable Loads when notified by Oncor.
- Monitor projects during scheduled Curtailments and maintain the minimum duration for the event.
- Monitor projects during unscheduled Curtailments and maintain the minimum duration for the event.

The signed Standard Contract will obligate Oncor to:

- Perform the Verification Process. Verification Process activities will be conducted for each project to measure the demand savings after each Curtailment.
- Make a payment (the "Scheduled Curtailment Payment"), based on verified demand savings related to the initial scheduled Curtailment. Scheduled Curtailment Payments will be made for scheduled Curtailments during the first four years of the Standard Contract. Payment should normally be paid within 45 days of the successful completion of the Scheduled Curtailment.
- In November of each contract year, make a payment (the "Performance Period Payment"), based on verified curtailable demand savings related to the unscheduled Curtailment(s). Performance Period Payments will be made after the end of the Performance Period.

LM 5 Curtailments

Overview

To achieve the goal of assisting the utility grid during peak demand periods, Oncor has set the maximum number of annual Curtailments to five, with one scheduled Curtailment and a maximum of four annual unscheduled Curtailments (as necessary). In other words, a Service Provider will not be requested to curtail Curtable Load more than five times during a program year.

The Oncor Program Manager will notify Service Providers in advance when Curtailments will be implemented. The Curtailment notice will specify the beginning and end-time for the Curtailment. Any Curtailment will have minimum of one (1) hour notice before the start of a requested Curtailment. Only Oncor authorized personnel can issue notice to Service Providers to initiate Curtailment.

5.1 Scheduled Curtailments

The SOP will have one 1-hour scheduled Curtailment at the beginning of the peak demand season. Oncor will determine the date and notify Service Providers with sufficient lead time for planning. Scheduled Curtailments are for testing and verifying the Service Provider's ability to curtail the requested kW. The results of the scheduled Curtailment showing the kW amount that was curtailed will be calculated and notification sent to the Service Provider as soon as it has been verified by the Program Manager. The scheduled Curtailment will be held as soon as possible after all contract approvals are complete. Payment should be paid within 45 days of the date of the successful completion of the Scheduled Curtailment.

5.2 Unscheduled Curtailments

The SOP requires program participants to be prepared to participate in up to four unscheduled Curtailments each year of the contract term. An unscheduled Curtailment will occur when the reliability of the Oncor transmission and/or distribution system is threatened. Oncor will notify Service Providers of an unscheduled Curtailment with at least one-hour (1) advance notice of the start-time for the Curtailment. Only Oncor authorized personnel can issue notice to Service Providers to initiate a Curtailment.

The duration of an unscheduled Curtailment will be a minimum of one hour and a maximum of four hours. Starting times will occur between 1:00 p.m. and 6:00 p.m. Central Standard Time. Ending times will occur between 2:00 p.m. and 7:00 p.m. Central Standard Time. The length and time of each unscheduled curtailment will be included in the notice issued by Oncor.

The peak demand period will end on September 30, 2008 and after completion of all unscheduled Curtailment(s) of Curtable Load and verification of all IDR data; Oncor shall in November pay the Service Provider the Performance Period Payment.

LM 6 Verification Process

Overview

In order for Oncor to measure participation of Curtailable Load projects, Oncor shall perform Verification Process activities after each month in which a Curtailment occurs. Demand savings amounts will be based on actual, verified Curtailable Load curtailments.

6.1 Steps of the Verification Process

After each executed Curtailment has been performed and completed, Oncor shall review the IDR data to verify actual kW Curtailment demand savings. This process will be performed when Oncor retrieves the IDR data during the month following the Curtailment. The IDR data will show the month, day, time, and consumption in kW. The IDR data will provide 96 15-minute intervals per day for each ESI ID.

The Verification process will include the following steps:

1. Oncor will review the file for the appropriate project using the contracted customer ESI ID.
2. Oncor will establish the baseline for each Curtailment by taking the load recorded for the one-hour period that begins two hours before the start of the Curtailment, and averaging the demand from that one-hour period with the demand that occurred in the same one-hour period during the four preceding peak demand days. The demand average for that one-hour period over the five peak demand days shall set the baseline for each curtailment.

As an example, if a Curtailment occurred on Monday, August 11, 2008 at 5:00 p.m., Oncor would set the baseline by reading the IDR data from 3:15 p.m. (15:15) to 4:00 p.m. (16:00) on that day, which consists of four different 15-minute interval energy readings. Oncor would also read the same one-hour period for the previous four peak demand business days (Tuesday, August 5 - Friday, August 8) and would average the kW demand of the four days along with the same time period on the day of the Curtailment (August 11) to establish the baseline.

3. Oncor will take the highest demand recording during a one-hour period (four 15-minute intervals) of a Curtailment to calculate the amount of demand savings of that Curtailment. The highest one-hour demand will be subtracted from the baseline demand to determine the verified Curtailable demand savings amount for that Curtailment.
4. If more than one unscheduled Curtailment occurs during the contract year, the demand savings used to calculate the Performance Period Payment will be the lowest verified Curtailable demand savings of all of the Curtailments during the summer peak demand period. All records for all Curtailments will be available from the Program Manager as soon as they have been verified.

5. In the event no unscheduled Curtailments occur during the peak season, the Curtailable demand savings used to calculate the Performance Period Payment will either be the verified Curtailable demand savings from the first scheduled Curtailment or the Curtailable demand savings estimated in the Service Provider's Application, whichever is lower.

Shown below is an example of the information found in an IDR data file that has been recording the consumption for an ESI ID during an unscheduled Curtailment. Only partial recordings from 3:00 p.m. to 6:00 p.m. on August 11, 2008 are shown.

Assume that a one-hour Curtailment occurred at 5:00 p.m. Monday August 11, 2008.

ESI ID: 10443720001234567

Date	Time	Consumption	
08/11/2008	15:15:00	219.09000	← Two hours before the Curtailment to be calculated for baseline
08/11/2008	15:30:00	217.85000	
08/11/2008	15:45:00	206.34000	
08/11/2008	16:00:00	208.74000	
08/11/2008	16:15:00	210.90000	← Intervals not calculated
08/11/2008	16:30:00	201.50000	
08/11/2008	16:45:00	197.43000	
08/11/2008	17:00:00	143.41000	
08/11/2008	17:15:00	108.03000	← Actual hour of Curtailment
08/11/2008	17:30:00	106.71000	
08/11/2008	17:45:00	097.11000	
08/11/2008	18:00:00	120.45000	

In order to calculate the total average consumption for the two hours before a Curtailment and the hour during a Curtailment the following formula applies:

Baseline Demand

$$219.09 \text{ kWh (15:15)} + 217.85 \text{ kWh (15:30)} + 206.34 \text{ kWh (15:45)} + 208.74 \text{ kWh (16:00)} \\ = \text{Total kW on August 11, 2006 for the 3:00pm hour} = \mathbf{852 \text{ kW}} \text{ (Rounded)}$$

This process shall be applied to the same hour during the four previous peak demand business days and those five days will be averaged to set the baseline.

Curtailment Demand

$$108.03 \text{ kWh (17:15)} + 106.71 \text{ kWh (17:30)} + 97.11 \text{ kWh (17:45)} + 120.45 \text{ kWh (18:00)} =$$

$$\text{Total kW on August 14, 2007 for the 5:00pm hour} = \mathbf{432 \text{ kW}} \text{ (Rounded)}$$

This process shall be applied to each set of four 15-minute intervals during each Curtailment and the highest set of four 15-minute intervals will be used to determine the verified Curtailed demand saving for each Curtailment. The actual Curtailed demand savings to be used to calculate the Performance Period

Payment shall be the lowest verified Curtailed demand savings of all of the unscheduled Curtailments or the Curtailable demand savings estimate in the Service Provider's Application whichever is lower.

Verified Demand Savings (kW)

Once the Verification Process has been performed, the following formula will be used to determine the amount of verified Curtailed demand savings that will be used to calculate incentive payments (using the above example):

$\begin{aligned} \text{Verified Demand Savings} &= \text{Baseline Demand} - \text{Curtailed Demand} \\ 420 \text{ kW} &= 852 \text{ kW} - 432 \text{ kW} \end{aligned}$

LM 7

Incentive Budgets & Payments

Overview

Oncor will pay Service Providers in two installments during the Contract year. Oncor will pay the Service Provider after verification of the Scheduled Curtailment and at the end of the Peak Performance Season. In the event a Service Provider does not produce the Curtailable demand savings as proposed in its Application, Oncor reserves the right to decline to make any further incentive payments and to terminate or adjust the Standard Contract.

If verified Curtailed demand savings differ from the curtailable demand savings estimated in the Application, the IDR data recordings by Oncor will take precedence over any other information. If actual, verified Curtailed demand savings are lower than those estimated in the Application, the associated reserved incentives will be adjusted accordingly, and excess incentive funds returned to the SOP budget. If actual, verified Curtailed demand savings are higher than those estimated in the Application, the incentive payments will be based on the Curtailable demand savings estimated in the Application unless Oncor, in its sole discretion, allows a Service Provider to upwardly adjust its estimated Curtailable demand savings. All results will be based on the scheduled Curtailment that will be conducted at the beginning of the Peak Season.

7.1 Available Budgets

The incentive budget for each program year of the SOP will be determined by Oncor based on its Energy Efficiency goal. The amount available will be posted on the program website for each new program year.

7.2 Prices

The SOP provides standard incentive prices per kW for Curtailed demand savings in each contract year. The incentive rates applicable to kW savings are set forth in the following table, which also identifies the Curtailable demand savings cap and the 40% total incentive cap applicable to each Service Provider and its affiliates during each contract year. The total incentive cap includes the Performance Period Payment and the Scheduled Curtailment Payment.

Demand Incentive Rate per kW (\$/kW)				
2008 Program Year	Scheduled Curtailment Payment Incentive Rate	Performance Period Payment Incentive Rate	Demand Savings Cap	40% Total Incentive Cap (Maximum Payout)
2008	\$12.00	\$30.00	6000	\$252,000.00

****This chart reflects the maximum payment amount available under the 40% cap per Service Provider and a 2008 project goal of 15,000 kW.***

7.3 Incentive Limitations

To ensure that incentives are available to multiple Service Providers, no Service Provider or its affiliates may reserve more than an aggregate total of **40%** of the SOP incentive budget in a given budget year. Oncor reserves the right to raise the incentive cap if the total contracted kW required to meet the efficiency goal remains uncontracted. The raising of this cap will be based on the Service Provider's performance that was achieved and verified during the scheduled Curtailment.

7.4 Payments

All Verification Process activities for a scheduled Curtailment must be completed before the Service Provider will receive the associated Scheduled Curtailment Payment. After completion of the scheduled Curtailment of Curtailable Load, approval of the IDR data recording, and verification of the Curtailed demand savings, Oncor shall pay the Service Provider the agreed contract incentive amount per kW for the Scheduled Curtailment Payment. Oncor will typically make the Scheduled Curtailment Payment within forty-five (45) days after the IDR data has been approved and the Curtailed demand savings have been calculated. The Scheduled Curtailment Payment will be based upon the verified curtailed demand savings using the following equation:

Equation 1.1:

Scheduled Curtailment Payment (\$) =	Scheduled Curtailment Payment Incentive Rate x Curtailed Verified Demand kW Savings*
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Oncor will typically make the Performance Period Payment in November, at the conclusion of the Performance Period and after Oncor's verification of the IDR data for the contract year.

The amount of the Performance Period Payment shall be calculated using the following formula:

Equation 1.2:

Performance Period Payment (\$) =	Performance Period Payment Incentive Rate x Curtailed Verified Demand kW Savings*
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In the event no unscheduled Curtailments are performed, the Performance Period Payment will be calculated by multiplying the verified kW savings of the first scheduled Curtailment* by the Performance Period Payment incentive rate for that contract year.

***NOTE:** Oncor will not be obligated to pay a Service Provider for verified curtailable demand savings that exceed the amount of estimated Curtailable demand savings proposed in the Service Provider's Application. In the event no unscheduled Curtailments occur during the peak season, the Curtailable demand savings used to calculate the Performance Period Payment will either be the verified Curtailable demand savings from the scheduled Curtailment or the Curtailable demand savings estimated in the Service Provider's Application, whichever is lower. Nonetheless, if allowed by the SOP budget, and in Oncor's sole discretion, Oncor may allow a Service Provider to receive payment for its actual Curtailable demand savings and may pay a Service Provider based on their verified Curtailable demand savings achieved during the Scheduled Curtailment.

LM 8 Appendices

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APPENDIX A
STANDARD OFFER PROGRAM CONTRACT

ONCOR ELECTRIC DELIVERY COMMERCIAL LOAD MANAGEMENT STANDARD OFFER PROGRAM CONTRACT

This agreement concerning the Oncor Electric Delivery Commercial Load Management Standard Offer Program (the "Contract") is made and entered into by and between **ONCOR ELECTRIC DELIVERY COMPANY**, a Delaware limited liability company (and [REDACTED]) (hereinafter "Service Provider"). Service Provider and Oncor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

WHEREAS, Oncor has developed an Commercial Load Management Standard Offer Program (the "SOP"); and

WHEREAS, the SOP seeks to procure peak demand reduction through the curtailment of electric load; and

WHEREAS, Service Provider has developed a plan for participation in the SOP through a set of proposed curtailments of Curtailable load to produce a controllable and predictable amount of peak demand reduction over a one-year period (the "Project").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I - DEFINITIONS

- 1.1 "Affiliate" shall mean (1) a person who directly or indirectly owns or holds at least 5.0% of the voting securities of Service Provider; (2) a person in a chain of successive ownership of at least 5.0% of the voting securities of Service Provider; (3) a corporation that has at least 5.0% of its voting securities owned or controlled, directly or indirectly, by Service Provider; (4) a corporation that has at least 5.0% of its voting securities owned or controlled, directly or indirectly, by: (a) a person who directly or indirectly owns or controls at least 5.0% of the voting securities of Service Provider; or (b) a person in a chain of successive ownership of at least 5.0% of the voting securities of Service Provider; or (5) a person who is an officer or director of Service Provider or of a corporation in a chain of successive ownership of at least 5.0% of the voting securities of Service Provider; (6) a person who actually exercises substantial influence or control over the policies and actions of Service Provider; (7) a person over which Service Provider exercises the control described in subparagraph (6) of this paragraph; (8) a person who exercises common control over Service Provider, where "exercising common control over Service Provider" means having the power, either directly or indirectly, to direct or cause the direction of the management or policies of Service Provider, without regard to whether that power is established through ownership or voting of securities or any other direct or indirect means; or (9) a person who, together with one or more persons with whom the person is related by ownership, marriage or blood relationship, or by action in concert, actually exercises substantial influence over the policies and actions of Service

Provider even though neither person may qualify as an affiliate individually. For the purposes of this Contract, all references to “energy efficiency service provider” shall mean Service Provider.

- 1.2 “Baseline Demand Usage” shall mean the amount of demand in a one-hour period that is used as the baseline for comparison to Curtailment Demand Usage to calculate Demand Savings. Baseline Demand Usage shall be calculated by averaging the Oncor -approved IDR data from the one-hour period that began two hours prior to the start-time of a Curtailment with the Oncor -approved IDR data from the same one-hour period during the four previous weekdays (Monday through Friday), excluding federal holidays.
- 1.3 “Contract Documents” shall mean 1) Service Provider’s approved application (“Application”) and Application Agreement, attached hereto as Attachment A and incorporated by reference herein, 2) the SOP Manual (“SOP Manual”), which is incorporated by reference herein, 3) this Contract together with any and all other exhibits, addenda, or amendments referenced in the Contract Documents or made a part thereof in accordance with this Contract; as the same may be amended from time to time, 4) the Texas Energy Efficiency Market Agreement. To the extent of any conflict between this Contract and other Contract Documents, the terms of this Contract shall prevail.
- 1.4 “Customer” shall mean a customer of Oncor that owns or leases facilities at a Project Site.
- 1.5 “Customer Contract(s)” shall mean the contract(s) attached hereto as Appendix A and incorporated by reference herein.
- 1.6 “Demand Savings” shall mean the difference between Baseline Demand Usage and Curtailment Demand Usage. For the purpose of this Contract, the use of the term Demand Savings may refer to Unscheduled Curtailment Demand Savings and/or Scheduled Curtailment Demand Savings, as appropriate.
- 1.7 “Estimated Demand Savings” shall mean the amount of demand that Service Provider proposes in their application, to curtail in a one-hour period during Summer Peak Demand Hours through scheduled and unscheduled Curtailments that are implemented pursuant to the SOP. The “Estimated Demand Savings” will be verified during the required scheduled Curtailment.
- 1.8 “IDR” shall mean interval data recorder.
- 1.9 “Incentive Budget” shall mean the amount of money budgeted by Oncor for the SOP at the beginning of the SOP for payment in each year of the SOP.
- 1.10 “Curtable Load” shall mean the equipment, material, or systems at a Project Site that is identified in the Application as load that will be Curtailed at the request of Oncor pursuant to the SOP.

- 1.11 "Curtailement" shall mean shutting down the operation of Curtaileable Load at the request of Oncor pursuant to the SOP.
- 1.12 "Curtailement Demand Usage" shall mean the highest amount of demand that occurs during any one-hour (four 15-minute interval) period of a Curtailement.
- 1.13 "Performance Period" shall mean the period from June 1 through September 30 of each year of the Project.
- 1.14 "Performance Period Payment" shall mean the payment made by Oncor to Service Provider for Unscheduled Curtailement Demand Savings, as calculated pursuant to Article 6.4 of this Contract.
- 1.15 "Program Manager" shall mean the Oncor representative assigned as the point of contact for the SOP as identified in Article 12.1 of this Contract.
- 1.16 "Project Site" shall mean the location of a Customer's Curtaileable Load, as identified in the Application. For the purposes of this Contract, multiple facilities representing Curtaileable Load may be combined into one Project Site as long as they are connected to a single IDR meter. The total Curtaileable Load at a Project Site must have a recorded history pattern of 750 kW or more demand of usage and when Curtailed must result in a measurable and verifiable reduction in peak demand.
- 1.17 "Service Provider Contact Telephone Number" shall be the telephone number identified in the Application as the telephone number that Oncor will call to notify Service Provider of a required Curtailement.
- 1.18 "Scheduled Curtailement" shall mean a one (1) hour Curtailement that is pre-scheduled by Oncor to occur at the beginning of the Performance Period.
- 1.19 "Scheduled Curtailement Demand Savings" shall mean the difference between the Baseline Demand Usage for a Scheduled Curtailement and the Curtailement Demand Usage for the same Scheduled Curtailement.
- 1.20 "Scheduled Curtailement Payment" shall mean the payment made by Oncor to Service Provider for Scheduled Curtaileable Demand Savings, as calculated pursuant to Article 6.3 of this Contract.
- 1.21 "Summer Peak Demand Hours" shall mean 1 p.m. Central Standard Time to 7 p.m. Central Standard Time on Monday through Friday during the months of June through September, excluding federal holidays.
- 1.22 "Texas Energy Efficiency Market Agreement" shall mean the contract required by Oncor that must be signed by the Service Provider before they can participate in any Oncor Energy Efficiency program.

- 1.23 “Unscheduled Curtailment” shall mean a Curtailment that is requested by Oncor in response to a condition when Oncor transmission and/or distribution system is threatened.
- 1.24 “Unscheduled Curtailment Demand Savings” shall mean the amount of peak demand reduction used to calculate the Performance Period Payment in every Project year. The Unscheduled Curtailment Demand Savings for each Project year will be the difference between: 1) the Curtailment Demand Usage from the Unscheduled Curtailment with the highest amount of Curtailment Demand Usage, and 2) the Baseline Demand Usage for that same Unscheduled Curtailment. If no Unscheduled Curtailment occurs during a Project year, then the Unscheduled Curtailment Demand Savings for that Project year will mean the Estimated Demand Savings amount.
- 1.25 “Verification Process” shall mean the process described in Article VI of this Contract wherein Oncor calculates and verifies Baseline Demand Usage, Curtailment Demand Usage, and Demand Savings.

ARTICLE II - WARRANTIES AND REPRESENTATIONS

- 2.1 By executing this Contract, Service Provider warrants and represents that it is aware of, is in compliance with, and will continue to comply for the term of this Contract with, all of the Contract Documents and all applicable laws and regulations related to the SOP.
- 2.2 Service Provider warrants and represents that:
- The Project will result in consistent and predictable peak demand savings over a one-year period;
 - The Project will not result in negative environmental or health effects;
 - The Project would not have been implemented in the absence of the SOP;
 - The Project is not participating in other demand response programs as outlined in Section 4.3 of this contract.
- 2.3 Service Provider acknowledges that it received a copy of the SOP Manual prior to submission of its Application. Service Provider warrants and represents that its participation in the SOP has at all times been in compliance with, and will continue to comply for the term of this Contract with, the procedures and conditions set forth in the SOP Manual and that any failure to comply therewith may be treated as a breach of this Contract. Service Provider also acknowledges that it meets or exceeds all of the qualifications required to participate in the SOP as described in the SOP Manual and that failure to meet the qualifications therein may be treated as a breach of this Contract. Procedures or conditions set forth in the SOP Manual may only be waived or modified by written agreement of the parties. Any such Contract shall be attached hereto and incorporated herein for all purposes.

- 2.4 Service Provider warrants and represents, to its actual knowledge; it and its Affiliates have not requested and will not accept SOP funds totaling more than an aggregate amount of 40% of the Incentive Budget for any year of the Project. Oncor reserves the right to raise the total incentive cap if the kW required to meet the efficiency goal remains un-contracted within 45 days after the Scheduled Curtailment performance has been validated. If the cap is raised performance will be based on the Provider's performance that was achieved and verified during the Scheduled Curtailment.
- 2.5 Service Provider warrants and represents that any relevant contract(s) or agreement(s) between a Customer and the Customer's retail electric provider concerning electric service to Curtailable Load do not prohibit or inhibit Curtailments.

ARTICLE III - CUSTOMER CONTRACT

- 3.1 The receipt by Oncor of a Customer Contract concerning every Customer associated with every Project Site is a condition precedent to the effectiveness of this Contract. Oncor will not award incentive payments related to a Curtailment at a Project Site if every Customer associated with that Project Site did not sign a Customer Contract prior to the Curtailment.

ARTICLE IV - PROJECT IMPLEMENTATION

- 4.1 Service Provider agrees on and after the Effective Date to use all reasonable efforts to implement the Project without undue delay and otherwise in accordance with the terms of the Contract Documents.
- 4.2 The Project will be implemented during calendar year of 2008.
- 4.3 Service Provider agrees to verify that the Curtailable electric load that is being used in this Application will not be used in any other Curtailable load or demand response program during the duration of the Customer Contract. This can include, without limitation, any ERCOT, PUCT or any other program that is now available or that will become available in the future. Service Provider will notify Oncor within 15 business days of any change in the status of the contracted load or its inclusion in another demand response program. Failure to notify Oncor of any changes in the contracted load can result in the termination of the Customer Contract. This does not prohibit a Service Provider from contracting their existing and/or future electric loads into any other programs. Oncor reserves the right to cancel any Customer Contract when that contracted load has been enrolled in any other competing Curtailable load or demand response program.
- 4.4 One Scheduled Curtailment shall be required to be implemented by Service Provider at each Project Site at the beginning of the Performance Period for each calendar year of the Project. A maximum of four Unscheduled Curtailments may be required to be implemented by Service Provider at each Project Site during Summer Peak Demand Hours of each calendar year of the Project.

- 4.5 Oncor must notify Service Provider at least one hour prior to the required start-time of any Curtailment by calling the Service Provider Contact Telephone Number. A representative of the Service Provider must be available to personally answer calls or respond to e-mail, made to the Service Provider Contact Telephone Number or other electronic addresses, during all Summer Peak Demand Hours.
- 4.6 Service Provider may change the Service Provider Contact Telephone Number or other electronic addresses, by providing notice to the Program Manager of the new Service Provider Contact Telephone Number a minimum of two business days prior to the date that the new Service Provider Contact Telephone Number or other methods of contact, become effective. In order for notice of a new Service Provider Contact method to be valid, Service Provider must verify that Program Manager has actually received such notice by the above-referenced deadline.

ARTICLE V - VERIFICATION PROCESS

- 5.1 Oncor shall calculate and verify the Baseline Demand Usage, Curtailment Demand Usage, and Demand Savings for each Curtailment during the calendar month that occurs after the Program Manager receives the IDR data related to the Curtailment.
- 5.2 The data used to calculate the Baseline Demand Usage, Curtailment Demand Usage, and Demand Savings will be the data from IDR meters that are read, reviewed, and approved by Oncor.

ARTICLE VI - INCENTIVE PAYMENTS

- 6.1 Oncor agrees to make incentive payments to Service Provider based upon the Demand Savings derived from the Project, as further discussed in this Article.
- 6.2 The applicable incentive rates and caps on Demand Savings and incentives are as follows and differ by Project year and type of incentive payment:

Demand Incentive Rate per kW (\$/kW)				
2008 Program Year	Scheduled Curtailment Payment Incentive Rate	Performance Period Payment Incentive Rate	Demand Savings Cap	40% Total Incentive Cap (Maximum Payout)
2008	\$12.00	\$30.00	6000	\$252,000.00

****This chart reflects the maximum payment amount available under the 40% cap per Service Provider and a 2008 project goal of 15,000 kW.***

- 6.3 Scheduled Curtailments - After completion of the Scheduled Curtailment and the associated Verification Process Oncor shall pay Service Provider the Scheduled Curtailment Payment. Oncor will make the Scheduled Curtailment Payment within forty-five (45) days after the completion of the Verification Process for the

Scheduled Curtailment. The Scheduled Curtailment Payment will be calculated using the following equation:

$$\text{Scheduled Curtailment Payment} = \text{Scheduled Curtailment Payment Incentive Rate} \times \text{Verified Curtailed Demand Savings}$$

- 6.4 Unscheduled Curtailments - After the conclusion of the Performance Period and completion of the Verification Process for the Project year, Oncor shall pay the Service Provider the Performance Period Payment. Oncor will make the Performance Period Payment within forty-five (45) days after the completion of the final Verification Process.

If the Unscheduled Curtailment Demand Savings are equal to or less than the verified Scheduled Curtailed Demand Savings, then the Performance Period Payment will be calculated using the following equation:

$$\text{Performance Period Payment} = \text{Performance Period Payment Incentive Rate} \times \text{Verified Unscheduled Curtailed Demand Savings}$$

If the Unscheduled Curtailment Demand Savings are greater than the verified Scheduled Curtailed Demand Savings, then the Performance Period Payment will be calculated using the following equation:

$$\text{Performance Period Payment} = \text{Performance Period Payment Incentive Rate} \times \text{Verified Scheduled Curtailed Demand Savings}$$

- 6.5 Notwithstanding anything to the contrary, Oncor may, in its sole discretion, revise the calculation of the Scheduled Curtailment Payment and/or the Performance Period Payment to allow payment to Service Provider for an amount of peak demand reduction that exceeds the amount of Estimated Curtailed Demand Savings and is less than or equal to the amount of Curtailed Demand Savings.
- 6.6 The sum of the Scheduled Curtailment Payment and Performance Period Payment for a Service Provider for a Project year shall not exceed 40% of the Incentive Budget for that Project year as set forth in the table 6.2 under the heading "40% of Total Incentive Cap per Year". Oncor reserves the right to raise the total incentive cap if the kW required to meet the efficiency goal remains uncontracted within 45 days after the Scheduled Curtailment Performance has been validated. The raising of this cap will be based on the Provider's performance that was achieved and verified during the Scheduled Curtailment.

ARTICLE VII - AUDIT AND RECORDS

- 7.1 Service Provider shall keep and maintain accurate and detailed records and documentation relating to the Project and its associated Demand Savings under this Contract for a period of not less than three (3) years beyond the termination of this Contract. During the retention period, such records shall be made available, upon reasonable notice, for inspection during normal business hours by Oncor or any governmental agency having jurisdiction over the SOP or any portion of the Project.

ARTICLE VIII - INSURANCE

8.1 Service Provider represents and agrees that it will carry all statutorily required insurance for the protection of its employees and that each of its subcontractors will carry such insurance for the protection of their respective employees.

ARTICLE IX - COMPLIANCE WITH LAWS

9.1 All work performed by Oncor, Service Provider or a Customer in connection with the implementation of the Project shall conform to all applicable laws, statutes, ordinances, rules, regulations, and decrees of any governmental or administrative body having jurisdiction over the SOP or any portion of the Project.

ARTICLE X - NOTICES

10.1 All notices from one party to the other will be deemed to have been delivered on the date actually delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid or sent or delivered by such other method as will ensure evidence of its receipt to the following addresses:

Oncor Electric Delivery:

Oncor Electric Delivery Company
Energy Plaza
1601 Bryan St., Suite 21-100A
Dallas, Texas 75201-3411
Attn: Commercial Load Management

Service Provider:

Attn: _____

10.2 Either party may change its address by written notice to the other in accordance with this Article XIII.

ARTICLE XI - AMENDMENT

11.1 No amendment or modification of this Contract shall be binding on either party unless it is in writing and signed by both parties. Amendments to this Contract will be attached hereto and made a part hereof for all purposes.

ARTICLE XII - FORCE MAJEURE

12.1 Should either Party be rendered unable, either wholly or in part, by an event of Force Majeure, to fulfill its obligations under this Contract (other than an obligation to pay money), the obligation of the Party so rendered, that is affected by the event of Force Majeure, will be suspended only during the continuance of that inability. The Party so affected will give written notice of the existence, extent and nature of the Force Majeure to the other Party within forty-eight (48) hours after the occurrence of the event. The Party so affected will use its best efforts to remedy its inability as soon as possible and will provide the other Party with prompt notice when it is able to resume the performance of its obligations. Failure to give notice will result in the continuance of the affected Party's obligation regardless of the extent of any existing Force Majeure.

- 12.2 The term "Force Majeure" as used in this Contract will mean acts of God (except as excluded herein), strikes, lockouts, or other industrial disturbances, acts of public enemies, wars, blockades, insurrections, riots, epidemics, earthquakes, fires, priority allocations of pipe or other materials or orders, restraints or prohibitions by any court, board, department, commission or agency of the United States or of any State, any arrests and restraints, civil disturbances, explosions, and inability despite reasonable diligence to obtain materials essential to this Contract. Rain, snow, ice or other adverse weather conditions will not be considered events of Force Majeure.
- 12.3 The term "Force Majeure" does not include: events or circumstances that affect the Project but do not prevent performance, including, but not limited to, requirements, actions or failures to act on the part of governmental authorities (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by federal, state or local governmental bodies); changes in market conditions; and events or conditions attributable to normal wear and tear or flaws randomly experienced in materials and equipment and their assembly and operation, unless such events and conditions are caused by an occurrence which would fit the definition of Force Majeure set forth in Article 15.2 of this Contract.
- 12.4 In no event will any Force Majeure extend this Contract beyond its stated term.
- 12.5 If any Force Majeure causes a reduction in the Estimated Curtailable Demand Savings, the Parties may mutually at any time agree to reduce the Estimated Curtailable Demand Savings for the duration of the Force Majeure event.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized representatives.

ONCOR ELECTRIC DELIVERY COMPANY

Service Provider

By: _____

By: _____

Name: Price Robertson

Name: _____

Title: Manager, Energy Efficiency Programs

Title: _____

Date: _____

Date: _____

ATTACHMENT A

ONCOR ELECTRIC DELIVERY COMPANY'S 2007 COMMERCIAL LOAD MANAGEMENT STANDARD OFFER PROGRAM - APPLICATION AGREEMENT

This agreement (the "Application Agreement") is made and entered into by and between Oncor Company LLC ("Oncor"), a Delaware limited liability company (and _____ (hereinafter "Service Provider"). Service Provider and Oncor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

The Parties agree as follows:

Service Provider represents and warrants that all information submitted as part of its application (the "Application") to participate in the Oncor Electric Delivery Commercial Load Management Standard Offer Program (the "SOP") is true and correct in all material respects.

Service Provider agrees to, within 15 business days of the date the Application is electronically submitted to Oncor, either: 1) ensure that Oncor is in receipt of the Customer Contract(s) required by the SOP ("Customer Contract") for all customers associated with Curtailable load identified in the Application ("Customers"), or 2) contact Oncor and provide a revised amount of estimated Curtailable demand savings that removes any estimated Curtailable demand savings associated with Customers for which Service Provider has not provided a Customer Contract to Oncor.

Service Provider agrees to, within 15 business days of the date the Application is electronically submitted to Oncor, verify that all contracts between retail electric providers and Customers allow for the Curtailments contemplated by the SOP.

Service Provider agrees to verify that the Curtailable electric load that is being used in this Application will not be used in any other Curtailable load or demand response program during the duration of the Customer Contract. This can include, without limitation, any Electric Reliability Council of Texas (ERCOT), Public Utility Commission of Texas (PUCT) or any other program that is now available or that will become available in the future. Service Provider will notify Oncor within 15 business days of any change in the status of the contracted load or its inclusion in another demand response program. Failure to notify Oncor of any changes in the contracted load can result in the termination of the Customer Contract. This does not prohibit a Service Provider from contracting their existing and/or future electric loads into any other programs. Oncor reserves the right to cancel any Customer Contract when that contracted load has been enrolled in any other competing Curtailable load and/or demand response program.

At the time Oncor receives electronic submittal of the Application, Oncor agrees to reserve funding in an amount equal to the incentive amount that would be required to pay Service Provider for the amount of Curtailable peak demand savings estimated in

the Application, if such amount is at that time available in the SOP incentive budget. If such amount is not available, then Oncor will reserve the remaining available SOP incentive budget funds. Funds will be reserved on a first-come, first-served basis as determined by the time and date that Oncor receives electronic submittal of the Application. If the program becomes fully subscribed, Oncor will not reserve more than 40% of the total SOP incentive budget for any Service Provider or its affiliates.

If Oncor has not received a required Customer Contract within 15 business days of the date the Application was electronically submitted, Oncor will return to the SOP incentive budget all funding related to such customer's Curtailable load. Furthermore, if after review of the Application Oncor determines, in its sole discretion, that Service Provider has not demonstrated a commitment to fulfilling SOP objectives and/or competency in implementing the project proposed in the Application, then Oncor will return to the SOP incentive budget all or an appropriate portion of funds reserved on behalf of Service Provider.

IN WITNESS WHEREOF, the parties hereto have caused this Application Agreement to be executed by their duly authorized representatives.

ONCOR ELECTRIC DELIVERY COMPANY

SERVICE PROVIDER

Signature:

Signature:

Name: Jeff Reed

Name:

Title: Program Manager

Title:

Company: Oncor Electric Delivery

Company:

Date:

Date:

ATTACHMENT B

**ONCOR ELECTRIC DELIVERY COMMERCIAL LOAD MANAGEMENT
STANDARD OFFER PROGRAM
CUSTOMER CONTRACT**

I. Customer Information

Customer Name _____
Project Site Name _____
Project Site Address _____
City, Zip Code _____
Customer ESI ID(s) _____

II. Customer Relationship with Service Provider

I, Customer, hereby acknowledge the following (check appropriate box and complete):

I have entered into a contract with _____ (the "Service Provider") for curtailment of Curtailable load at the Project Site(s) identified above (the "Project"). The Service Provider is implementing the Project pursuant to the Oncor Company ("Oncor") Commercial Load Management Standard Offer Program.

I am acting as my own Service Provider and am participating in the Oncor Commercial Load Management Standard Offer Program.

III. Customer Contract

CUSTOMER ACKNOWLEDGES THAT ANY REVIEW OR ACCEPTANCE BY ONCOR OF THE PROJECT IS SOLELY FOR THE INFORMATION OF ONCOR AND THAT, IN PERFORMING ANY SUCH REVIEW OR IN ACCEPTING THE PROJECT, ONCOR MAKES NO REPRESENTATIONS OR WARRANTY WHATSOEVER AS TO THE ECONOMIC OR TECHNICAL FEASIBILITY, CAPABILITY, SAFETY OR RELIABILITY OF THE PROJECT.

Customer acknowledges that the Service Provider is an independent contractor with respect to Oncor and the Standard Offer Program, and that the Service Provider is not authorized to make representations or incur obligations on behalf of Oncor.

Customer acknowledges that Oncor is not a party to this Customer Contract or any other agreement (if any) between the Service Provider and the Customer and that the Service Provider is solely responsible for performance hereunder.

Customer agrees that Oncor is an intended third-party beneficiary of this Customer Contract and, as such, may rely on representations made herein by the Customer and enforce Customer's obligations hereunder to the extent same are applicable to Oncor .

Customer acknowledges that Oncor makes no warranty or representation regarding the qualifications of the Service Provider and that the Customer is solely responsible for the selection of the Service Provider.

Customer acknowledges that it may file a complaint with the Public Utility Commission of Texas concerning the Service Provider, but that Oncor will play no role in resolving any disputes that arise between the Customer and the Service Provider.

Customer agrees to provide Oncor with access to and/or copies of Customer's utility bills, Project documentation, and any other information related to the Project that is necessary for calculation and/or verification of demand savings associated with the Project.

CUSTOMER AGREES TO RELEASE ONCOR ELECTRIC DELIVERY, ITS OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, AND EACH OF ONCOR ELECTRIC DELIVERY'S AFFILIATES AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "ONCOR ELECTRIC DELIVERY"), FROM ANY AND ALL CLAIMS, LOSSES, EXPENSES, ATTORNEYS' FEES, DAMAGES, DEMANDS, JUDGMENTS, CAUSES OF ACTION, SUITS, AND LIABILITY IN TORT, CONTRACT, OR ANY OTHER BASIS AND OF EVERY KIND AND CHARACTER WHATSOEVER (COLLECTIVELY REFERRED TO AS "CLAIMS"), REGARDLESS OF ANY STRICT LIABILITY OR NEGLIGENCE OF ONCOR ELECTRIC DELIVERY, WHETHER ACTIVE OR PASSIVE, EXCEPTING ONLY SUCH CLAIMS, DEMANDS, LOSSES, DAMAGES, COSTS, EXPENSES, LIABILITY, OR VIOLATION OF LAW OR REGULATION AS MAY BE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ONCOR ELECTRIC DELIVERY.

IN WITNESS WHEREOF, Customer causes this Contract to be executed by its duly authorized representative.

Signature: _____

Printed Name: _____

Company Name: _____

Title: _____

Date: _____

Attachment C

TEXAS ENERGY EFFICIENCY MARKET AGREEMENT

BY and BETWEEN

ONCOR ELECTRIC DELIVERY COMPANY LLC

AND

TEXAS ENERGY EFFICIENCY MARKET AGREEMENT

This Texas Energy Efficiency Market Agreement (Agreement) is made and entered into by and between Oncor Electric Delivery Company LLC ("Oncor"), a Delaware limited liability company and

(hereinafter "Service Provider"). Service Provider and Oncor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

WHEREAS, Oncor seeks to procure energy and peak demand savings through the installation and operation of energy efficiency measures ("Work") through its Texas Energy Efficiency Market Program ("TEEM Program") as required by the Public Utility Commission of Texas ("PUCT");

WHEREAS, in order to achieve the objectives of the TEEM Program, Oncor has developed various Energy Efficiency Programs (hereinafter individually known as an "EEP", and collectively as "EEPs"), including Standard Offer Programs, Market Transformation Programs, Pilot Programs, or any other Programs to be determined in which service providers can participate;

WHEREAS, pursuant to the TEEM Program, Oncor offers qualified service providers the opportunity to participate in one or more of the EEPs;

WHEREAS, the initial step for a service providers to participate in the TEEM Program is to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I - Terms of Participation for Energy Efficiency Programs

1.1 In the event that Service Provider is selected to participate in one or more EEPs, Service Provider agrees that it will be bound by the specific program's Terms and Conditions ("Terms & Conditions") and/or the Program Manual ("Manual").

1.2 Service Provider understands that the Terms & Conditions and/or Manual related to each Program will be subject to change from time to time, at the sole discretion of Oncor, and Service Provider shall only be allowed to participate in an EEP during the period of time in which the Terms & Conditions and/or Manual agreed upon by Service Provider is in effect.

1.3 Oncor, by execution of this Agreement, does not in any way agree that Service Provider is a qualified contractor eligible to participate in the TEEM Program, and shall be under no obligation whatsoever to allow Service Provider to participate in any EEP.

ARTICLE II - TERM AND TERMINATION

2.1 The term of this Agreement shall commence on the date of execution by Oncor ("Effective Date") and shall continue in force and effect until terminated by either Party by providing written notice of termination to the other Party. The notice of termination will specify the effective date of any termination, and that the Agreement is terminated in its entirety.

2.2 If this Agreement is terminated it will result in the termination of Service Provider's participation in any and all EEPs.

ARTICLE III - INDEMNITY

3.1 Service Provider acknowledges and agrees that each EEP will require it to defend, protect, indemnify, and hold harmless Oncor, its officers, directors, agents, and employees, and each of Oncor's affiliates and each of their respective officers, directors, agents, and employees (collectively referred to as "Oncor Electric Delivery Group") from and against any and all claims, losses, expenses, attorneys' fees, damages, demands, judgments, causes of action, suits, and liability in tort, contract, or any other basis and of every kind and character whatsoever (hereinafter referred to as "Claims") arising out of or incident to or related in any way to, directly or indirectly, the respective EEP, the agreement documents associated with the EEP, and/or the Work; provided, however, Service Provider shall not be

required to indemnify any member of Oncor Electric Delivery Group for any liability of any member of Oncor Electric Delivery Group, as to such Claims, for or with respect to any percentage of fault or responsibility found by the finder of fact to be attributable to any member of Oncor Electric Delivery Group. To the extent necessary to permit Oncor Electric Delivery Group to enforce any term, clause, or condition of the EEP, Service Provider acknowledges and agrees that with respect to any Claims brought against Oncor Electric Delivery Group, Service Provider it will be required to waive as to Oncor Electric Delivery Group any defense it may have by virtue of the workers' compensation laws of any state, to the extent allowed by law.

ARTICLE IV - DEFAULT AND REMEDIES

4.1 Service Provider acknowledges and agrees that each EEP will provide that an Event of Default under that EEP will be: (a) failure of Service Provider to provide Oncor and/or its contractors with sufficient access to the Work sites for the purposes of conducting inspections or measurement and/or verification activities, (b) failure of Service Provider to maintain any necessary permits, licenses or insurance required pursuant to the agreement documents; (c) Service Provider's submission to Oncor of any false misleading or inaccurate information or documentation with respect to application for or implementation of the Work or Service Provider's performance hereunder; (d) Modifications to any electronic, hard copy forms or documentation of Oncor or the PUCT without the written consent of Oncor; or (e) failure of either Party in a material fashion to perform or observe any of the material terms, conditions or provisions of the Agreement documents which failure materially adversely affects the other Party.

4.2 Service Provider acknowledges and agrees that each EEP will provide that if an Event of Default occurs under the EEP, the non-defaulting party shall be entitled to exercise any and all remedies provided for by law or in equity, including the right to terminate this Agreement.

ARTICLE V – ASSIGNMENT AND SUBCONTRACTING

5.1 Service Provider acknowledges and agrees that this Agreement provides and that each EEP will provide that no Agreement may be assigned or transferred, nor any of the work be subcontracted by Service Provider without the prior written approval of Oncor.

ARTICLE VI - NOTICES

6.1 All notices from one party to the other will be deemed to have been delivered on the date actually delivered by United States certified mail, return receipt requested, postage prepaid, or sent or delivered by such other method approved by Oncor as will ensure evidence of its receipt to the following addresses:

ONCOR:

Oncor Electric Delivery Company LLC
1601 Bryan St., Suite 21-095F
Dallas, Texas 75201
Phone: 214-486-5161
Attn: Price Robertson_____

SERVICE PROVIDER:

Service Provider Name _____
(Address) _____
(City/State/Zip) _____
Phone: _____
Attn: _____

6.2 Either Party may change its address by written notice to the other in accordance with this Article VI. However, it is the sole responsibility of the Service Provider to maintain the correct mailing address, and telephone number.

ARTICLE VII – MISCELLANEOUS

7.1 This Agreement will be governed by, construed and enforced in accordance with the laws of the State of Texas. The Parties agree that the proper venue and jurisdiction for any cause of action relating to any and all EEP agreements will be Dallas County, Texas, unless such cause of action is within the jurisdiction of the PUCT, in which case proper venue and jurisdiction will be at the PUCT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

ONCOR ELECTRIC DELIVERY COMPANY LLC

SERVICE PROVIDER

By: _____

By: _____

Name: Price Robertson

Name: _____

Title: Manager – Energy Efficiency

Title: _____

Date: _____

Date: _____