

VARIABLE FREQUENCY DRIVES INCENTIVES APPLICATION

CUSTOMER INFORMATION

Company Name			Contact Person			Title		
Mailing Address					Pepco Electric Account Number at the Project Site			
City		State	Zip	Telephone No		Fax		Email
<input type="checkbox"/> Corporation		<input type="checkbox"/> LLC		<input type="checkbox"/> Partnership		<input type="checkbox"/> Individual Proprietorship		<input type="checkbox"/> Not-for-Profit
								Federal Tax ID Number

PROJECT SITE INFORMATION

Project Type: <input type="checkbox"/> New Building or Renovation						<input type="checkbox"/> Early Equipment Replacement			Expected Completion Date		
<input type="checkbox"/> Failed/Degraded Equipment Replacement											
<input type="checkbox"/> Office		<input type="checkbox"/> Retail		<input type="checkbox"/> School		<input type="checkbox"/> University		<input type="checkbox"/> Religious		<input type="checkbox"/> Grocery	
<input type="checkbox"/> Restaurant		<input type="checkbox"/> Lodging		<input type="checkbox"/> Industrial		<input type="checkbox"/> Warehouse		<input type="checkbox"/> Health		<input type="checkbox"/> Multifamily	
<input type="checkbox"/> Other											
Project Address				City/Town			MD/DC		Zip		
Contractor/Vendor Name			Contact Person			Telephone Number(s)			Email		
Contractor/Vendor Address			City/Town, State				Zip		Federal Tax ID Number		

VFD INFORMATION

Fill in using one row per VFD, or for identical installations, using information from tables 1, 2, and 3 (on page 2). To qualify for an incentive, the motor(s) being controlled must operate a minimum of 2,000 hours per year. Note the Terms and Conditions on last page of this form. To receive pre-approval, submit product specification sheets and other relevant documentation with the Application. Keep a copy. When installation is completed, notify the Program Office and submit detailed invoice. Incentives are available for VFDs only in a retrofit situation, where no VFD has been in use before. Replacement of failed VFDs and VFDs in New Construction or Major Renovation are not eligible for incentives.

Installation Type (Table 1)	No. of Units	Motor Horsepower Controlled by each unit	Controlling Parameter (Table 3)	Location/Designation	Requested Incentive (Value from Table 2 times No. of Units)
Total from Page 2					
Attach additional worksheets from page 2, if needed					Total Requested Incentive

CUSTOMER AGREEMENT

I have read and agree to the Terms and Conditions on the last page of this Application. I am an owner or an employee authorized to sign on behalf of the Customer listed above, and represent that all information provided within is true and correct. **Note: Electronic submission is encouraged. A pdf or facsimile signature is acceptable and will have the same force and effect as an original signature.**

Authorized Representative (please print)		Title		Date	
Signature				Payment to: <input type="checkbox"/> Customer <input type="checkbox"/> Contractor	

ADMINISTRATIVE USE ONLY

Project #		Date Rec'd		Pre-Approved		Date	
Pre-Insp. Req'd. <input type="checkbox"/>				Pre-Insp. Compl'd. <input type="checkbox"/>		By: _____ Date _____	
Proj. Compl'd. <input type="checkbox"/> Date _____		Post-Insp. Req'd. <input type="checkbox"/>		Post-Insp. Compl'd <input type="checkbox"/>		By: _____ Date _____	
Proj. Rep. Appr'l: _____ Date _____			Pgm. Mgr. Appr'l: _____			Date _____	

Return Completed Form to:

Pepco Commercial & Industrial Energy Efficiency Program

c/o Lockheed Martin, 2275 Research Boulevard, MS-8N, Rockville, MD 20850

Phone: 301-519-5383 | Facsimile: 301-519-6333 | email: PepcoEnergyEfficiency@lmbps.com | web: www.pepco.com/business

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VFD INFORMATION AND INCENTIVES

TABLE 1: VFD INSTALLATION TYPE

BEF = Building Exhaust Fan	MAF = Make-up Air Fan	RAF = HVAC Return Air Fan	HWP = Heat Water Pump
CTF = Cooling Tower Fan	SAF = HVAC Supply Air Fan	CWP = Chilled/Condenser Water Pump	WHP = WS Heat Pump Circ Loop

TABLE 2: VFD SIZE AND INCENTIVE LEVELS

Motor hp	Incentive	Motor hp	Incentive	Motor hp	Incentive
5	\$1,700	20	\$2,600	50	\$4,500
7.5	\$1,900	25	\$3,100	60	\$5,500
10	\$2,100	30	\$3,500	75	\$6,000
15	\$2,300	40	\$3,800	100	\$7,000

TABLE 3: CONTROLLING PARAMERTERS

DP = Differential Pressure	DT = Differential Temperature	Other: (Specify) _____
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CONTINUED VFD INFORMATION TABLE FROM PAGE 1

Installation Type (Table 1)	No. of Units	Motor Horsepower Controlled by each unit	Controlling Parameter (Table 3)	Location/Designation	Requested Incentive (Value from Table 2 times No. of Units)
Total Page 2					

PRESCRIPTIVE APPLICATION PROCESS

1. This Application must be used only for energy efficiency measures or equipment specifically included in the table of measures and incentives on this application.
2. All applications for incentives must be pre-approved. A pre-installation inspection may be required.
3. Upon receipt of program pre-approval, the Customer may begin project installation. Projects must be completed within six (6) months of approval. Customer must notify the Program Office upon completion. If the project is completed in a manner different than that indicated in the pre-approved application, the Customer shall provide an amended application and explanation of what and why changes were made. Incentives will be determined based upon the actual qualified equipment installed.
4. A post-installation inspection may be required. The applicant shall make access, to the facility where equipment has been installed, available to any program representative requesting it.
5. Upon final approval of the project, incentives will be paid to the Customer, or their designee, within four (4) weeks.

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TERMS AND CONDITIONS

1. Program Offer: This application covers products purchased and installed after July 31, 2009 and is not retroactive for products purchased or installed prior to July 31, 2009. Projects must be pre-approved and must be completed within six (6) months of the pre-approval date. Pepco may cancel this application without liability if Customer has (1) not installed the approved project, and has (2) not applied to Pepco for a project extension within six (6) months from the date of Pepco's pre-approval. Within ninety (90) days of installation, Customer must notify Pepco and provide required post-installation documentation as described elsewhere in these Terms and Conditions. Customers who fail to provide timely notification and/or fail to provide required documentation may be denied incentive payment.

2. ELIGIBILITY: Incentives are available to Pepco commercial, industrial, governmental, and institutional electric customers for the purchase and installation of Qualifying EEMs (as defined in Paragraph 3, below) in the Pepco service territory, subject to these Terms and Conditions.

3. Qualifying EEMs: Prescriptive Electric Efficiency Measures (EEMs) identified in official program materials and site-specific Custom Measures approved by Pepco. Energy efficient equipment or services purchased, contracted for, or installed prior to notice of Program pre-approval are not eligible for program incentives. Technologies that purport to save energy through reduction of voltage or power conditioning are not eligible. EEMs that displace/replace electrical energy use with another fuel (fuel switching) are not eligible. Unless explicitly pre-approved, EEMs must be new and covered by warranties.

4. OWNERSHIP OF CAPACITY AND/OR ENERGY/ ENVIRONMENTAL SAVINGS CREDITS: a) EEMs purchased and installed in part through incentives provided by this program are the property of the Customer, subject to any limitations contained within these Terms and Conditions. b) Notwithstanding the above, Pepco holds sole rights to any electric system capacity credits and energy or environmental credits that may be associated with EEMs for which incentives were received, and Pepco can dispose of these credits in any manner authorized by applicable law or regulation. c) In no event will activity associated with any energy or environmental credits noted in Section 4(b) result in interference with the Customer's ability to operate EEMs as approved in the Program incentive award.

5. PROJECT APPROVAL: a) Pre-approval from Pepco is required for all projects. b) Pepco reserves the right to pre-inspect any project. c) Pepco reserves the right to approve or disapprove any proposed EEMs in its sole reasonable discretion. d) No Project-related equipment may be ordered or installed prior to the date of Pepco's Pre-Approval.

6. PROJECT VERIFICATION: Pepco is not obligated to pay any pre-approved incentive awards until it has performed a satisfactory post-installation

verification. If Pepco determines that EEMs were not installed in a manner consistent with the approved application, or if unapproved EEMs were installed, or if the installation was not consistent with generally accepted engineering practices, changes may be required before payment is issued. Pepco will not make payment until it has verified that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training, and is substantially satisfied with the installation of eligible equipment.

7. INDEPENDENT TESTING: Pepco reserves the right to deny incentives for any EEMs or equipment that have not been favorably assessed or approved by recognized, independent **authorities**, such as the Underwriter's Laboratory (UL), Intertek ETL, or American Refrigeration Institute (ARI).

8. INCENTIVE AMOUNTS: Prescriptive Incentive payment will be at the rate specified in the table of program criteria and incentives per program year, on this application, verified by Pepco, subject to the following limitations: a) The maximum incentive is \$250,000 per electric account affected per program year and \$500,000 per customer combined for all Incentives, Custom and Prescriptive. b) Individual EEM incentive payments will not exceed 50% of EEM total installed cost. c) **Pepco reserves the right to deny any incentive application that may result in Pepco exceeding its program budget. Cash incentives under the programs are offered on a first-come, first-served basis and are subject to project and Customer eligibility and availability of funds.**

9. EEM COSTS: The Customer must provide copies of all invoices or other reasonable documentation that verify the costs of purchasing and installing the EEMs, including all materials, labor, and equipment discounts. Invoices must indicate a verifiable breakout of all EEMs purchased for installation under this Application.

10. SCHEDULE FOR INCENTIVE PAYMENTS: a) Pepco expects to pay all incentives within 4 weeks after project completion. Project completion requires: (1) submission to Pepco of all documentation; (2) completed installation of the approved EEMs; and (3) Pepco verification and acceptance of (1) and (2) above, all in accordance with the specifications outlined elsewhere in these Terms and Conditions. b) **Pepco reserves the right to apply cash incentives to any of the Customer's unpaid or overdue accounts, whether in DC or Maryland.**

11. MONITORING AND EVALUATION FOLLOW-UP VISITS: Pepco reserves the right to make follow-up visits to Customer's facility during the 36 months following the actual completion date of the project at a time convenient to the Customer, and with at least one-week advance notice. The purpose of the visit(s) is to review the operation of the EEMs for program evaluation purposes, including monitoring their energy performance. The scope of review is limited to determining whether program conditions

have been met. The Customer must allow access to the EEMs and related project documentation. Pepco has the right to a refund for incentives paid if, at any time, it learns that the EEMs were not actually and properly installed or were subsequently disconnected within 36 months after installation.

12. CHANGES-TO / CANCELLATION OF THE PROGRAM: a) **Pepco may change the program requirements, incentives, or Terms & Conditions at any time without notice, including suspending acceptance of applications or terminating the program.** b) In the event of program change, pre-approved applications will be processed to completion under the Terms & Conditions in effect at the time of pre-approval by Pepco. c) Submission of a completed application does not entitle the Customer to program participation.

13. PUBLICITY OF CUSTOMER PARTICIPATION: Pepco reserves the right to publicize a Customer's participation in the program, including information such as: projected project energy savings, the incentive amount, and other information that does not compromise reasonable Customer expectations of confidentiality of proprietary or competitive information. In such instances, Pepco will obtain Customer permission to make such information public.

14. LIMITATION OF LIABILITY AND INDEMNIFICATION:

a) Pepco, its officers, directors, employees, affiliates, contractors and agents shall not be liable to the Customer for any direct, special, indirect, consequential or incidental damages or for any damages in tort (including negligence) caused by any activities associated with this program and Customer's participation therein. By participating in this Pepco program, Customer agrees to waive any and all claims, whether arising in contract or tort and to fully release Pepco, its officers, directors, employees, affiliates, contractors and agents from any and all damages, of any kind.

b) The Customer shall protect, indemnify, and hold harmless Pepco, its officers, directors, employees, affiliates, contractors and agents from and against all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs and expenses (including, without limitation, attorney's fees and expenses) incurred by or assessed against Pepco or its agents arising out of or relating to the performance of this Application, whether arising in contract or tort.

15. NO WARRANTIES: a) **NEITHER PEPCO, ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, CONTRACTORS NOR AGENTS ENDORSE, GUARANTEE, OR WARRANT ANY PARTICULAR MANUFACTURER, PRODUCT, CONTRACTOR, TRADE ALLY OR VENDOR, NOR DO ANY OF THE FOREGOING PROVIDE ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PRODUCT OR SERVICE.**

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TERMS AND CONDITIONS (CONTINUED)

PEPCO ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, CONTRACTORS AND AGENTS ARE NOT LIABLE OR RESPONSIBLE FOR ANY ACT OR OMISSION OF ANY CONTRACTOR HIRED BY THE CUSTOMER (IF ANY) WHETHER OR NOT SAID CONTRACTOR IS A PARTICIPATING PEPCO "TRADE ALLY." THE CUSTOMER'S RELIANCE ON WARRANTIES IS LIMITED TO ANY WARRANTIES THAT MAY BE PROVIDED BY ITS CONTRACTOR, VENDOR, MANUFACTURER, ETC. b) NEITHER PEPCO NOR ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, CONTRACTORS OR AGENTS ARE RESPONSIBLE FOR ASSURING THAT THE DESIGN, ENGINEERING AND CONSTRUCTION OF THE FACILITY OR INSTALLATION OF THE EEMS IS PROPER OR COMPLIES WITH ANY PARTICULAR LAWS, REGULATIONS, CODES, OR INDUSTRY STANDARDS. NEITHER PEPCO NOR ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, CONTRACTORS, OR AGENTS MAKE, AND ARE NOT AUTHORIZED TO MAKE, ANY REPRESENTATIONS OF ANY KIND REGARDING THE RESULTS TO BE ACHIEVED BY THE EEMS OR THE ADEQUACY OR SAFETY OF SUCH MEASURES.

16. CUSTOMER TAX OBLIGATION: The Customer is responsible for declaring and paying any and all applicable federal, state, and local taxes that may be owed on any Program incentive payment. .

17. VENDOR SELECTION: The Customer may select any vendor or contractor to perform the work contemplated by this Application, whether a Pepco "Trade Ally" or not. However, Pepco reserves the right, in its sole reasonable discretion, to prohibit specific vendors or contractors from program participation.

18. REMOVAL OF EQUIPMENT: The Customer agrees, as a condition of participation in the

program, to remove and dispose of the equipment being replaced by the EEMs in accordance with all applicable laws, regulations and codes. The Customer agrees not to reinstall any of this equipment anywhere in the District of Columbia or the State of Maryland, or transfer it to any other party for such installation.

19. MISCELLANEOUS: a) The agreement between the Customer and Pepco is composed of all applicable program forms, supporting documentation, and these Terms and Conditions. b) The Customer acknowledges that the only individuals authorized to bind Pepco under the Pepco program are Pepco staff and authorized agents of Pepco. c) If any provision of the Terms and Conditions is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining Terms and Conditions shall remain in full force and effect in accordance with their terms. d) Resolution of disputes concerning these Terms and Conditions, or any other requirement of this Application or condition of incentive award, shall be governed in all respects by the laws of the District of Columbia. e) In the event of a dispute between the parties which cannot be informally resolved, the following procedure shall apply. (1) NOTICE OF DISPUTE. A party shall deliver a written notice ("Dispute Notice") to the other describing the nature and substance of any Dispute and proposing a resolution of the Dispute. (2) MANAGEMENT NEGOTIATION. During the first thirty (30) days following the delivery of the Dispute Notice (and during any extension agreed to by the Parties, the "Negotiation Period") an authorized manager of Customer (the "Customer's Manager") and an authorized manager of Pepco ("Pepco's Manager") shall attempt in good faith to resolve the Dispute through negotiations. If such negotiations

result in an agreement in principle among such negotiators to settle the Dispute, they shall cause a written settlement agreement to be prepared, signed and dated (a "Management Settlement"), whereupon the Dispute shall be deemed settled, and not subject to further dispute resolution. (3) ALTERNATIVE DISPUTE RESOLUTION. (i) Customer and Pepco (1) acknowledge that it is in their best interests to resolve any dispute, claim or controversy arising out of or relating to this engagement letter (any such dispute, claim or controversy, a "Dispute"), in accordance with the dispute resolution procedures set forth herein and (2) agree to use their best efforts so to resolve any such Dispute. Without limitation, such efforts shall include mandatory submission of a Dispute to non-binding mediation. Should such Dispute not be resolved within 90 days after the issuance by one of the parties of a written Request for Mediation (or such longer period as the parties may agree), Pepco and Customer may seek other legal recourse. (ii) Notwithstanding the above, either party may seek injunctive relief to enforce its rights with respect to the use or protection of (1) its confidential or proprietary information or material or (2) its names, trademarks, service marks or logos, in a court of competent jurisdiction in the district of Columbia. The parties consent to the personal jurisdiction thereof and to sole venue therein only for such purposes. f) **PEPCO AND CUSTOMER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT EITHER SUCH PARTY MAY HAVE TO A TRIAL BY JURY OR TO INITIATE OR BECOME A PARTY TO ANY CLASS ACTION CLAIMS IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS APPLICATION OR THE TRANSACTIONS CONTEMPLATED BY THIS APPLICATION.**

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