



Commercial Energy Services

Small Business Policies and Procedures



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1 Small Business Overview

Commercial energy services provide incentives, for energy efficiency upgrades, to a specific group of NV Energy customers within the northern and southern territory. Incentives are provided for lighting, refrigeration controls, and programmable thermostats.

1.1 Customer Benefits

- Free facility assessment, conducted by an approved contractor, to identify potential energy-saving equipment opportunities.
- Detailed proposal that includes a list of recommendations, energy savings estimates, project cost, payback period, and incentive amount.
- Installation of approved energy-saving equipment.
- Inspections to ensure quality and verify energy savings.

1.2 Incentives

Measure Name	Incentive (\$/kWh)
T8 to T8 RW Retrofit	\$0.15 per kWh saved
T8 to T8 RW De-lamp	\$0.15 per kWh saved
HID to T5/T8 High Bays	\$0.15 per kWh saved
Occupancy Sensors	\$0.15 per kWh saved
Exit Signs	\$0.15 per kWh saved
Programmable Thermostat	\$0.15 per kWh saved
Anti-Sweat Heater Controls	\$0.15 per kWh saved
Night Covers	\$0.15 per kWh saved
Strip Curtains	\$0.15 per kWh saved
Swing Doors	\$0.15 per kWh saved
Door Gaskets	\$0.15 per kWh saved
VendingMiser®	\$0.15 per kWh saved
Electronically Commutated Motor (ECM)	\$0.15 per kWh saved
Evaporator Fan Controller	\$0.15 per kWh saved

The chart above provides a general list of Small business incentives offered. Commercial energy services small business pays \$0.15 per kWh saved for all qualifying measures.

2 Effective Dates

Commercial energy services small business officially kicks off on February 2, 2016. Participation agreements must be signed and dated by the customer on or after the kickoff date. All projects must be installed, with signed project completion forms submitted, by November 15, 2016. Projects must be installed, with the project completion forms submitted, within 30 calendar days after authorization of installation, or November 15, 2016, whichever comes first. Projects that do not meet these deadlines may be cancelled. Extensions for a project deadline date may be granted on a case-by-case basis, if a small business representative is notified prior to the deadline date.

Please note available funds are limited and administered on a first-come, first-served basis. If all

funds are reserved prior to November 15, 2016, a waitlist will be established.

3 Eligibility

Eligibility is based on the following criteria:

- Non-residential NV Energy customers
- Facilities with electric usage below 400,000 kWh per year

New construction, additions or expansion, first tenant improvement, or change in building function projects are not eligible. Likewise, K-12 and universities are not eligible to participate. NV Energy has a separate program (for K-12 and universities) called Energy Smart Schools designed to assist Schools to become more energy efficient. Please visit the following link to find out more about NV Energy's Energy Smart Schools program:

<https://www.nvenergy.com/business/saveenergy/incentives/schools.cfm>

*Please note that private schools are eligible.

4 Project Requirements

In order to receive an incentive payment, contractors must:

- 1) Submit a project proposal that has been approved and signed by the participating business, contracting company, and a small business representative.
- 2) Install equipment that meets equipment specifications and installation standards.
- 3) Submit required forms and documentation, including spec sheets and material invoices.

The contractor is required to submit spec sheets for each project. The spec sheet(s) should be submitted prior to submitting the project for approval. Projects that do not have spec sheets attached will not be reviewed for approval. For each project, the contractor will also be required to submit material invoices. The invoice, along with the project completion form, should be attached to each project in the online database upon completion of installation. Material invoices should include vendor contact information, itemized listing of materials, including quantity, product description, purchase price per item, manufacturer, model number, and date invoice was paid or payment terms.

4.1 Warranties

Contractors will honor the following warranties:

- One (1) year labor
- Manufacturer's warranty on equipment installed as follows:
 - 1 year Occupancy sensors
 - 1 year Refrigeration measures
 - 1 year Programmable thermostats
 - 5 year Fluorescent tube lamps
 - 5 year Electronic ballasts
 - 5 year Exit signs
 - 10 years Reflectors

4.2 Prescriptive Measures

Prescriptive measures include lighting and non-lighting equipment. The web-based proposal generation software provides an inventory list of existing equipment and recommended replacements commonly found in small business facilities. Below is a list of prescriptive measures listed in the web-based proposal general software.

- T8 to T8RW Fluorescent fixture upgrade (lamps and electronic ballasts)*
- High intensity discharge (HID) conversion to 4- or 6-lamp T5/T8 high bay fluorescent
- LED exit sign
- Occupancy sensors (wall mount, ceiling mount or high bay)
- Digital programmable thermostat
- Anti-Sweat Heater Controls
- Door Gaskets
- Strip Curtains
- Night Covers
- Vending Machine Controls (VendingMiser®)
- Electronically Commutated Motor (ECM)
- Evaporator Fan Controller

4.3 Custom Measures

Custom measures are limited to lighting and refrigeration improvements that are not listed in the web-based proposal generation software. A small business representative will determine if the retrofit is viable and appropriate for each specific location and if it will qualify. Each proposed custom measure will be reviewed on a case-by-case basis, prior to obtaining the customer signature on the participation agreement and/or authorizing installation work. Custom measures will be reviewed based on, but not limited to, the following criteria:

- kWh savings calculations
- Specifications sheets
- Material and labor cost
- Reliability
- Measure life

Custom measures must demonstrate verifiable demand (kW) and energy (kWh) savings. NV Energy reserves the right to require additional monitoring prior to payment.

4.4 Hazardous Waste Materials

All materials removed must be permanently taken out of service and properly disposed of, in accordance with local codes and ordinances. Contractor shall assume full responsibility for the correct disposal of all ballasts, fluorescent tubes, and other hazardous waste material. Contractor is responsible for being aware of any applicable codes or ordinances. Contractor shall provide with full documentation of all hazardous waste material disposals upon request.

5 Pricing

Standard prices have been established based on market surveys and other pricing information. The standard pricing represents our best assessment of the cost to install each of the measures

that are provided as options in the proposal generation software. The contractor has the ability to accept the standard pricing or adjust the price. For example, the contractor can increase standard pricing to include applicable lift rental fees. Contractors that submit standard proposals with standard prices and measures will be able to download the participation agreement immediately and will not experience a waiting period, where the proposal will be subject to review for approval. Conversely, contractors that make adjustments to standard pricing will have a waiting period, where proposals will be subject to review and approval.

6 How to Apply

6.1 Project Process

The following table displays the project process. The contractor must complete the steps outlined and in a timely manner. Contractor retains sole responsibility for soliciting eligible businesses, but may also be assigned projects. Being a small business contractor, in no way, guarantees any amount of work. Projects that are solicited and developed by a contractor will not be reassigned to another contractor unless the developing contractor does not comply with the contractor agreement, the terms of this agreement or chooses not to complete the project.

Contractor Initiated Projects

Contractor's Role	Commercial Energy Services' Role
<i>Step 1 – Site Visit</i>	
Contractor visits customer and proposes and proposes an implementation package that meets the needs of the customer and Commercial Energy Services.	
<i>Step 2 – Proposal Generation, Customer Acceptance, and Pre-inspection</i>	
Contractor generate proposal and then submits for approval. Upon approval, contractor presents participation agreement to customer for review. Once customer accepts and signs participation agreement, contractor submits original form to Commercial Energy Services and requests pre-inspection.	Confirms customer eligibility and performs pre-inspection to verify proposal and authorize the project. The contractor is then notified of the pre-inspection findings.

If the project passes the pre-inspection, the contractor may proceed to the installation phase.

Contractor's Role	Commercial Energy Services' Role
<i>Step 3 –Change Order</i>	
If the project fails the pre-inspection, the contractor will be required to submit a change order form or new participation agreement.	Reviews new documentation and authorizes contractor to proceed with installation.
<i>Step 4 – Installation and Post-inspection</i>	
Schedules and performs installation (within 30 days of authorization) and then submits project completion form signed by contractor and customer.	Conducts a post-inspection of the site to verify installation. Once approved, Commercial Energy Services sends the contractor a payment notification form that itemizes the approved payment, and the contractor is responsible for sending the form to the customer.
<i>Step 5 – Final Approval Process</i>	

<p>Contractor and customer have seven (7) business days after the date on the payment notification form to contest the project completion details, if project fails post inspection. The 7 business days are automatically waived if post-inspection passes.</p>	<p>Once the project is approved and the seven (7) day waiting period (if applicable) have passed, Commercial Energy Services will request that a check be issued for the contractor's portion of the work. Contractor shall receive this check within 6 weeks from the end of the payment notification period.</p>
<p><i>Step 6 – Payment</i></p>	
<p>Receives incentive portion of costs. Contractor invoices customer for balance of the project cost, if applicable.</p>	

6.2 Forms

The following forms are utilized by the contractor and customer for each project. These forms are available only to approved contractors, and the contractor is responsible for providing these forms to the customer.

Application and Agreement - This form outlines the obligations and commitments between Commercial Energy Services Small Business and the contractor.

Participation Agreement - This form serves as a contract, outlining measures to be installed, liabilities, warranties, project cost, and incentives. A Small Business representative, the customer, and the contractor are required to sign this form.

Pre-Inspection - This form is utilized by a Small Business inspector to ensure the measures proposed by the contractor are viable and appropriate for the customer's facility, as well as verify the accuracy of the participation agreement.

Change Order - This document is submitted by the contractor to acknowledge and accept changes made to the proposal, as a result of the pre-installation inspection findings. If no changes were noted on the pre-inspection form, this document is not required.

Project Completion - Once installation is complete, the contractor submits this form to a Small Business representative. The contractor and customer sign this form to confirm that the proposed work has been completed. Any changes to the scope of the project, during construction, must be noted on this form prior obtaining the customer's signature.

Post-Installation - This form is utilized by a Small Business inspector to ensure the measures proposed by the contractor were installed per the participation agreement and/or the project completion form.

Payment Notification - This form notifies the customer and contractor that NV Energy will be issuing a payment to the contractor for the work performed. If a project failed the post-installation inspection, the contractor and customer have 7 business days after the date on the payment notification form to contest the project completion details.

6.3 Incentive Payment Process

The amount of the incentive offered is based on the type of retrofit. The participation agreement will list the cost and energy savings by measure and will clearly identify incentive paid by NV

Energy, as well as the amount to be paid by the customer. The relative percentage of project cost covered by the incentive, actual savings, and payback periods will vary for each project. This will depend on parameters specific to the project, such as energy-efficiency equipment installed, building characteristics, customer usage patterns, age of existing equipment, and location.

Once the post-installation inspection has been completed and any discrepancies have been resolved, the final payment notification form will be sent to the participating customer and the contractor. If a project fails post-inspection, 7 business days are allowed for both the customer and contractor to review the payment notification form and raise any concerns to a Small Business representative in writing. If the project passes the post-inspection, the 7 business day waiting period is waived. Once the payment notification waiting period is completed, incentive payments will be mailed within six (6) weeks of this date.

6.3.1 Commitment of Incentive Funds

Requests for incentives are processed on a first-come, first-served basis until November 15, 2016 or when funding is depleted, whichever comes first. A signature from the customer and contractor is required on the participation agreement before funds can be reserved. Funds that have been approved are not transferable to other projects and/or customers. Incentive amounts may be lowered at the discretion of a Small Business representative, if all items on the proposal are not installed as originally proposed.

6.3.2 Waitlist

If all available funds are reserved prior to November 15, 2016, a waitlist will be created. In the event that more funding becomes available (i.e., project cancellation, increase of available funds by NV Energy), projects will be reviewed and approved in the order received. If several applications are received at the same time, priority rankings by completeness of the application will be assigned.

6.3.3 Customer Co-Payment

The contractor is responsible for billing the customer for the customer payment portion of the project cost. Any deposit collected must be refunded to the customer within 14 calendar days if the project is cancelled. If full payment is collected by the contractor before installation is complete, and the project scope changes, the contractor must refund any customer payment overages that occur. The contractor may waive the customer co-pay, but the contractor should advise the customer that the co-pay exists and will be printed on all Small Business documentation. In no case can the contractor charge the customer more than the amount specified on the payment notification form for services specified on that form.

7 Contractors

7.1 Approval Process

Each contractor must complete and return the contractor application and agreement, as well as required documentation. Applications submitted without the required documentation will not be processed or approved. Submission of the application and agreement does not in any way constitute an automatic approval. Upon receipt of the application, the application and required documents will be reviewed and reference will be checked. Once the application has been

approved, the contractor will be scheduled for software training. Once software training has been completed, the contractor will be granted access to the web portal for generating and submitting proposals.

7.1.1 Licenses

Contractor acknowledges that they are a licensed Contractor in the State of Nevada, as appropriate for services performed. Contractor's license must also be current and in good standing. Contractor agrees to notify a Small Business representative of any changes to licenses that would affect the work performed.

7.1.2 Insurance

Commercial energy services requires Contractors to obtain (and show proof of) specific insurance limits prior to becoming a Small Business approved contractor. In addition to local and state requirements, contractors are required to maintain the following insurance limits:

- 1. Worker's Compensation Insurance, including Employer's Liability:**
 - A minimum of \$1,000,000
- 2. Commercial General Liability Insurance:**
 - Combined bodily injury and property damage limits of at least \$1,000,000 for each occurrence with a "per project" aggregate limit. If the "per project" limit is not available, please provide a \$2,000,000 aggregate limit
- 3. Automobile Liability:**
 - Coverage shall include owned, non-owned, and hired automobiles with combined bodily injury and property damage limits of at least \$1,000,000 per occurrence

** A Small Business representative must receive at least thirty (30) days written notice of cancellation or modification of insurance.

7.1.3 Permits

Contractor agrees to obtain the appropriate work permits (if necessary) in accordance with local and Nevada permit requirements. A Small Business representative reserves the right to request any copies of such permits at its sole discretion.

7.1.4 Training

The Contractor is required to participate in Small Business training sessions. Training sessions provide contractors with instruction on proposal generation software, incentive offering, policies and procedures, eligibility requirements, and site audits. Refresher trainings cover a variety of topics and are conducted on an ongoing basis. Trainings are conducted in a group or one-on-one setting. A Small Business representative is also available to accompany contractors to site audits.

7.1.5 Authorized Work

Contractor is only authorized to perform work outlined on the participation agreement or change order, whichever is most current. The contractor is responsible for ensuring the change order is consistent with the participation agreement. This participation agreement obligates the contractor to install measures, the customer to pay the contractor, and NV Energy to pay the contractor granted the project has been completed according the participation agreement.

7.1.6 Walk-away

Contractors must walk-away from the following on-site issues:

1. Facilities where proposed technology will not result in energy savings
2. Facilities with existing damaged equipment that will cause proposed technologies to be inefficient
3. Facilities that have already received an incentivized retrofit for the same measure
4. Facilities that do not meet eligibility requirements
5. Safety violations
6. Code violations
7. Facilities with asbestos

7.1.7 Proprietary/Confidential Information or Data

During the course of performing services for these projects, parties may gain knowledge of information or data of proprietary or confidential nature belonging to NV Energy or the customers served by NV Energy. All parties acknowledge and agree to neither divulge nor disclose any such information to any third party (or parties) without the express written consent of NV Energy, the customer, or the contractor, nor allow such information to be divulged or disclosed. The contractor agrees not to use the names, identifying characteristics, logo, service mark or trademark of NV Energy for published project reports, advertising, sales promotion or other publicity without the written approval from NV Energy.

7.1.8 Limitation of Liability

Contractor shall hold NV Energy, its officers, directors, and employees, harmless from and against any and all claims, demands, causes of action, suits, and other litigation and related damages, losses and expenses, including but not limited, to attorney's fees arising out of or resulting from the services performed or failed to be performed. The contractor shall reimburse NV Energy for all expenses, including but not limited, to attorney's fees, paid or otherwise incurred to, in interest of, and from any and all debts, demands, actions, causes of action, suits, accounts, covenants enforce the provisions of this paragraph if either contractor's or contractor's insurer refuses to hold NV Energy harmless as provided above.

7.1.9 No Assignment or Subcontracting

Contractor shall not assign, transfer, delegate or subcontract any portion of this agreement or work to be performed to another party without consent of a Small Business representative. For the avoidance of doubt, subcontracting includes hiring "contract employees," day or seasonal laborers who do not receive W-2 wages from the contractor.

7.2 Suspension and Removal

In some instances, contractors may be removed or suspended from the approved contractor list. The following is a description of the processes and procedures a small business representative will employ when evaluating contractor participation.

If the contractor does not comply with the Small Business policies and procedures, the contractor's status may be terminated at any time. If a contractor's status has been terminated, the contractor may be allowed to complete projects where a signed participation agreement and/or change order have been received.

7.2.1 Suspension

At its sole discretion, Commercial Energy Services Small Business reserves the right to revoke "good standing" status and place a contractor on suspension at any time. When a contractor has been placed on suspension, the contractor will be:

- Limited on the allotted number of proposal submissions
- Placed on a probationary/trial period, where participation will be based on a specific set of guidelines that will be determined by the Small Business Administration team
- Required to attend additional training

7.2.2 Removal

A contractor will be subject to removal based on the severity of an issue or an accumulation of less severe issues. Issues are classified as (but not limited to):

1. **Highly severe:** items that may result in financial, legal and/or other risks to Commercial Energy Services and/or the customer. In such instances, the contractor will be immediately removed from the approved contractor list.
 - a. Evidence of fraud or misrepresentation
 - b. Failure to maintain current insurance policies
 - c. Failure to maintain current licenses
 - d. Failure to obtain required work permit(s) when necessary
 - e. Refusal to honor warranties
 - f. Failure to properly dispose hazardous waste materials
 - g. Commencement of construction prior to authorized pre-inspection
2. **Severe:** items where customer satisfaction may be negatively impacted if not addressed. Commercial Energy Services will give the contractor a reasonable time limit to resolve the issue. If the issue is not resolved, the contractor may be removed from the approved contractor list.
 - a. Failure to resolve failed inspection items and/or customer complaints within 7 business days
 - b. Work that is inconsistent with the project proposal (quality or quantity)
 - c. Installations not meeting specifications and installation standards
3. **Administrative/cumulative:** Items where the contractor fails to adhere to stated policies and procedures and/or reasonable standards of professional conduct, and subsequently, administrative issues arise which may not be widely visible to the customer. These situations will be monitored and the contractor will be put on probation, meaning that specific limitations may be placed on the contractor's level of

participation.

- a. Continually submitting incomplete or incorrect documentation
- b. More than two (2) customer complaints are received during a thirty (30) day period
- c. Disseminating any flyers, letters or other marketing literature that reference Small Business offerings, but have not been approved a Small Business representative

7.2.3 Re-instatement

The Small Business team may consider re-instating a contractor on a case-by-case basis. However, only very rare circumstances will justify evaluating a contractor for re-instatement who has been removed for a highly severe concern. Upon reinstatement, the contractor may be limited or restricted to the level of participation.

8 Dispute Resolution

NV Energy strives to provide high-level of satisfaction. If any problems or concerns should arise, we encourage customers to contact a Commercial Energy Services representative immediately at 1-800-342-6335. If the staff on our hotline cannot resolve the concern or dispute satisfactorily, please contact Commercial Energy Services Operations Manager, Mark Darden, at 702-216-2727 ext. 71913.

9 Disclaimer

NV Energy has no obligations regarding, and does not guarantee, the contractor proposed energy savings, as well as the warranties associated with the installed measures.

10 Portfolio Energy Credits/Conservation Credits

Customer acknowledges that any energy efficiency credits, resulting from NV Energy incentive, benefit the utility for compliance with the State of Nevada's Renewable Energy Portfolio Standard. Credits referenced here refer to the Portfolio Energy Credits authorized under the Renewable Energy Act in the Nevada Revised Statutes, chapter 704, sections 7801 through 7828 (NRS 704.7801-.7828). Customer still retains ownership of environmental credits, other tax benefits, or other credits not specifically created under NRS 704.7801-.7828.

11 Contact Information

Toll Free Line:	(800) 342-6335
Email Address:	Commercial@nvenergy.com
Mailing Address:	Commercial Energy Services 6655 W. Sahara Avenue, Suite A-214 Las Vegas, NV 89146

Commercial Energy Services Small Business Policies and Procedures

I have read and understand the policies and procedures, and agree to the terms and conditions set forth in the document.

Signature

Date