



ELECTRIFY AND SAVE™

On-Bill Repayment Program Contractor Manual

Distributed by



TRI-STATE



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I. Program Introduction

Colorado Clean Energy Fund (CCEF), in partnership with Tri-State Generation & Transmission (Tri-State), has established a tariff-based Electrify and Save™ On-Bill Repayment Program (the “Program”) to allow utility members to access clean energy improvements such as energy efficiency and beneficial electrification measures, and finance these energy projects via their monthly utility bill.

Eligible measures included in the Program benefit the customers in a number of ways, including decreased energy consumption, reduced greenhouse gas emissions that contribute to climate change, and reduced reliance on fossil fuel appliances that may impact indoor air quality and public health. Customers have the ability to elect measures they desire for their home and repay the upfront cost of installation via their utility bill. Uniquely, this Program is not constrained to homeowners, and allows renters to apply for funding with landlord consent¹, thereby increasing access to home energy improvements to residents across Tri-State’s entire service territory. In addition to residential home upgrades, small business owners and governmental entities² may participate in the Program.

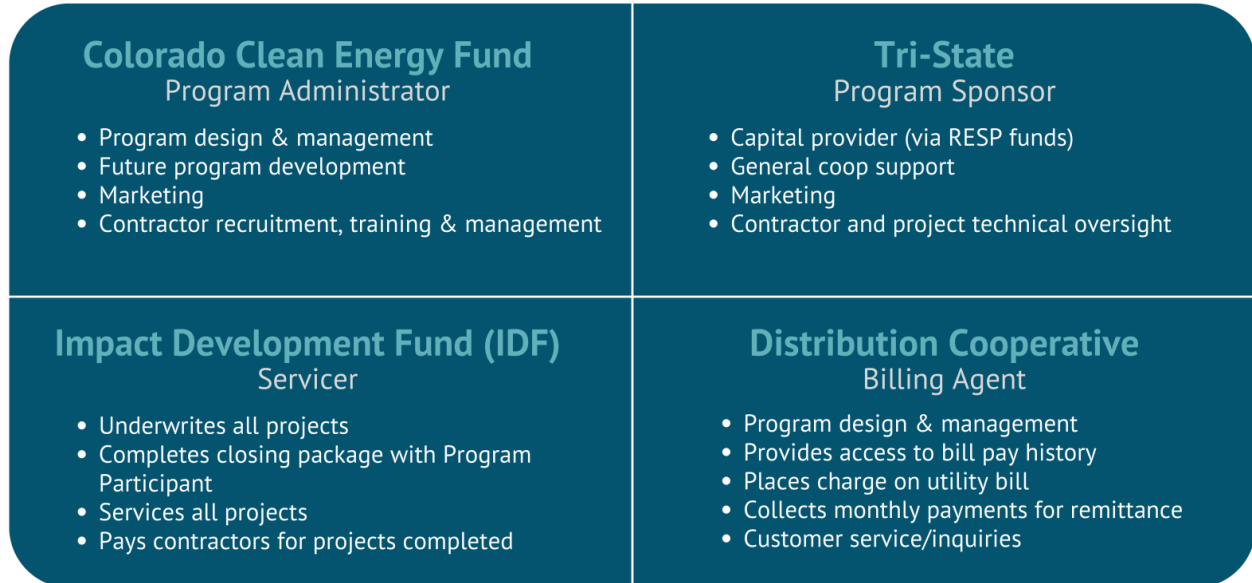
Projects under the program are initiated and managed through the MerchantLinQ portal, a financial technology solution that streamlines the application process and provides greater transparency and control of projects for participating contractors. The portal is offered to contractors at no additional cost.

¹ Renter eligibility for the program will not be available at launch. CCEF anticipates renters being able to participate sometime in 2024.

² Similar to renter eligibility, the commercial and governmental portion of the program is anticipated to become active in 2024.

Participating Entities

The following diagram outlines the non-contractor parties involved and their primary responsibilities.



Colorado Clean Energy Fund (CCEF): Tri-State has contracted with the Colorado Clean Energy Fund (CCEF) to be the administrator and fiscal agent of the Program. CCEF is a 501(c)(3) nonprofit financial institution that operates on the Green Bank model successfully pioneered in other states, including Connecticut, New York, and Michigan. CCEF was born out of a three-year collaboration among the Colorado Energy Office, the U.S. Department of Energy (DOE), and the Coalition for Green Capital. CCEF was incorporated as a Colorado nonprofit in December 2018. CCEF identifies unserved and underserved clean energy opportunities and works with a variety of stakeholders to structure creative and attractive finance solutions to bring those opportunities to fruition. CCEF will administer the Program in all four states in Tri-State's service area.

Tri-State Generation & Transmission: Tri-State Generation & Transmission is a nonprofit utility provider that is owned by its member utilities. One benefit of being a member of Tri-State is the ability to implement programs from the Energy Services Team. The Energy Services team has developed efficiency programs and electrification programs around outdoor power tools, heat pumps for space or water heating, and EV charging. The programs are designed to flatten the load curve, reduce consumer cost, and increase electrification, especially in homes and businesses using propane. The programs are housed under the brand Electrify and Save™, which provides a low-cost opportunity for members to co-brand marketing materials and amplify messaging under a unified brand. To help make it easier to implement projects at homes and businesses, Tri-State developed an on-bill repayment program that provides below market rate financing for implementing select measures. Tri-State and its partners also monitor a network of contractors that can participate in the Electrify and Save™ Program.

Member Distribution Cooperatives: Central to the success of implementing this Program is the distribution member co-ops in Tri-State's territory. Each member co-op is responsible for confirming customer eligibility (via proof of bill repayment history), for placing the monthly charge on the customer electricity bill, and for remitting the repayments to CCEF. Member distribution co-ops may also participate in the following activities: marketing of the Program to its customers, contractor recruitment, education campaigns, and quality assurance assessments.

Impact Development Fund (IDF): IDF is a nonprofit Community Development Financial Institution (CDFI) that supports retail and commercial financing in underserved communities across the state of Colorado. IDF is CCEF's financial servicing partner on a number of CCEF-administered programs and will serve as the underwriter and servicing entity for the Program. Responsibilities under the Program will include: calculating payment schedules, remitting repayment funds to CCEF, reconciling individual account balances, and recording county filing documents.

Role of Contractors

Contractors may voluntarily enroll to become authorized in the Program in order to offer the Electrify and Save™ financing to their customers. CCEF and Tri-State will be responsible for vetting, enrolling, and training a network of contractors that will be authorized to participate in the Program and complete eligible clean energy projects. CCEF and Tri-State have designed an authorization and enrollment process, training videos, and will provide a central location for interested Program participants to find a contractor to complete their desired projects.

Tariff Mechanism

The Electrify and Save™ Program is a tariff-based program, whereby the Program applicant agrees to a voluntary tariff that would allow their electric utility to place the repayment charge on the customer's utility bill. By opting into the voluntary tariff, the financial obligation for repayment of the energy improvement will be tied to the participant's electricity meter, or service location. In the event the program participant moves, the repayment obligation stays with the meter and transfers to the next occupant. An important distinction between a tariff-based program and a loan program is that the financial obligation will not be associated with a particular individual and does not constitute new debt; rather, it is considered a utility service with a financial obligation tied to the meter.

A participant's acceptance of this tariff signifies acceptance of the application of all utility bill collections processes and procedures to the on-bill repayment charge. The utility shall collect, via a participant's monthly utility bill, the repayment charge for the participant's project for the duration of the term of the project. Part of this bill collection process includes the utility's right to pursue collection procedures in the event of a late payment, nonpayment, or partial payment.

Program Explanation and Details

The Electrify and Save™ Program is designed to enable eligible utility customers to receive an energy efficiency, clean energy, and/or electrification-related installation at no upfront cost and repay the cost of the installation via a voluntary charge that is placed on their utility bill. These energy improvement projects result in reduced utility costs, reduced greenhouse gas emissions, increased electrification, and increased electrification readiness and/or renewable energy generation.

Tariff-based, on-bill repayment delivers a variety of benefits, including the following:

- Creative underwriting criteria (utility bill repayment history) to make financing more accessible
- Debt burden to the customer is not increased since it is not considered a debt product, an important element for income-qualified and small business/governmental entities
- Energy burden of the customer (i.e. the % of household income spent on a household's energy costs) can be reduced via certain measures (such as energy efficiency) that reduce overall energy usage and may result in overall bill savings
- In the case of the renter customer class, each renter in a property has their own meter which enables tenant-specific financing/upgrades, pending landlord approval
- Repayment responsibility is attached to the meter and transfers to the next tenant (in the case of the renter customer class), meaning the tenant only pays for the savings accrued while living in the property

CCEF and its partners will serve as the funding/project underwriter and servicer in accordance with the provisions set forth below.

ELIGIBLE PROPERTIES: Residential (existing building stock), small commercial (defined as project sizes <\$150,000), and government (capped at \$150,000)

ELIGIBLE IMPROVEMENTS: Improvements that result in reduced utility costs, reduced greenhouse gas (GHG) emissions, increased electrification or electrification readiness, and/or an increase in renewable energy generation. Included, but not limited to:

- LED lighting
- Air sealing and insulation
- Storm or replacement windows and doors
- Air-source heat pumps for space heating and cooling, including dual-fuel systems, mini-splits, and air-to-water
- Ground-source heat pumps
- Electric thermal storage units
- Electrical panel upgrades
- Electric vehicle (EV) chargers
- Demand response equipment, including programmable thermostats
- Evaporative cooling
- Whole-home or attic fans



- Central air conditioning
- Battery storage [must be enrolled in DRC program w/ TS]
- Energy recovery ventilators (ERV) or heat recovery ventilators (HRV)
- Electric water heaters
- Other commercially available electrification or efficiency technology (may require pre-approval)
- Non-energy Building Performance Improvements (i.e. health and safety measures)³

FINANCING AMOUNTS:

Residential: up to \$75,000. Not to exceed 100% total eligible project cost

Commercial: up to \$150,000. Not to exceed 100% total eligible project cost

Government: up to \$250,000. Not to exceed 100% total eligible project cost

TERMS & INTEREST RATES:

Residential:

3 years (36-months): 4.00%

5 years (60-months): 4.25%

7 years (84-months): 4.50%

10 years (120-months): 4.99%

Commercial and Government terms and interest rates to be determined upon launch in late 2023.

FEES: Origination fee of 1.0% of financed amount; all customary third-party transaction fees apply, including county filing fees

REPAYMENT: Monthly principal and interest payments via single line-item added to utility bill

COLLATERAL: Tariff-rider

UNDERWRITING CRITERIA: Applicants' ability to pay will be measured using their utility bill pay history. At a minimum, CCEF will require that any applicant who wishes to participate in the OBR program must have no utility shutoff notices for the previous consecutive 12 months. In addition, applicants must have no late penalties for the previous consecutive 6 months. However, if an applicant's account is showing a late penalty in the past 6 months, they may still participate but will be required to enroll in bill autopay upon enrollment in the OBR program.

EXCEPTIONS POLICY: All components of funding structure, eligibility, and underwriting criteria are subject to lender approval and exceptions may be granted on a case-to-case basis.

MARKETS SERVED: Colorado, New Mexico, Wyoming, and Nebraska⁴

³ Health and safety measures, defined as Non-energy Building Performance Improvements and further clarified later in this document, may be included as part of the total project cost. However, health and safety measures MUST be directly related to the energy measure being financed (subject to technical review by Tri-State). If the health and safety measure costs exceed 30% of the total project cost, they may not be approved.

⁴ Launch of Program outside of Colorado expected 2024.

CCEF makes all final underwriting decisions. Project financing may be approved, declined, or subject to further review if CCEF determines that the bill repayment history or other factors are inconsistent with requirements set forth by the Program guidelines.

CCEF, Tri-State, and its member electric utilities may assist in questions about the application process, but in most cases the application shall be completed jointly between the authorized contractor and the customer, and submitted electronically via the MerchantLinQ portal for a decision. Upon completion of the approved energy measure(s), CCEF will prepare the closing documents for the customer's signature, initiating closing and payment.

While the OBR program is available to all Tri-State member co-ops, co-ops must first voluntarily opt in to the Program before it is available to customers in their territory. Participating utilities are listed on the Program [website](#).

II. Enrollment

Contractor Application Process

To perform work under the Electrify and Save™ Program, contractors must first apply to CCEF to become authorized, thereby allowing them to offer the financing to their customers.

Contractors may become authorized by completing the following steps:

1. Submit a signed CCEF Contractor Application and Agreement form found at www.cocleanenergyfund.com/contractors
2. Submit all required documentation, including licenses, insurance, certifications, etc. to contractors@cocleanenergyfund.com
3. Complete all specified training materials

CCEF reviews all contractor applications and verifies all documentation. If any information is missing or incomplete, CCEF will contact the company to obtain all necessary information. Once a contractor application is approved and the contractor is authorized to participate in the Program, CCEF will provide the contractor with login credentials for the MerchantLinQ financing portal. The contractor will then have full access to the portal and can begin initiating and tracking projects for their customers.

CCEF generally reviews contractor applications and documentation within 1-2 days of submission. Missing information and documentation will extend the length of the review process. Once a contractor is authorized, CCEF automatically sends their company information to the Program application center, where the contractor will appear in a contractor directory.

Contractor Requirements

Tri-State is mindful of building public trust and protecting the Program’s reputation, which could be diminished by the acts of a few unprofessional contractors. To ensure that all authorized contractors are committed to providing high-quality workmanship and a high level of professionalism, Tri-State requests that all contractors meet the requirements as set forth in Table 1 below. Failure to meet and maintain these requirements may result in suspension or termination from the Program.

Table 1 - Contractor Requirements

Category	Requirement
Agreement	
CCEF Contractor Application & Agreement	Complete and sign CCEF Contractor Application & Agreement
Business Organization and Insurance	
General Liability Insurance	Minimum of \$1 million per occurrence and \$1 million aggregate
Workers’ compensation or self- insurance	Per statute; signed waiver needed if contractor is not required to carry workers’ compensation
Secretary of State	Company must be in 'Good Standing'
BBB	B- or higher (business can be non-accredited)
License/Certification	
Air Sealing & Insulation	BPI Certification and/or pre- and post-blower door test
Air Source Heat Pumps & Central A/C	License of local jurisdiction, if required
	EPA Section 608 Certification
Duct Sealing	License of local jurisdiction, if required
EV Charging	Electrician's license from contractor or subcontractor



Evaporative Cooling	License of local jurisdiction, if required
Geothermal Heat Pumps	License of local jurisdiction, if required
Lighting	n/a (Electrician's license if replacing fixtures)
Water Heater	License of local jurisdiction, if required
Water Heater	Plumber's License from contractor or subcontractor
Whole House Fan	License of local jurisdiction, if required
Windows & Doors	License of local jurisdiction, if required
Training & Education	
Federal lead-safe certification*	Required for any contractor replacing windows or doors on an existing building built prior to 1978

* As of April 22, 2010, the U.S. Environmental Protection Agency (EPA) requires that contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities, and schools must be certified and follow specific work practices to prevent lead contamination if the structure was built before 1978. Firms can become certified by completing an application and sending in a fee payment. Applications may take up to 90 days to be approved by the EPA. Individual renovation contractors must complete an EPA-accredited training course to receive certification. More information is available at <http://www.epa.gov>.

Program Communication and Contacts

Once a contractor is authorized under the program, they may receive periodic program update emails and/or newsletters from CCEF. These communications are designed to provide pertinent information to contractors as they use the program and/or explore other financing options through CCEF.

Prior to or after authorization, if contractors have questions about the program or other authorization-related questions, those inquiries should be directed to CCEF at contractors@cocleanenergyfund.com.

Specific inquiries related to rebates, the project review process, or the role of Tri-State in the program may be directed to: Peter Rusin at prusin@tristategt.org.

III. Program Information and Processes

Customer Eligibility

To be eligible for Electrify and Save™, a customer must:

- Live in or own a property located in one of Tri-State's participating utility areas and have a valid electricity account number
- Meet the underwriting criteria:
 - No shutoff notices for the immediate previous 12 consecutive months
 - No late penalties for the previous 6 consecutive months (exceptions can be made for customers who agree to enroll in bill autopay)
- Finance improvements that are eligible under the Program
- The customer may be a rental unit if landlord approval is obtained (in writing)

Eligible Improvements

The Program may only be used for qualifying energy improvements installed by authorized contractors. Measures installed by the homeowner or any other individual or company not authorized by Tri-State/CCEF (and not acting as a subcontractor for an authorized contractor) are not eligible for financing. Additionally, improvements should save dollars or energy (no cosmetic improvements), unless the improvements are non-energy building performance improvements related to energy improvements or otherwise approved by the Program.

Eligible Measures

Under the Electrify and Save™ Program, homeowners, renters, commercial customers (including irrigators, industrial), and government account holders can finance any eligible energy improvement implemented by an authorized contractor. Eligible improvements include, but are not limited to:

- Any heat pump for space or water heating that meets the minimum qualifications including dual fuel heat pumps, air to water, commercial VRF systems
- Commercial space conditioning equipment that includes an operation powered by electricity, i.e. a rooftop unit with natural gas and heat pump or air conditioning or other commercial cooling equipment,
- Residential and commercial electric or heat pump water heaters. May include a solar thermal assist (flat plate collector or Trombe wall)
- Air sealing improvements, with Carbon Monoxide (CO) monitor if house has combustion appliances (furnace or water heater)
- Insulation improvements, such as attic, knee wall, or wall insulation and other building envelope measures such as windows and doors
- Level 2 or DCFC EV Charging both for personal and business use

- Other designated improvements, such as insulated vinyl siding, insulated mobile home skirting, and whole-home generator systems or residential battery systems (only available for financing when combined with other utility programs)
- A full list of eligible measures can be found in Attachment A. Items not listed but that constitute a commercially available measure that improves building efficiency or electrification will be reviewed on a case-by-case basis

See [Table 2](#) of this manual for required technical specifications for each measure type.

All work must be performed in accordance with all applicable federal, state, and local codes and standards, and contractors must obtain all required permits from local authorities.

Non-Energy Building Performance Improvements

Tri-State understands that existing homes in greatest need of an energy retrofit also may have a greater likelihood of requiring remediation of pre-existing environmental hazards or the repair of physical/structural defects that create health and safety issues (collectively known as non-energy building performance improvements), so long as the remediation or repairs are coupled with an appropriate efficiency measure and the cause(s) of the environmental hazard or physical defect are addressed. Non-energy building improvements are limited to 30% of the project cost.

Examples of this type of work include:

- Asbestos abatement with air sealing or when installing a new air to water boiler system
- Electric service (e.g. electrical panel) upgrade, if necessary, when installing a new heating/cooling unit
- Upgrade of knob-and-tube wiring to install wall insulation
- Radon abatement, when financing any eligible improvement
- The cost of removing a propane tank when done in connection with a heating system replacement
- Additional lead safe precautions in replacing a window with suspect or tested lead based paint

In each of these examples, the remediation of the environmental hazard is coupled to the installation of a Program-eligible energy measure. The Program will not finance remediation work alone and not all non-energy work is guaranteed to be approved and included in the funding amount.

Any remediation work must be performed by a contractor who is qualified and, in many cases, licensed for the task. Contractors should not attempt to remediate environmental hazards or correct physical defects for which they are not trained or qualified. Doing so will increase a contractor's liability and jeopardize their participation in the Program. Authorized contractors

who can remediate environmental hazards should consider obtaining pollution occurrence (also called pollution liability) insurance to protect them from liability.

Financing Application Process

Electrify and Save™ is a contractor-driven program. In some cases, customers will seek authorized contractors via CCEF's online searchable contractor directory. In other cases, contractors will promote their affiliation with the Program through marketing materials. Regardless of the flow of contact between a customer and an authorized contractor, the application process remains the same.

The following steps outline the Program application process:

Step 1 - Project Proposal: Customer works with an Electrify and Save™ authorized contractor to identify qualifying energy improvements and who creates a project proposal based on the customer's needs. A list of authorized contractors is available at CCEF's Program [website](#). By participating in the Program, the business consents to being listed on the Program directory.

Step 2 - Financing Application: Contractor provides information about the financing available under the Program to the customer. Customer or contractor initiates the funding application process in the MerchantLinQ portal. Contractors must provide their project information at the initiation of the application. The Customer or Contractor will be asked to provide a copy of the Customer's utility bill at the application stage as well.

Step 3 - Project Installation: If approved, the contractor receives a notice to proceed and may begin the installation process. The contractor installs the equipment according to the workplan and the contract with the customer.

Step 4 - Project Closing: After installation, the customer receives a closing package that will include the Program Agreement and Certificate of Completion (CoC). Once the Program Agreement, Certificate of Completion, and other closing documentation is signed, payment to the contractor will be initiated. Payment normally arrives within three to ten days.

Step 5 - Repayment: The customer repays the financial obligation via direct billing by the utility as the billing agent.

Credit approvals for customers generally take 2-4 business days, with contractors generally receiving funding within 3-5 business days of project closing.

Funding and Payment

After the work is satisfactorily completed, the Contractor shall electronically submit the final invoice and post-installation photos in MerchantLinQ. Upon upload, Tri-State will perform the

post-installation review. Once that is completed, the customer will then receive the documents in the closing package for e-signature. The closing package includes:

- Program Agreement
- Tariff Rider
- Land Records Notice
- Truth in Lending Disclosure
- Certificate of Completion

Funding will close electronically through the MerchantLinQ portal. Customers click the link to view and electronically sign their funding closing documents. This is the fastest and most common method to close a project for funding. For customers who do not have an email address, who do not consent to electronic closing, or who need accommodation, the Program can Priority-mail closing documents to the customer or have the customer sign at the member utility headquarters. The cost of sending documents via next-day service is borne by Tri-State. Customers who complete the closing process via mail may need the services of a notary public.

Upon execution of the closing package by the customer, final funding for the project will be disbursed to the contractor via ACH payment. In most cases, contractors receive payment within three to ten days of submitting the final documents.

Following closing, a charge will be placed on the customer's bill after funding is dispersed in accordance with the member utility's established billing practices. Automatic payments may be offered by the member or may be required in certain situations. Customers are permitted to pay off the financial obligation early, without penalty, if they choose.

Rebates

The Electrify and Save™ program is designed to complement current Tri-State and member utility rebates, state rebates or tax credits, contractor incentives, and federal rebates and tax credits. For rebates offered by a State serving a member utility or individual utilities, the customer must follow the redemption procedures outlined by those entities. When possible, the rebate will be applied directly to the project and reduce the overall funding amount. CCEF's program [website](#) provides additional information, though not exhaustive, of tax credits and rebates available for a variety of electrification and energy efficiency measures.

The customer is also responsible for claiming any applicable federal tax rebates. The Program makes an effort to set eligible measures with available tax credits, but cannot guarantee the eligible measures will qualify for the state or federal tax credits. The contractor should provide all the necessary product information and costs for customers to include in their tax filing.

Because rebate amounts and availability can change quickly and without notice, it is strongly suggested that contractors and customers review utility websites for up-to-date information prior

to installing any efficiency measure. Tri-State has no control or influence over any third-party rebate programs and makes no assurances or guarantees as to rebate amounts or availability.

Project Review

All projects submitted through the Program will be reviewed by Tri-State staff through the MerchantLinQ portal. The Tri-State project review is composed of the following main elements:

1. Verification of the accuracy and completeness of the Scope of Work and Utility Bill
2. Verification that scope of work is reasonable and comprised of eligible measures
3. Verification of pre- and post-installation photos and any other requirements for approval
4. Review of project pricing

A proposal submitted through the program may be rejected if it includes ineligible measures. Tri-State can work with the contractor to re-scope the project to align with Program requirements or deduct the cost of the ineligible measures from the scope and finance only the total cost of the eligible measures. This communication will be handled through the MerchantLinQ portal.

Contractors are highly encouraged to provide as much detailed information as they can on project proposals in order to minimize instances of Tri-State having to contact the contractor for additional information and clarification. This includes, but is not limited to, model number of equipment, itemized scopes of work, etc.

Funding of Ineligible Measures

The installation of certain ineligible measures (e.g. crawl space pouring or kitchen work) may be partially or fully funded if the work is done alongside broader, eligible improvements. In instances where ineligible measures are being considered as part of the scope of work, contractors are encouraged to contact Tri-State staff in advance to review the scope for inclusion in the program.

Project Pricing Review

Each project submitted through the program will undergo a review of the pricing of the measures to ensure fair pricing to customers. Tri-State is aware of geographical pricing differences (i.e. identical projects being more expensive in one area versus another), which will be taken into consideration during project review. The criteria and examples below outline instances in which Tri-State may ask for additional information from the contractor and/or have the project undergo additional review:

- The cost of a heat pump water heater that exceeds \$7,500 and does not include an electric panel upgrade
- The cost of an air source heat pump that exceeds \$20,000 or is 25% higher than the average pricing for the area without including additional work (duct work, drywall repair, etc.)

- A centrally ducted system or a mini split system less than five tons that exceeds \$30,000
- Attic insulation that exceeds \$7.00 per square foot or crawl space insulation that exceeds \$5.00 per square foot
- Any project that exceeds \$30,000 or with an energy savings payback greater than 15 years (only for projects not tied to fuel switching)

Contractors with scopes of work that consistently exceed these parameters may have their projects be subject to additional post-installation reviews, including site visits and/or customer phone calls.

Requirements for Measures, Approval, and Funding

Table 2 below outlines the respective requirements for measures, approval, and funding.

Table 2 - Project Requirements

	Measure Eligibility	Requirements for Approval	Requirements for Funding
Air Sealing		Scope of Work Utility Bill	Final Invoice CoC Picture of air sealing around any flues and one door, top plate, or window Picture of CO monitor installed within 5' of combustion equipment or a CAZ test out
Battery Storage	Must be enrolled in DRC program with TS	Scope of Work Utility Bill	Final Invoice CoC Picture of new connected equipment
Electric Panel Upgrades	Must be part of qualifying space conditioning project	Scope of Work Utility Bill Picture of current panel	Final Invoice CoC Picture of new connected equipment
Electric Thermal Storage	Units must be controlled by timers or a master control system	Scope of Work Utility Bill	Final Invoice CoC Picture of new connected equipment



EV Charging		Scope of Work Utility Bill	Final Invoice CoC Picture of installed equipment and EVSE manufacturer and model #
Lighting	LED	Scope of Work Utility Bill	Final Invoice CoC Pictures not required if under \$500
Insulation - Attic/Ceiling	Climate zone 3: R-49 minimum Climate zones 4-7: R-60 minimum	Scope of Work Utility Bill Pictures of full attic	Final Invoice CoC Picture attic/space and picture of installed insulation with ruler
Insulation - Floor/Crawl Space	Floor over conditioned space Climate zones 3-4: R-19 minimum Climate zones 5-6: R-30 minimum Climate zone 7: R-38 minimum Crawl Space Climate zones 3-4: R-13 minimum Climate zones 5-7: R-19 minimum	Scope of Work Utility Bill Pictures of at least two walls or floor; include crawl floor if vapor barrier is included in scope	Final Invoice CoC Picture of installed insulation
Insulation - Wall	R-19 minimum; fill wall cavity where R-value is not possible	Scope of Work Utility Bill Statement of contractor estimated scope or infrared	Final Invoice CoC Picture of exterior walls after fill (4 max of different sides) or interior of three largest rooms (6 pictures)
Smart Thermostat	Must be on time of use rate or managed platform	Scope of Work Utility Bill	Final Invoice CoC
Space Conditioning - A/C, GSHP, Fans, Evaporative Coolers	A/C SEER2 ≥ 15.2 Evaporative Cooler ≥ 2500 CFM	Scope of Work Utility Bill Picture of existing equipment and	Final Invoice CoC Picture of new connected equipment



		nameplate	and nameplate
Space Conditioning - ASHP	Ducted HSPF2 ≥ 7.8 Ductless HSPF2 ≥ 8.5 Dual fuel systems must be ≥ 90% efficient	Scope of Work Utility Bill Picture of existing equipment and nameplate BTU requirement at design temp or 5°F Confirmation equipment meets heating needs at design temp	Final Invoice CoC Picture of new connected equipment and nameplate
Water Heating	UEF > 3.3	Scope of Work Utility Bill Picture of existing equipment and nameplate	Final Invoice CoC Picture of new connected equipment and nameplate
Windows and Doors	ENERGY STAR®; no historic window replacement; historic windows may be repaired with prior approval	Scope of Work Utility Bill Picture of existing windows or doors	Final Invoice CoC Picture of new windows or doors (can be one of each type or exterior wall)

Estimates and Warranties

The contractor must provide customers with written estimates and enter into written contracts with customers for work paid for with Electrify and Save™ financing. Contractors shall provide the customer a written warranty of labor and materials for a minimum of one year from the date of service. Equipment installed shall carry the manufacturer’s warranty.

Subcontracting Policy

Authorized contractors may subcontract work to other entities that are not authorized, provided the subcontracted entity is appropriately qualified and has submitted the required licenses to the Program. Subcontracted work is subject to quality assurance (QA) review, and the authorized contractor initiating the project will be responsible for responding to any corrective actions required resulting from the QA review. In addition, funding for projects will only go directly to an authorized contractor and not a subcontractor.

Installation Best Practices and Requirements

All equipment installations and the work of all trades shall be performed in accordance with applicable codes; manufacturers' written instructions and recommendations; industry best practices and standards; and federal, state, and local requirements. Examples of installation best practices include:

- The Air Conditioning Contractors of America HVAC Quality Installation Specification (Standard Number ANSI/ACCA 5 QI-2010), <http://www.cee1.org/resid/rs-ac/HVACQIspec.pdf>
- Technical standards developed by the Building Performance Institute, <http://www.bpi.org/standards/current-standards>
- The American Society for Testing and Materials ASTM E 2112-07(2016)—Standard Practice for Installation of Exterior Windows, Doors, and Skylights, <http://www.astm.org>
- The Insulation Contractors Association of America 25 Checkpoints for Inspecting Insulation Jobs, <https://www.insulate.org/25-Checkpoints-for-Insulating-Jobs.pdf>
- Proper equipment sizing, controls, airflow, and fuel connections must be verified for all dual fuel heat pumps or commercial heating systems with combustion equipment. No combustion domestic water heaters can be installed under the Program.

Heat pumps must be properly sized, as determined by a computer-generated Manual J heat load calculation or other simulation using industry-recognized energy modeling software. The Program may request computer-generated load calculations for comparison with the size of the installed unit. Any significant discrepancies would likely trigger a site inspection.

Minimum Number of Projects

Tri-State would like authorized contractors to complete at least one residential or commercial project each calendar year, funded through the Electrify and Save™ Program. Periodically, Tri-State or CCEF will review contractor participation in the financing programs and may propose termination for those contractors that do not appear to be promoting the residential or commercial programs nor completing projects with Electrify and Save™ financing. The Program will notify contractors at least 30 days in advance of the pending termination. Contractors that recommit to the Program will remain authorized.

Fees Assessed to Contractors

There are no fees assessed to contractors participating in the Program.

IV. Quality Assurance (QA)

Contractors promoting Electrify and Save™ must provide high-quality work and comply with Program requirements. Tri-State will perform certain QA functions to confirm that, on a consistent basis, the measures funded through the Program were installed in accordance with applicable Program requirements and industry standards, ensuring that energy savings can reasonably be achieved.

Quality Assurance Objectives

The QA objectives are to:

- Clearly define and educate contractors on the Program requirements and institute processes and systems to avoid problems where possible and to proactively identify potential issues
- Verify that financed measures are qualifying improvements under Program guidelines
- Verify that the contractor followed Program guidelines in performing the work and related paperwork requirements
- Verify that there were no fraudulent or misleading actions on the part of the contractor or auditor
- Confirm customer satisfaction with contractor’s performance and quality of work
- Provide a process for evaluation of contractor performance and workmanship and the resolution of identified problems

Quality Assurance Procedures

The QA procedures for overall Program compliance and installation of measures are summarized in Table 3. These procedures combine contractor training and feedback through traditional oversight, while also providing a high level of assurance for homeowners that measures were installed correctly, a check for fraudulent activity, and continual improvement from contractors.

The QA procedures generally follow the Home Performance with ENERGY STAR® (HPwES) model, including document reviews, file checks, and site inspections. Tri-State will coordinate with any member utility to use that Program’s QA in lieu of most of these procedures. In addition, to avoid duplication, Tri-State will coordinate with third-party accreditation programs on QA activities for contractors participating in the OBR program.

TABLE 3. Summary of Quality Assurance Procedures

QA Measure	Purpose
Document review	Review COC for signatures and job record for compliance with Program



	guidelines
Customer satisfaction survey	Confirm contractor work quality and customer satisfaction with overall Program; screen for site inspection
Phone call to customer	Verify customer satisfaction; screen for site inspection
Site inspections (periodic)	Verify accurate reporting and appropriate installation of measures

Document Review

After the COC and the final invoice are uploaded to the LoanStar MerchantLinQ portal, the Program team reviews the documents for accuracy and completeness. If the documents are not complete, the Program sends an email to the contractor asking for the missing information. If the missing information is not provided within two weeks, the Program will call or send a second email request and give the contractor another two weeks to provide the missing information. If the contractor does not respond, then Tri-State, CCEF, or other designated partner may issue a corrective action report (CAR) to the contractor. A copy of the CAR is attached in the appendix.

Customer Satisfaction Survey

The Program sends a customer satisfaction email survey to each customer following the completion of the project. Customers rate their experience applying for the funding and working with the authorized contractor. All customers are given the opportunity to provide feedback, and all feedback that is received is recorded. Customers are given the option to remain anonymous. Contractors will be notified when new customer reviews are posted. If issues are found, Tri-State or CCEF staff will reach out to the contractor so that concerns can be directly addressed with their customer.

Alternatively, the Program will accept a written response to be posted with the customer's review after the moderation period ends. Concerns with any customer comments or ratings should be submitted to designated Program staff.

Phone and Site Inspections

After Program staff reviews the documents for completion and accuracy, a certain percentage of projects will be selected for further review. Projects with unusual diagnostic test results or potential discrepancies will be flagged for site inspection. If additional projects need to be inspected to meet the minimum level of site inspections, projects will be selected at random.

Phone or site inspections will occur on two of the contractor's first ten projects, and then 5 percent of projects thereafter. Initially, Program staff will call the customer to confirm their satisfaction with the work and ask if they would like an onsite visit by staff. Staff will coordinate the site inspection directly with the homeowner.

Electrify and Save™ staff or its designated partners may request additional documentation in advance of a site inspection. This may include documentation of efficiency or equipment sizing, such as Manual J calculations, manufacturer documents, project invoice, or window rating sheet.

Contractors must have these documents on file and supply them within ten days of the request. During a site inspection, staff will perform the following tasks:

- Visually, and through conversation with the homeowner, verify basic information about the home and the installed equipment
- Visually confirm that all work identified in work scope has been completed
- Verify that installation of equipment or materials is satisfactory:
 - Confirm reported efficiency rating of installed equipment, where applicable (evidence of window efficiency must be available at the home for purchase verification or available upon request)
 - Verify that a dual fuel balance point was set appropriately (manufacturer of thermostat start up sheet has been left with the homeowner)
 - Verify work did not result in unsafe conditions or health concerns; mention any pre-existing health and safety concerns not due to installed work to homeowner
 - Verify that permits were pulled, if applicable

Types of Deficiencies and Corrective Action Reports

All deficiencies identified during quality assurance reviews and inspections will be categorized as safety, workmanship, or programmatic findings based on the guideline provided below. All deficiencies will require a corrective action, as indicated on the Corrective Action Report (CAR).

Any repeated deficiencies will be cause for evaluation of contractor program status or dismissal from the Program. If objective evidence is not supplied indicating that corrective actions have been addressed, including pictures or other such evidence, the Program may require an additional field inspection to verify the completion of the corrective action.

Safety Deficiencies

Safety deficiencies detected during site inspections must be addressed by the contractor within 48 hours of receipt of the CAR, because there is an immediate health and safety risk to the homeowner.

Safety deficiencies may include:

- Electric, fire, or structural hazards to occupant that were part of installation
- Failed combustion safety testing results
- Gas leaks



- Improper clearance to combustibles that were part of installation
- Improper pipe wrap installation that creates a combustion hazard
- Serious moisture issues that were not corrected by the installed measures
- Unsafe conditions from installed work that are an immediate risk to occupants
- Other issues as defined by staff during the site inspection

Workmanship Deficiencies

Workmanship deficiencies detected during inspections must be addressed by the contractor within 14 days of contractor receipt of the CAR. Examples of workmanship deficiencies include:

- Failure to follow all applicable laws, codes, and ordinances (such as not providing documentation of R value and material for insulation to occupant according to local building codes).
- Failure to provide homeowner with HVAC system documents
- HVAC equipment is improperly installed or not operational
- HVAC system is over- or under-sized by more than 20,000 BTUs when compared to Manual J or other sizing calculation
- Missing carbon monoxide detector (if home has combustion appliances) conforming to Underwriters Laboratory standard 2034
- Poor workmanship
- Test-out diagnostics incomplete or inaccurate (Example: greater than 10 percent variance between contractor test-out and quality assurance blower door results)
- Unvented combustion appliances defined by the Building Performance Institute as a health and safety issue left in the home
- Other issues as noted by inspector

Programmatic Findings

Programmatic findings are issued by the Electrify and Save™ program during documentation review. Reminders must be addressed by the contractor within 30 days of contractor receipt of the notification.

Examples of programmatic reminders include:

- Failure to respond to safety and workmanship CARs
- Financing of ineligible measures
- Installation of measure was different than that noted on approved job record
- Installation of eligible measures not recorded on the job record
- Misrepresentation
- Other issues as noted by inspector

Contractor Response to Corrective Action Reports

All inspection noncompliance and/or deficiencies, whether safety, workmanship or programmatic, will be documented on a CAR and transmitted to the contractor. Contractors may



be asked to submit a written response to the Program indicating how they have implemented the corrective action required, and what steps will be taken to prevent future deficiencies. Failure of the contractor to respond by the time designated on the CAR may result in a change in contractor status. Nonresponsive or late response to a CAR may result in the contractor's suspension or termination.

Response times may vary, and contractors should consult the CAR for the response time specific to a given project. General contractor response times to correct a deficiency of installation are shown below. Contractors may be required to implement longer-term measures to prevent further deficiencies in the future, such as staff training.

- Safety corrective actions: Must be remedied by the contractor within 48 hours or time noted on CAR.
- Workmanship corrective actions: If possible, deficiency must be remedied by the contractor within 14 days. If a remedy is not possible (i.e., the contractor has oversized a furnace) then the contractor may be asked by the Program to submit a written action plan to prevent future deficiencies.
- Programmatic findings: If possible, deficiency must be remedied by the contractor within 30 days.

Tri-State or its designated partner(s) is responsible for verifying and approving any corrective actions submitted by the contractor. If CARs are incomplete or do not adequately address the deficiency, the contractor will be notified of the deficiency by Program staff and required to resubmit the CAR response.

Written Response

CARs include space for contractors to submit a written response to the deficiencies noted by the inspector. Upon request, contractors who receive a CAR should return it with a written response explaining what steps they will take to correct the noted deficiency (short-term corrective actions), as well as what steps they will take to ensure that such deficiencies are not repeated (long-term corrective actions). Long-term corrective actions may include changes to a contractor's business procedures and staff, or training for current staff. Objective evidence of corrective actions, such as pictures, training records, and updated procedural manuals, must be supplied for all safety and workmanship CARs and as needed for any minor CARs.

Corrective Action Examples

Example CARs and corrective actions are summarized in Table 4.

TABLE 4. Sample Corrective Actions

Deficiency	CAR Type	Response Time	Root Cause	Short-term Corrective Action	Long-term Corrective Action	Objective Evidence
Oversizing of HVAC equipment	Workmanship	14 days	Incorrect Manual J calculation or failure to provide a sizing calculation	Notice to all staff to perform and document Manual J or other sizing calculations	None	Manual J or sizing software identified, and sample calculation performed by contractor
Installing ineligible measure	Programmatic	30 days	Not familiar with Program requirements	Additional staff training	None	Proof of training

Contractor Participation Status

Contractors who are active participants in the Electrify and Save™ Program, without any major issues, will remain in good standing. Electrify and Save™ staff will evaluate contractor performance on, at least, an annual basis to ensure that contractors continually meet our standards for workmanship and comply with Program requirements. Tri-State, Tri-State member utilities, and CCEF reserve the right to terminate contractors who do not meet our quality standards or who repeatedly fail to comply with Program requirements.

Tri-State and CCEF will use best judgment, based on the number and severity of issues, when determining if a contractor's participation in the Program should be terminated. Depending on the severity, number, and type, the following noncompliance issues could lead to a contractor's termination.

- Failure to follow Program guidelines and requirements, including form completion or installation requirements
- Health and safety issue in home resulting from work
- Loss of license or insurance, or other requirements
- Misrepresentation
- Convictions or disciplinary action by state or other official body
- Failure to actively promote or participate in Electrify and Save™ program

Additionally, if a customer files a complaint with Tri-State, CCEF, or a member utility regarding a contractor's performance, workmanship, or professionalism, the Program will note the complaint in the contractor's permanent file and take appropriate action. Repeated customer complaints can result in a contractor's suspension or termination from the Program. Customer complaints will be flagged and reviewed by Tri-State and/or designated partners and may be prioritized for a site inspection. Site inspections do not constitute an effort to resolve any disagreement between the customer and the contractor.

At all times, Tri-State and CCEF, at their own discretion and without reason, retain the right to terminate a contractor from participating in the Program.

V. MerchantLinQ Financing Portal

All projects under the Electrify and Save™ Program are managed through the MerchantLinQ financing portal, which allows contractors to initiate, track, manage, and close projects in a single location.

Contractors gain access to the portal only after becoming authorized in the program as outlined in the Program Enrollment section earlier in this document. Once authorized, contractors will be given access to the portal to begin offering financing to their customers.

Step-by-step instructions on how to use the portal can be found in Exhibit A and is covered extensively in the contractor training and onboarding process.