



2024 Multifamily Market Transformation Program

**High Efficiency New Construction
Direct Install**

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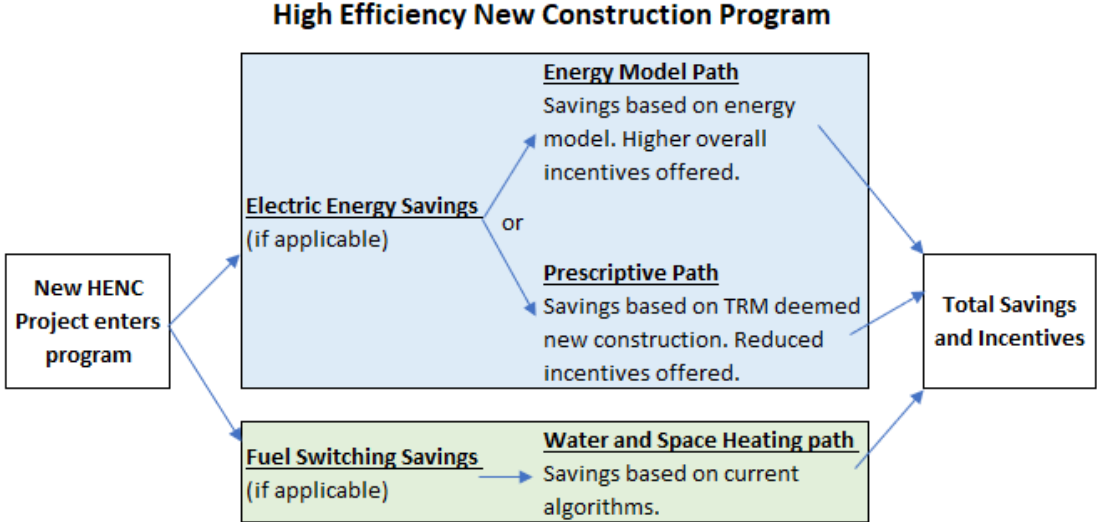
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1. Program Overview

1.a. Program Description

CenterPoint Energy’s Multifamily Market Transformation Program (hereafter, “Program”) encompasses two Program elements offering energy efficiency opportunities to the Multifamily market segment.

- The **High Efficiency New Construction (HENC)** Program element is available to developers and raters constructing market rate and income-qualified properties. The Program offers incentives for electric energy- and fuel switching-derived savings. Electric energy savings may be validated via an energy model path or a prescriptive path.



- The **Direct Install (DI)** Program element is available only to existing income-qualified properties. It offers property owners and managers a free visual audit of existing properties to determine eligibility for energy efficient direct install measures, which may include ENERGY STAR® Certified Smart thermostats, LEDs, water savings measures (faucet aerator, low-flow showerheads), water heater pipe insulation, and Tier 1 advanced power strips. If eligible, these measures may be installed at no cost or reduced cost to the property and residents.

Projects in each Program element are selected for funding based on qualifying measures, estimated completion date and available funds.

Frontier Energy (“Frontier,” the Program Manager) implements the Program for CenterPoint Energy (“CenterPoint”).

This Guidebook presents participation guidelines applicable to Project Sponsors and Projects payable in the 2024 Program year. All documentation required for incentive payment must be received by December 1, 2024, in order for incentive checks to be issued during the Program year. Projects that fail to meet these deadlines may need to reapply in a subsequent Program year, subject to Program and incentive availability, and incentive levels in place at the time of reapplication.

CenterPoint Energy offers this and many other Programs to provide financial incentives, educational resources, and information on energy efficiency measures and technologies. These Programs are available to CenterPoint Energy customers, including residential customers, businesses, and schools. Information about these Programs can be found at CenterPoint Energy’s website, <http://www.CenterPointEnergy.com>.

1.b. Participation Process

The Program participation process, in summary, is as follows:

1. Project Sponsors (which are typically Multifamily property developers or owners, property management or consulting companies, or contractors) begin by contacting the Program Manager and describing their proposed project to determine eligibility.
2. Once eligibility has been established, the Project Sponsor submits an application to CenterPoint and the Program Manager. The application must be submitted prior to or during the Program year within which the project will be completed, verified and paid.
3. The Project Sponsor works with the Program Manager and CenterPoint as the project specifications are finalized and construction begins, providing documentation that enables the Program Manager to present an estimate of applicable and available incentives to the Project Sponsor, along with any additional requirements for completing the project and processing the incentive payment prior to the funding expiration date.
4. The Program Manager and CenterPoint earmark Program funding for the project during the Program year in which the units or measures will be completed. Program funds at this point are reserved for the project.
5. The Project Sponsor completes all work, coordinates with the Program Manager and CenterPoint as directed, supplies all documentation required for payment, and notifies Program staff of completion prior to the funding expiration date.
6. The Program Manager and CenterPoint review and approve final project documentation, arrange and conduct on-site inspections and testing as required.
7. Once approved, CenterPoint delivers incentive checks directly to Project Sponsors and Raters.

1.c. Program Management and Contacts

The Program Manager is:

Steve Wiese, Frontier Energy
swiese@frontierenergy.com, (737) 236-0255

Technical contacts within each Program element are as follows:

<u>Program Element</u>	<u>Primary Contact</u>
HENC element	Scott Wishart , Frontier Energy (952) 828-5421, swishart@frontierenergy.com Erin Leary , Frontier Energy (925) 421-0450, eleary@frontierenergy.com
DI element	Steve Wiese , Frontier Energy (737) 236-0255, swiese@frontierenergy.com

Frontier works on behalf of CenterPoint Energy to implement the Program. CenterPoint Energy's key contact for the Program is:

Rodney Henderson Jr., CenterPoint Energy
Rodney.Henderson@CenterPointEnergy.com, (713) 207-4211

1.d. Program Changes/Updates

This document is intended to provide a detailed and consistent reference on Program design and implementation processes to participants but does not address every possible situation or complication which may arise during implementation. When instances requiring clarification are identified, the Program Manager will, in conjunction with CenterPoint, attempt to provide guidance consistent with Program intent as well as with other goals and priorities.

CenterPoint Energy and the Program Manager reserve the right to change Program guidelines, processes, requirements, budgets, budget allocations and other Program details at any time without prior notice to market participants. However, CenterPoint Energy and the Program Manager will strive to provide timely notice of such changes.

1.e. Indemnification of CenterPoint Energy and Program Manager

CenterPoint Energy and Frontier Energy are not a manufacturer, supplier or guarantor of eligible energy efficiency measure components, nor are guarantors of Project Sponsors, and do not make any representations or warranties of any nature, directly or indirectly, express or implied, as to performance of the Project Sponsor or of the reliability, performance, durability, condition or quality of the energy efficiency measure components selected, purchased, and installed at customer premises.

2. Eligibility

2.a. Project Sponsors

Project Sponsors act as a single point of contact with the Program and have ultimate responsibility for fulfilling all obligations associated with proposed and accepted projects. Any entity with a material interest in the project or projects proposed, and who meets all Program participation requirements, is eligible to participate in the Program as a Project Sponsor.

Eligible Project Sponsors typically include:

- Multifamily property developers, owners, management, and consulting companies
- Architectural/engineering/construction and design/build firms
- National or local energy service companies (ESCOs)
- National or local companies that provide energy-related services (e.g., contracting) or products (e.g., lighting, HVAC equipment)

In the HENC Program element, Project Sponsors may be partnered with a qualified energy rater or other licensed professional.

Qualified energy raters are typically certified HERS raters, though the Program Managers may consider additional certifications or qualification systems at their discretion. Entities qualified for and conducting inspections or energy modeling may be considered as the qualified energy rater for purposes of paying the Rater Incentive.

For buildings that are 4 stories and above in height, the Program allows Registered Architects or Professional Engineers who possess a current license and are in good standing, to perform a parallel role. The Licensed Professional must:

- Possess a current license in a discipline related to residential and/or commercial building systems (e.g. mechanical engineering or commercial/residential architecture); and

- Have working knowledge of building systems, such as ASHRAE Standard 90.1, ASHRAE Standard 62.1, and ASHRAE Standard 62.2.

The ability of a Project Sponsor to utilize a Licensed Professional in lieu of a Rater mirrors the EPA's ENERGY STAR Multifamily High-Rise Program which requires confirmation that each energy conservation measure is installed by a Licensed Professional.¹

To ensure that the Program incentive budget is allocated to projects that are likely to meet with success, all Project Sponsors are required to demonstrate a commitment to fulfilling Program objectives and competency in completing the proposed project.

Participation requirements applicable to Project Sponsors and Raters include the following:

- Demonstrated successful experience by the Project Sponsor, key staff and any partners/subcontractors with work similar to that proposed, including relevant experience, areas of expertise and references.
- Submission of IRS Form W-9, and a current Certificate of Insurance.
- Provision of supplemental company and banking information may be required in order to issue incentive checks.

2.b. Projects

A project is defined by a set of eligible dwelling units at an eligible Multifamily property included in a single application along with a description of the proposed or installed energy efficiency features or measures, and/or estimate of energy/demand savings relative to baseline, for each unit.

Projects must be fully documented by the Project Sponsor and/or the Project Sponsor's qualified energy rater in order to receive initial approval and final payment. Documentation requirements generally follow those outlined in the current version of the [Texas Technical Reference Manual \(TRM\)](#), but additional documentation may be requested by the Program Manager. Appendix C outlines documentation requirements relevant to each Program element.

2.c. Multifamily Units

Units must meet the following eligibility requirements to qualify for incentives:

- All units must be separately metered, and part of a Multifamily residential building. Multifamily residential buildings are defined by the TRM as consisting of five or more dwelling units.
- All units must be serviced by CenterPoint Energy (as evidenced by approved town and ZIP code, and ultimately a CenterPoint Energy meter/ESI ID number).
- New/existing construction:
 - Units participating in the HENC Program must be new construction, as indicated on the building permit.²

¹ See https://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_mfhr_lic_prof.

² In limited cases, major reconstruction projects permitted as remodels ("gut rehab" projects) may qualify as new construction, at the discretion of the Program Manager and CenterPoint Energy.

- Multifamily Units participating in the Direct Install Program element must be existing construction and low income qualified.
- Additional requirements for units participating in the HENC Program element include:
 - For units participating under the energy model path, units must be built to standards above current energy codes and tested by a qualified energy rater or other licensed professional to qualify as “high performance” and earn incentives for achievement of above-code energy savings.
 - Optional: To earn the Above-Code Certification incentive bonus, the unit and/or residential building must be awarded a certificate in one of the following Programs:
 - Enterprise Green Communities Criteria
 - USGBC LEED
 - ENERGY STAR Certified Homes
 - ENERGY STAR Multifamily High Rise (New Construction)
 - ENERGY STAR Multifamily New Construction
 - National Green Building Standard
 - Others as approved by CenterPoint Energy

All participating units in the HENC element must be completed with construction, testing (as applicable), and results submitted for processing by the deadline given in Section 1.a. Program Description.

The Program will pay incentives once all requirements and conditions are met, the required data is submitted, and proper documentation is delivered to the Program.

Upon request, CenterPoint may consider innovative Multifamily projects not meeting all the above requirements for inclusion under a Pilot Program.

Identifying and Qualifying Hard-to-Reach Units

Some Program funds are dedicated to projects/units that serve hard-to-reach customers.

- Units participating in the HENC Program element may qualify for market rate or hard-to-reach (income-qualified) incentives.
- Units participating in the Direct Install Program element must meet hard-to-reach income qualification standards.

Hard-to-reach projects are defined as those serving customers who qualify via the Public Utility Commission of Texas’ (PUCT) [Property Owner Certification Form of Tenant Income Eligibility For Full Incentive Energy Efficiency Services](#). This form must be submitted to Program Manager and CenterPoint for projects to qualify for hard-to-reach funding. Additional supporting documentation, such as Land Use Restrictive Agreements (LURAs), may also be required.

2.d. Energy Efficiency Measures/Equipment

This table summarizes eligible measures for each Program element.

<u>Program element</u>	<u>Eligible Measures/Equipment</u>
HENC element	Energy Model Path

- Building design/construction modeled to achieve above-code energy performance.
- Third party certification of above-code energy performance.
- Rater incentives.
- Prescriptive measures as detailed in section 3.b.

Prescriptive Path

- Prescriptive incentives for a limited set of supported measures.

Fuel-Switching: Efficient non-electric (natural gas) water and space heating equipment, including:

- Shared Gas Tankless Array
- Shared Central Gas Boiler for Water Heating Only
- Individual Gas Water Heaters (Tank or Tankless)
- In-Unit Combo Gas Water and Space Heating System

All water heating equipment must meet or exceed applicable federal efficiency standards and local building code requirements.

Direct Install element

ENERGY STAR® Certified Smart thermostats controlling central cooling and heating systems.

LED lights must replace incandescent lights only. Selected bulbs must be ENERGY STAR certified, and must have a rated lifetime of 17,500 hours or greater. They should be placed in permanently-wired fixtures (not plug-in lamps) that are used for 2 hours or more. Bulbs that are outdoors or in closets are not to be replaced. Bathroom fixtures that are a straight line of exposed bulbs (commonly referred to as Hollywood lights) can all be replaced only if there are 4 or fewer bulbs in the fixture. If there are 5 or more bulbs in the fixture, up to 4 of the bulbs can be replaced. 20 bulbs per residence is the maximum limit.

Water saving measures eligible only in units with electric water heating:

- New kitchen and bathroom faucet aerators must not exceed a 1.5 GPM flow rate maximum and must replace existing aerators with a flow rate of at least 2.2 GPM.
- New low-flow showerheads must not exceed a 2.0 GPM flow rate maximum and must replace existing showerheads with a flow rate of at least 2.5 GPM.
- Water heater pipe insulation (only in units with electric water heaters) must have a minimum insulating value of R3 and measure at least 3 feet in length.

Tier 1 Advance Power Strips (APS) must be installed with one master and at least two peripheral loads, configured in either a Home Office or Home Entertainment Center configuration (limit 2 per unit).

Additional direct-install measures may be considered on a pilot basis.

Certain common-area installations may be accommodated by the program on a case-by-case basis.

All construction and installations must obtain appropriate local building permits, pass all required local inspections and must be in full compliance with the National Electric Code and all other applicable federal, state, and local codes and standards. All equipment must be installed in accordance with manufacturer's instructions.

2.e. Energy Savings

Energy and demand savings for each measure are derived from deemed savings or algorithm-based savings as documented in the currently applicable version of the [Texas Technical Reference Manual](#). Where TRM deemed savings or algorithms are not directly applicable to eligible measures in this Program, savings will be derived from approved methods consistent with those in the TRM.

2.f. Projects Outside Program Guidelines

If a project falls outside of Program guidelines, a formal request outlining the reason for the exemption must be submitted and approved by the Energy Efficiency and Business Development Director.

3. Incentive Design and Delivery

3.a. Incentives Offered

High-Efficiency New Construction (HENC) Incentives

CenterPoint offers incentives to reward developers and qualified energy raters for each Multifamily unit that meets Program guidelines. The Program currently offers financial incentives using a per unit performance metric, with prescriptive measure incentives built into the structure.

CenterPoint reserves the right to adjust incentives to ensure all energy and demand savings achieved are cost-effective.

Electric Energy Savings

Energy Model Path

Projects seeking incentives for electric energy savings via the Energy Model Path must deliver above-code energy savings in verified energy models. Once the above-code electric energy savings threshold is surpassed, the following incentives are available:

Prescriptive Measure Incentives are paid to project owners or developers. Heat pump incentives are not cumulative, i.e. 15.2+ SEER2 central heat pump equipment is awarded \$125/unit, not \$200/unit. A minimum of two prescriptive measures is required to participate in the Program.

Prescriptive measure definitions:

- 15.2,+ and 16.2+ SEER2 Central Heat Pump – must meet the eligible SEER2/EER2/HSPF2 rating as demonstrated by a system AHRI certificate. Units with both SEER and SEER2 ratings should still refer to the SEER2 ratings.
- ENERGY STAR® Refrigerator / Dishwasher / Clothes washer – must be supplied in-unit by the development.

- ENERGY STAR® Certified Smart thermostats – must be supplied in-unit by the development.
- 100% High Efficacy Lighting – can be screw in or pin based fluorescent lamps, or Light Emitting Diodes (LEDs) meeting the 2015 IECC definition of *High-Efficacy Lamps*.
- Above Code Windows – must be U-factor of 0.35 or less AND SHGC of 0.24 or less.
- R-49 Attic Insulation / R-25 ci Insulation entirely above roof deck – top-level units only.
- Duct Leakage Testing –applies only to units in buildings that are 4 stories and above in height. Total duct leakage per system must be equal to or less than 4 CFM per 100 sq.ft. Sampling is allowed. Tested units must be distributed across all unit types, floors, and buildings.
- Air Leakage Testing – incentive only applies to units in multifamily buildings that are 4 stories and above in height. Air leakage through the dwelling enclosure must be equal to or less than 0.30 cfm50 per square foot of enclosure (i.e. all surfaces enclosing the apartment, including exterior and party walls, floors, ceiling) or 5 ACH50. Sampling is allowed. Tested units must be distributed across all unit types, floors and buildings.

Third-Party Certification Incentives are paid to project owners or developers and are available to projects certified via a qualifying third-party certification programs, such as ENERGY STAR®, LEED, etc.

Rater Incentives are paid to qualified energy raters and licensed professionals for every eligible unit that successfully meets the Program requirements and for which all required documentation is provided in a timely manner per defined milestones. The rater incentive is not expected to fully cover the cost of the work the Rater needs to perform to deliver documentation required for the Program. The Project Sponsor may designate a rater or other qualified individual, an inspector, or energy modeler to receive the Rater incentive.

Prescriptive Path

Projects that do not complete energy modeling may be eligible for incentives for verified installation of certain measures. Incentives offered under this path tend to be reduced (relative to the energy model path) but are intended to enable participation by a greater number of projects and development teams.

Fuel Switching Savings

Incentives are available for installation of gas water and space heating systems in multifamily properties.

Dual Participation Bonus Incentive

A dual participation bonus is available to new multifamily construction projects that qualify for electric energy savings under the Energy Model Path and fuel switching savings.

Table 1 on the next page summarizes all currently offered HENC incentives.

Table 1. High-Efficiency New Construction (HENC) Summary of Incentives Offered

Prescriptive Measure Incentives (payable to Project Sponsor)	Energy Model Path	Prescriptive Path
15.2 SEER2 Central Heat Pump, 9.8 EER2, 7.5 HSPF2	\$75/unit	\$40/unit
16.2+ SEER2 Central Heat Pump, 9.8 EER2, 7.5 HSPF2	\$125/unit	\$65/unit
Independent Whole-Dwelling Mechanical Ventilation Fan(s)	\$50/unit	N/A
ENERGY STAR® Certified Smart Thermostat	\$40/unit	\$20/unit
ENERGY STAR® Refrigerator	\$40/unit	\$20/unit
ENERGY STAR® Dishwasher	\$10/unit	\$5/unit
ENERGY STAR® Clothes Washer	\$30/unit	\$15/unit
ENERGY STAR Electric Clothes Dryer	N/A	\$15/unit
Low Flow Faucet Aerators	N/A	\$2/unit
Low Flow Showerhead	N/A	\$3/unit
100% High Efficacy Lighting	\$15/unit	\$10/unit
Above Code Windows	\$30/unit	N/A
R-19 / R13+5 ci Exterior Wall Insulation	\$35/unit	N/A
R-49 Attic Insulation (or R-25 ci Insulation entirely above roof deck for buildings 4 stories and higher)	\$20/unit	N/A
Duct Leakage Testing (buildings 4 stories and higher only)	\$25/unit	N/A
Air Leakage Testing (buildings 4 stories and higher only)	\$25/unit	N/A
Certification and Rater Incentives		
Third-Party Certification (payable to Project Sponsor)	\$5/unit	N/A
Rater Incentive (payable to Rater)	\$20/unit	N/A
Fuel-Switching Savings (payable to Project Sponsor)	Market Rate Projects	Hard-to-Reach Projects
Shared Gas Tankless Array	up to \$250/unit	up to \$450/unit
Shared Central Gas Boiler for Water Heating Only	up to \$150/unit	up to \$250/unit
Individual Gas Water Heaters (Tank or Tankless)	up to \$200/unit	up to \$300/unit
In-Unit Combo Gas Water and Space Heating System	up to \$350-\$500/unit*	up to \$550-\$700/unit*
Dual Participation (payable to Project Sponsor)		
Projects using the Energy Model Path <u>and</u> Fuel Switching Path	\$25-\$75/unit**	

*Incentive depends on an energy savings analysis to determine actual energy savings

**Higher incentive levels available to Hard-to-Reach projects and projects utilizing the Energy Model Path.

Direct Install (DI) Incentives

This Program element offers Project Sponsors a free visual audit of income eligible properties to determine eligibility for direct install measures. If eligible, these measures may be procured and/or installed at no or minimal cost to the property and residents.

3.c. Multiple Projects by Same Sponsor

This Program is designed as a Market Transformation Program, with the intent to incentivize changes to building design and construction that would not have happened without the incentive, and to encourage similar activity to occur without incentives in future projects.

To that end, CenterPoint Energy will accept two projects from the same Project Sponsor (or developer) for the same measure in a single Program year. A third project for that same measure submitted in the same Program year may be accepted at a reduced incentive rate. Additional projects for the same measure submitted in consecutive Program years will be subject to reduced incentive rates.

3.d. Project Schedules

Program incentives may be reduced for projects that are not completed in accordance with the project schedule submitted with the application.

3.e. Incentive Assignments

Program incentives are paid to the Project Sponsor (typically the building developer or owner), except for Rater incentives, which are paid directly to the rater.

3.f. Participation in Multiple Program Elements and Other CenterPoint Energy Programs

Project Sponsors may submit a single project for consideration by one or more Program elements; however, if the project is qualified for more than one Program element, savings and incentives will be adjusted to avoid double counting of savings and double payment of incentives. Participation in this Program does not affect a customer's eligibility to participate in other CenterPoint Energy-sponsored energy efficiency/conservation Programs.

3.g. Projects that Roll Over into Subsequent Program Years

CenterPoint and the Program Manager maintain lists of prospective projects for potential inclusion in the Program. Because projects may take more than a year to complete, Project Sponsors are advised to contact the Program Manager and CenterPoint in advance to apply for the Program with the understanding that incentive commitments will be made during the year installation/construction is complete.

On occasion, approved projects may be delayed and unable to complete documentation required for incentive payment prior to the Program year deadline for reasons outside of the control of the Project Sponsor. In these cases, the Program Manager and CenterPoint will endeavor to award the project in the subsequent year's Program, subject to funding availability and incentive levels in place in the subsequent year's Program.

Neither CenterPoint nor Frontier make any representations or guarantees about the availability of the Program, funding, or incentive levels in subsequent years.

4. Participation Process

Participating in the Multifamily Market Transformation Program is comprised of distinct stages. Below are the stages to create a project and move it through the workflow process:

4.a. Initial Contact

Project Sponsors (which are typically Multifamily property developers or owners, raters, property management or consulting companies, or contractors) begin by contacting the Program Manager and describing their proposed project in order to determine eligibility.

4.b. Application Submittal

Once eligibility has been established, the Project Sponsor submits an application to CenterPoint and the Program Manager via email. Project Sponsors must:

- Agree to meet all applicable Federal, State, and local building codes.
- Provide IRS form W9 and a current Certificate of Insurance.

- If applicable, identify a qualified rater or licensed professional (buildings 4 stories and above only) who will provide documentation necessary for the project.

4.c. Conditional Letter of Acceptance

Once the Program Manager and CenterPoint have reviewed the project application, the project will be accepted, denied, or sent back for more information. This is also when any required pre-inspection generally takes place. The Program Manager may schedule a pre-inspection to verify eligibility of the project, and savings and incentive estimates, before conditionally accepting the project into the Program. Access to the site must be provided.

The Program Manager and CenterPoint will provide a Conditional Letter of Acceptance to the Project Sponsor if the application is approved.

The Program Manager and CenterPoint may provide and revise incentive estimates based on unverified project information provided by the Project Sponsor, and are thus non-binding. Upon completion of the installations, a final incentive will be calculated and paid based on verified project information.

4.e. Work Completion

The Project Sponsor begins installation of the agreed energy efficiency measures. During the work completion pending stage, all project-related work is completed and, if necessary, new data is uploaded to correctly represent the measures that were implemented. After confirmation that project measures for each premise are completed and all required documentation has been uploaded, the Project Sponsor submits the work for final approval. The Program Manager may schedule inspections during the construction phase. Access to the site must be provided.

At this time the Program Manager will request additional information from the Project Sponsor and/or Rater, such as banking information, to enable payment of incentives.

4.f. Final Documentation Submittal, Review and Approval

The Program Manager and CenterPoint Energy review and approve final project documentation, and arrange and conduct on-site inspections and testing as required. The Program Manager may schedule rough and final inspections to verify project details prior to final approval. Access to the site must be provided. The project is then reviewed and either approved, sent back for corrections, or denied. The Project Sponsor will receive an email indicating the status and any additional notes if deemed necessary.

4.g. Incentive Paid

Once approved, incentive checks are paid directly to the Project Sponsor and participating Rater.

5. Quality Assurance

The Program design employs pre- and post-inspections as well as non-conformance procedures for investigating the root causes of any failed inspections. Handled on a one-by-one basis, consequences may include a reduction/refusal of incentive payment. In instances where incorrect information was deliberately provided by a contractor or distributor, those businesses may be suspended or expelled from the Program.

Applicants with projects that are found to be unlikely to produce estimated savings through the pre-inspection process will be notified of the issues regarding their project design or documentation and will be allowed to re-submit or amend their application.

Applicants with projects that fail the post-installation inspections will be required to correct the problems identified and either submit evidence of correction or schedule a second inspection, at the Program Manager's discretion. Project Sponsors that fail to correct deficiencies in a timely manner may be removed from the Program and/or be denied an incentive.

6. Project Sponsor Performance Standards

6.a. Project Sponsor Standing

All Project Sponsors must maintain good standing with the Program. Project Sponsors in good standing are defined as those:

- Who have attended all required Project Sponsor meetings, technical training sessions and other mandatory events;
- Whose three most recent installations subject to a Program inspection have passed those inspections on the first attempt;
- Who have maintained and documented to the Program Manager proper and current licensure, certificates, and other eligibility requirements;
- Who have provided all required progress reports in a timely fashion;
- Who have completed more than 80% of approved projects within the applicable incentive reservation period; and
- Who work in good faith with the Program Manager to resolve any customer disputes or complaints and to change business practices as appropriate to reduce the likelihood of future disputes or complaints.

Project Sponsors who are not in good standing may be removed from the Program. They will be notified by the Program Manager of their status and will be required to work with the Program Manager to develop a plan to correct the problem(s). A lack of progress on this plan may lead to disqualification.

6.b. Project Sponsor Disqualification

All Project Sponsors are required to maintain proper licensure, certificates, insurance, and other eligibility requirements as stated in the online registration system. The Program Manager may also determine and maintain metrics of Project Sponsor performance which may be used to disqualify Project Sponsors from participation in the Program. Project Sponsor performance metrics which indicate potential grounds for disqualification may include, but are not limited to:

- High rates of customer complaints handled by Program Management staff;
- High rates of submitting incomplete or ineligible project applications;
- Low rates of passing Program inspections; and
- Low rates of completing pre-approved projects within the incentive reservation period.

6.c. Dispute Resolution

Unresolved disputes hurt the success of the Program. In this respect, the overriding objective of all the participants in the Program is to achieve 100% customer satisfaction and to satisfactorily resolve any and all disputes at the lowest level possible.

Disputes, concerns or complaints arising from customers should, in general, be addressed at the lowest level possible. Most of the time, this means the problem should be resolved between the Project Sponsor and customer.

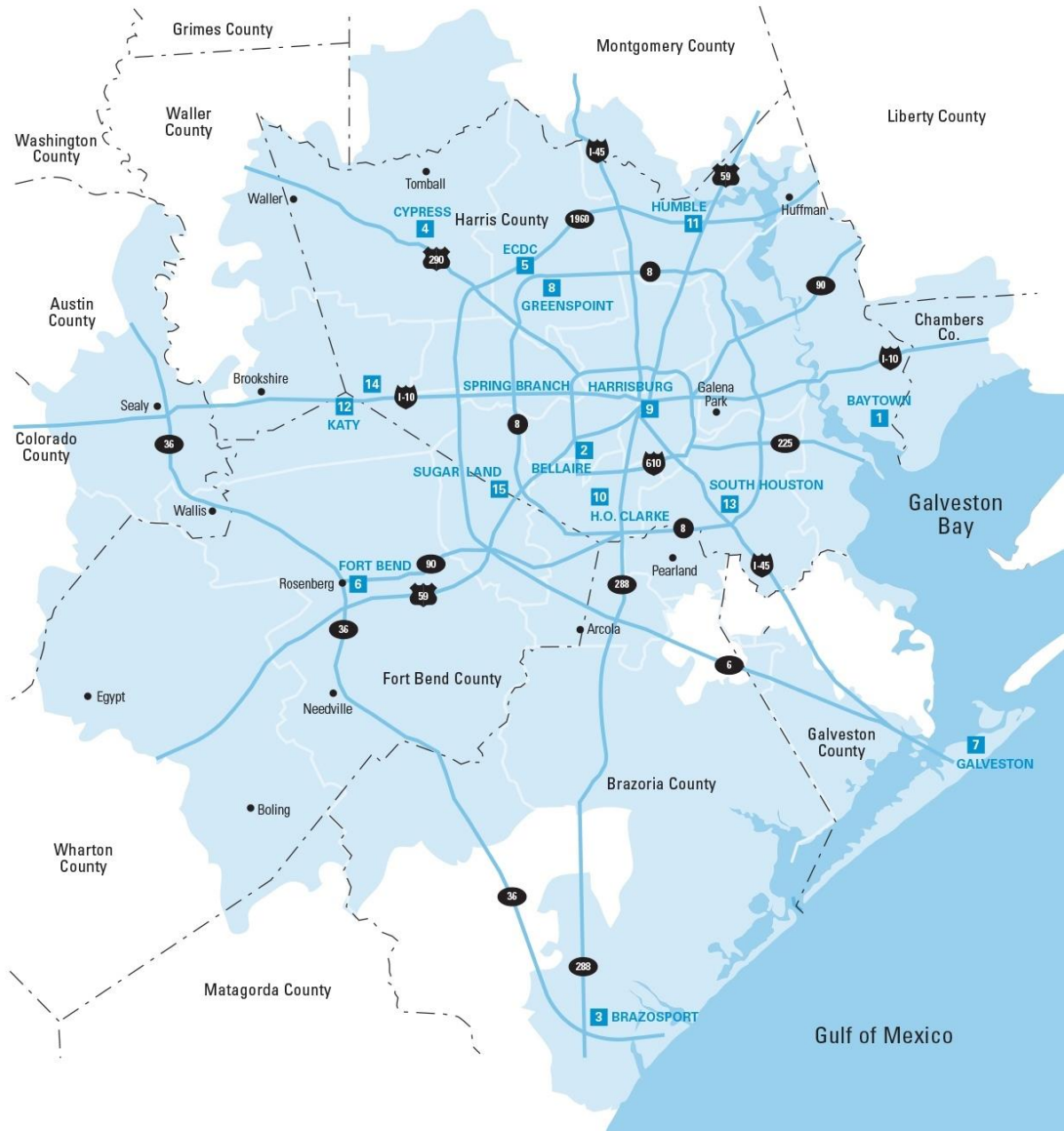
Issues that cannot be addressed by the Project Sponsor and customer and are brought to the attention of the Program Manager may be addressed by the Program Manager. The Program Manager's first level response shall be to document the date and nature of the complaint and the specific details. This shall include contact information, name, address, phone number and/or email of all parties involved. The Program Manager will maintain all contact and status records. This will open the issue; next an appropriate action step must be completed for it to be resolved and closed. The Program Manager shall be responsible to delegate or take action to resolve the issue within 2 weeks.

Disputes, concerns, or complaints arising between Project Sponsors and the Program Manager shall follow a similar path. The Program Manager's first level response shall be to document the date and nature of the complaint and the specific details. Again, this will include contact information, name, address, phone number, and/or email of all parties involved. The Program Manager will maintain all contact and status records. This will open the issue; next an appropriate action step must be completed for it to be resolved and closed. The Program Manager shall be responsible to delegate or take action to resolve the issue within 2 weeks.

Disputes that cannot be resolved or have future action agreed to by all parties during initial contact may be brought to the second level or to the Program Manager.

Appendix A. CenterPoint Energy Service Area Map and Communities Served

CenterPoint Energy's electric service area map is included in the figure below.



CenterPoint Energy currently serves approximately 2.5 million metered electricity delivery customers in its greater Houston, Texas service area, including providing electric service to the cities and zip codes listed below.

City		Zip	City		Zip
Alief	TX	77411	Houston	TX	77005
* Angleton	TX	77515	Houston	TX	77006
Bacliff	TX	77518	Houston	TX	77007
Barker	TX	77413	Houston	TX	77008
Baytown	TX	77520	Houston	TX	77009
Baytown	TX	77521	Houston	TX	77010
Baytown	TX	77522	Houston	TX	77011
Beasley	TX	77417	Houston	TX	77012
Bellaire	TX	77401	Houston	TX	77013
Bellaire	TX	77402	Houston	TX	77014
Boling	TX	77420	Houston	TX	77015
* Brazoria	TX	77422	Houston	TX	77016
* Brookshire	TX	77423	Houston	TX	77017
Channelview	TX	77530	Houston	TX	77018
Clute	TX	77531	Houston	TX	77019
Crosby	TX	77532	Houston	TX	77020
Cypress	TX	77410	Houston	TX	77021
Cypress	TX	77429	Houston	TX	77022
Cypress	TX	77433	Houston	TX	77023
Damon	TX	77430	Houston	TX	77024
Danbury	TX	77534	Houston	TX	77025
* Dayton	TX	77535	Houston	TX	77026
Deer Park	TX	77536	Houston	TX	77027
* Dobbin	TX	77333	Houston	TX	77028
* Eagle Lake	TX	77434	Houston	TX	77029
East Bernard	TX	77435	Houston	TX	77030
Egypt	TX	77436	Houston	TX	77031
Freeport	TX	77541	Houston	TX	77032
Freeport	TX	77542	Houston	TX	77033
Fresno	TX	77545	Houston	TX	77034
* Friendswood	TX	77546	Houston	TX	77035
Fulshear	TX	77441	Houston	TX	77036
Galena Park	TX	77547	Houston	TX	77037
Galveston	TX	77550	Houston	TX	77038
Galveston	TX	77551	Houston	TX	77039
Galveston	TX	77552	Houston	TX	77040
Galveston	TX	77553	Houston	TX	77041
Galveston	TX	77554	Houston	TX	77042
Galveston	TX	77555	Houston	TX	77043
Glen Flora	TX	77443	Houston	TX	77044
Guy	TX	77444	Houston	TX	77045
Highlands	TX	77562	Houston	TX	77046
Hitchcock	TX	77563	Houston	TX	77047
* Hockley	TX	77447	Houston	TX	77048
Houston	TX	77001	Houston	TX	77049
Houston	TX	77002	Houston	TX	77050
Houston	TX	77003	Houston	TX	77051
Houston	TX	77004	Houston	TX	77052

City		Zip	City		Zip
Houston	TX	77041	Houston	TX	77089
Houston	TX	77042	Houston	TX	77090
Houston	TX	77043	Houston	TX	77091
Houston	TX	77044	Houston	TX	77092
Houston	TX	77045	Houston	TX	77093
Houston	TX	77046	Houston	TX	77094
Houston	TX	77047	Houston	TX	77095
Houston	TX	77048	Houston	TX	77096
Houston	TX	77049	Houston	TX	77097
Houston	TX	77050	Houston	TX	77098
Houston	TX	77051	Houston	TX	77099
Houston	TX	77052	* Huffman	TX	77336
Houston	TX	77053	Hufsmith	TX	77337
Houston	TX	77054	Humble	TX	77325
Houston	TX	77055	Humble	TX	77338
Houston	TX	77056	* Humble	TX	77339
Houston	TX	77057	* Humble	TX	77345
Houston	TX	77058	Humble	TX	77346
Houston	TX	77059	Humble	TX	77347
Houston	TX	77060	Humble	TX	77396
Houston	TX	77061	Hungerford	TX	77448
Houston	TX	77062	Katy	TX	77449
Houston	TX	77063	Katy	TX	77450
Houston	TX	77064	Katy	TX	77491
Houston	TX	77065	Katy	TX	77492
Houston	TX	77066	Katy	TX	77493
Houston	TX	77067	Katy	TX	77494
Houston	TX	77068	* Kemah	TX	77565
Houston	TX	77069	Kendleton	TX	77451
Houston	TX	77070	Kenney	TX	77452
Houston	TX	77071	La Marque	TX	77568
Houston	TX	77072	La Porte	TX	77571
Houston	TX	77073	La Porte	TX	77572
Houston	TX	77074	Lake Jackson	TX	77566
Houston	TX	77075	Lane City	TX	77453
Houston	TX	77076	* League City	TX	77573
Houston	TX	77077	* League City	TX	77574
Houston	TX	77078	Lissie	TX	77454
Houston	TX	77079	* Liverpool	TX	77511
Houston	TX	77080	Liverpool	TX	77577
Houston	TX	77081	Magnolia	TX	77353
Houston	TX	77082	Magnolia	TX	77354
Houston	TX	77083	* Magnolia	TX	77355
Houston	TX	77084	* Manvel	TX	77578
Houston	TX	77085	Missouri City	TX	77459
Houston	TX	77086	Missouri City	TX	77489
Houston	TX	77087	Mont Belvieu	TX	77580
Houston	TX	77088	* Montgomery	TX	77356

City		Zip	City		Zip
Needville	TX	77461	* Spring	TX	77380
Newgulf	TX	77462	* Spring	TX	77382
Orchard	TX	77464	* Spring	TX	77383
Pasadena	TX	77501	Spring	TX	77386
Pasadena	TX	77502	Spring	TX	77388
Pasadena	TX	77503	Spring	TX	77389
Pasadena	TX	77504	Spring	TX	77390
Pasadena	TX	77505	Spring	TX	77391
Pasadena	TX	77506	Stafford	TX	77477
Pasadena	TX	77507	Stafford	TX	77497
Pasadena	TX	77508	Sugar Land	TX	77478
* Pattison	TX	77466	Sugar Land	TX	77479
Pearland	TX	77581	Sugar Land	TX	77487
Pearland	TX	77584	Sugar Land	TX	77496
Pinehurst	TX	77362	Thompsons	TX	77481
* Pledger	TX	77468	Tomball	TX	77375
* Prairie View	TX	77446	Tomball	TX	77377
Richmond	TX	77406	* Waller	TX	77484
Richmond	TX	77469	Wallis	TX	77485
Rosenberg	TX	77471	Webster	TX	77598
Rosharon	TX	77583	* West Columbia	TX	77486
San Felipe	TX	77473	* Wharton	TX	77434
* Santa Fe	TX	77510	* Wharton	TX	77488
Santa Fe	TX	77517			
Seabrook	TX	77586			
* Sealy	TX	77474			
Simonton	TX	77476			
South Houston	TX	77587			
Spring	TX	77373			
Spring	TX	77379			

Indicates cities/zip codes that overlap into other utilities' service territories.

* *Therefore, there may be customers that are not serviced by CenterPoint and would not be eligible for claiming incentives.*

Appendix B. Additional Information About the HENC Program

B.1. Reporting Requirements

CenterPoint Energy is required to collect certain data from units that are delivered to the Program. This data is usually collected by the qualified energy rater during final performance testing. Developers should work closely with their qualified energy rater or licensed professional to ensure this information is submitted to CenterPoint Energy. Financial incentives will only be paid after CenterPoint Energy receives the required information and verifies its accuracy.

To receive incentives from the Program:

- All required data for each unit must be submitted in the format specified by the Program.
- The participating Rater must submit certification for the applicable Above-Code Program for each participating unit (if applicable).
- Projected ratings for each unique unit type or building, as appropriate, and a spreadsheet correlating projected energy simulation files with unit types and the unit schedule must be submitted.
- Confirmed ratings with an energy simulation file must be submitted for every unit or building, as appropriate, that is participating in the Program.
- Testing and Inspection information must be submitted for every unit that is participating in the Program, including sampling and failure data.
- AHRI certificates and/or certificate numbers are required for each unique HVAC system installed within eligible units and a spreadsheet correlating certificates and units needs to be supplied.
- Construction photos of buildings, dwelling units, and applicable measures seeking incentives must be submitted.
- All applicable submittals, invoices and/or bills of lading pertaining to applicable measures seeking incentives need to be supplied.

B.2. Energy Modeling

Energy Modeling shall be done in accordance with the current version of the [Texas Technical Reference Manual](#).

During the initial analysis, values for performance testing (envelope leakage, duct leakage, and ventilation flow) should be estimated based on the Rater's experience.

Confirmed and/or Sampled Ratings must be submitted for high performance units to be eligible for the Program. An accredited rater must model the unit's energy performance and reflect the confirmed results from inspections and testing in the energy simulation Program.

These are minimum guidelines and are intended to outline the minimum requirements for participating in the HENC Program element. Content in the Energy Modeling Requirements section may not meet the requirements of a selected Above-Code Program. Always adhere to the most rigorous standard in the event there are overlapping requirements between project goals.

B.3. Sampling

Sampling at test-out is allowed by the Program; however, this does not waive or supersede the development's responsibilities to any jurisdiction with authority or Program such as ENERGY STAR, LEED,

or National Green Building Standard. At minimum, sampling shall be done in accordance with the Adopted RESNET Guidelines for Multi-Family Ratings or equivalent as approved by the Program Manager.

Failures must be corrected and retested with additional testing as required by State or local code requirement, whichever is more stringent.

B.4. Minimum Inspections and Testing

For high performance units to be eligible for the Program, a qualified energy rater must complete on-site inspection and diagnostic tests, including structural phase inspections and final inspections, as required by code or Program participation:

- Insulation inspection
- HVAC inspection
- Water heating inspection
- Lighting inspection
- Appliance inspection
- Unguarded Blower Door Envelope leakage test (Required for all buildings that are 3-stories or below in height, and buildings that are 4-stories and above in height pursuing the Air Leakage Testing Prescriptive Measure).
- Total Duct Leakage test (Required for all buildings that are 3-stories or below in height, and buildings that are 4-stories and above in height pursuing the Duct Leakage Testing Prescriptive Measure).

The Program will recognize the Adopted RESNET Guidelines for Multi-Family Ratings with respect to the application of performance test results to modeling.

These are minimum guidelines and are intended to outline the minimum requirements for participating in the HENC Program element. Content in the Minimum Inspections and Testing Requirements section may not meet the requirements of a selected Above-Code Program. Always adhere to the most rigorous standard in the event there are overlapping requirements between project goals.

B.5. Performance Updates

The Program will work closely with developers' production staff and/or general contractors to evaluate progress toward award commitment. The Program requires developers to submit performance updates at (up to) five production milestone dates, which will be determined upon the developers' enrollment into the Program. These performance milestones are designed to:

- Inform the Program of potential delays and shortfalls that may cause a complex to not meet its award commitment allocation;
- Give the Program insight as to whether reallocating incentive commitments is necessary; and
- Allow the Program to coordinate its sales, training, and marketing activities with each complex's timeline.

Units must be completed and tested by November 30 to qualify for Program Year incentives. This date is designed to provide enough time for the Program implementation team to coordinate on all documentation required to ensure proper review and submission for payment before the end of the calendar year.

The Program may reallocate incentive commitments, as necessary, at each production milestone to satisfy the Program's goals.

B.6. Required Data from Developers

Developers are required to submit the following information at each production milestone:

- Number of units under construction to be submitted into the Program;
- Production delays, if any;
- Personnel changes, if any;
- Completion date; and
- Commitment unit's status.

B.7. Additional Online Resources

The following online resources are provided as Program element references:

- CenterPoint Energy - Energy Efficiency Programs: www.centerpointefficiency.com
- CenterPoint Energy – Energy Efficiency Sponsor Portal: <https://cnpsponsor.Programprocessing.com/>
- Enterprise Green Communities Criteria: <http://www.enterprisecommunity.org/solutions-and-innovation/green-communities/criteria>
- LEED: <http://www.usgbc.org>
- National ENERGY STAR Program: <http://www.energystar.gov/>
- National Green Building Standard: <http://www.homeinnovation.com/green>
- Residential Energy Services Network: <http://resnet.us/> Adopted RESNET Guidelines for Multifamily Ratings: <http://www.resnet.us/professional/standards/Adopted RESNET Guidelines for Multifamily Ratings 8-29-14.pdf>

Appendix C. Documentation Required for Applications, Incentive Estimate and Final Approval/Payment

(tables on following pages)

High Efficiency New Construction Program	
Documentation Required for Application Approval	
<ul style="list-style-type: none"> • Project Sponsor Information <ul style="list-style-type: none"> ○ IRS form W9 ○ CenterPoint Energy Vendor Master for developer/owner and Rater • Project Information <ul style="list-style-type: none"> ○ Name ○ Addresses ○ # of buildings ○ # of units ○ # of stories (total & residential) ○ Conditioned Area Breakdown <ul style="list-style-type: none"> ▪ In-unit ▪ Residential-associated ▪ Non-residential ▪ Market-rate or Hard-to-Reach • Project Type (ONLY for WSH): <ul style="list-style-type: none"> ○ Individual Water Heaters, Central Boiler, or Combo Systems 	<ul style="list-style-type: none"> • Project Milestones <ul style="list-style-type: none"> ○ Est. construction start and completion dates ○ Current status of construction • List of Additional Key Contacts and their Roles in the Project (include as attachment) <ul style="list-style-type: none"> ○ Material parties to the project, including the entities with legal title to the property during and after construction ○ Architectural/engineering/design firm ○ Qualified energy rater (ONLY for High-efficiency component) <ul style="list-style-type: none"> ▪ CenterPoint Vendor Master form and supplemental information, if required. ▪ IRS form W9 ○ Energy modeler (ONLY for High-efficiency component), if different than rater) ○ General Contractor
Documentation Required for Estimate of Applicable and Available Incentives	
<ul style="list-style-type: none"> • Access to complete project plans including: <ul style="list-style-type: none"> ○ Site plan ○ Building plans ○ Unit floor plans ○ Unit schedule ○ Elevations ○ Window and door schedules ○ Mechanical schedules ○ Plumbing schedules ○ Lighting schedules ○ Appliance schedules 	<ul style="list-style-type: none"> • Projected Energy Modeling Data (ONLY for High-efficiency component) <ul style="list-style-type: none"> ○ Spreadsheet correlating projected energy simulation files with unit types and the unit schedule ○ Energy simulation files ○ Output reports (may vary depending on software)
Documentation Required for Final Approval and Payment	
<ul style="list-style-type: none"> • ESID numbers of all units proposed for inclusion in the project (gathered with assistance by CenterPoint Energy) • All applicable submittals, invoices and/or bills of lading pertaining to applicable measures seeking incentives (electrical and gas use measures that can't be inspected visually). • ONLY for High-efficiency Component: <ul style="list-style-type: none"> ○ Confirmed Energy Modeling Data ○ Energy simulation files for every unit or building, as applicable, that is participating in the Program ○ Output reports (may vary depending on software) ○ Testing and Inspection information for every unit that is participating in the Program ○ Date of Inspections / Tests ○ Inspection / Test Results <ul style="list-style-type: none"> ▪ Rough inspections ▪ Final inspections ▪ Duct Blaster result ▪ Blower Door result 	<ul style="list-style-type: none"> • ONLY for Hard to Reach properties: <ul style="list-style-type: none"> ○ Property income eligibility for Hard-to-Reach funds, established via Public Utility Commission of Texas' (PUCT) Property Owner Certification Form of Tenant Income Eligibility For Full Incentive Energy Efficiency Services or equivalent, such as TDHCA Underwriting Report (if applicable) • ONLY for High-efficiency Component: <ul style="list-style-type: none"> ○ Sampling protocol information (if applicable) ○ Construction photos of buildings, dwelling units and applicable measure seeking incentives.(See Photo documentaion guidance.) ○ AHRI certificates and/or certificate numbers for each unique HVAC system installed within eligible units and a spreadsheet correlating certificates and units needs to be supplied. ○ Certificate for the applicable Above-Code Program for each participating unit (if applicable).

<ul style="list-style-type: none"> ▪ Initial Failures ▪ Pass/Fail 	
Direct Install Program	
Documentation Required for Application Approval	
<ul style="list-style-type: none"> • Completed and Signed Application Form • Property income eligibility for Hard-to-Reach funds, established via Public Utility Commission of Texas' (PUCT) Property Owner Certification Form of Tenant Income Eligibility For Full Incentive Energy Efficiency Services or equivalent, such as current TDHCA Carryover Allocation Agreement or Underwriting Report (if applicable) 	
Documentation Required for Final Approval and Payment	
<ul style="list-style-type: none"> • Not applicable, as documentation is provided by the Program Manager and no incentive is offered other than the installation of direct install measures. 	

Appendix D. Program Application Forms

High Efficiency New Construction (HENC) Program Application Form

Project Sponsors may submit HENC applications directly online using the CenterPoint Energy – Energy Efficiency Sponsor Portal: <https://cnpmfnc.Programprocessing.com/>.

A downloadable project application is also available at this site.

Direct Install (DI) Program Application Form

Project Sponsors may submit DI applications directly online using the CenterPoint Energy – Energy Efficiency Sponsor Portal: <https://cnpmfdi.Programprocessing.com/>. Alternatively, you may submit an application for DI projects by completing and submitting the form attached below via email to swiese@frontierenergy.com.

