



Southern California Edison Upstream HVAC Program 2013-2014 Distributor Participant Agreement

Program Description

The Upstream HVAC Program (hereafter referred to as the “Program”) is an energy efficiency program funded by customers of Southern California Edison (hereafter referred to as “SCE”) under the auspices of the California Public Utilities Commission (“CPUC”). Energy Solutions will serve as the “Program Implementer”. The Program provides incentives in the form of cash rebates to Distributors for selling qualifying high efficiency HVAC equipment to SCE electric customers. The two goals of the Program are to encourage increased stocking and upselling (i.e., explaining the technical benefits to customers and calculating return on investment) of high efficiency HVAC equipment. To participate in the Program, Distributors are required to sign this Participant Agreement with SCE and agree to its provisions.

Distributor Information

Company Name (“Distributor”)		Number of Locations	
Street Address		City	State Zip
Mailing Address (if different from above)		City	State Zip
Federal Tax ID Number		Tax Status (Corporate or Non-Corporate)	
Manufacturer(s) Represented		Internet Web Site	
Primary Management Contact Name	Phone Number	Fax Number	Email Address
Secondary Management Contact Name	Phone Number	Fax Number	Email Address
Rebate Data Entry Contact	Phone Number	Fax Number	Email Address



Terms, Definitions, and Conditions of Participation

Qualifying Distributors

For the purposes of this Program, a Qualifying Distributor is an entity that purchases Qualifying Equipment (defined below) directly from the manufacturer and sells such equipment to be installed at a facility of a Qualifying Customer (defined below). A Qualifying Distributor may sell equipment directly to Qualifying Customers or to a contractor, who resells to a Qualifying Customer. A vendor who purchases equipment from a distributor does not qualify for the Program. A rebate will only be given once for any piece of Qualifying Equipment.

Under certain circumstances, a manufacturer may serve as its own Distributor. In this case, the manufacturer/Distributor will qualify for the Program. If a manufacturer operates a warehouse facility which ordinarily does not act as a distributor of its products, that facility will be treated as the manufacturer and will not qualify for the Program. An entity that receives equipment for re-sale from the manufacturer's distribution facility and sells to end-use Qualifying Customers will be considered a Distributor for such purposes, and will qualify to participate in the Program.

Qualifying Customers

A Qualifying Customer receives electric transmission or distribution service from SCE. Sales to SCE-owned facilities, such as offices, customer service centers, or sub stations, do not qualify for rebates.

Note: An electric customer of a municipal utility or irrigation district does not receive electric transmission or distribution service from SCE. Therefore, equipment sold to such customers does not qualify for rebates.

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It is the Qualifying Distributor's responsibility to supply accurate and adequate customer information in the online Application, including the correct customer name, street address of the facility where the equipment is installed or job sited, and equipment sales date, to identify a customer's facility as a Qualifying Customer. Incorrect or insufficient information may result in a rejection of the rebate for the equipment sold to that customer.

Qualifying Equipment

Qualifying Equipment is new high-efficiency HVAC equipment that is sold to a Qualifying Customer and installed or job sited at a Qualifying Customer facility that receives electric service from SCE. Equipment must also meet or exceed the Program specifications to be considered Qualifying Equipment. Under the Program, specific Distributor Rebates are provided for different types of Qualifying Equipment. The table of Program specifications which indicates the Program's Minimum Qualifying Efficiencies and Distributor Rebates is provided on the Program web-site, www.cainstantrebates.com. Only Qualifying Equipment sold on or after the Program start date and installed or job sited at a Qualifying Customer facility in SCE service territory will be eligible for rebates. Applications for the following types of equipment must have a unique serial number entered for Qualifying Equipment: 1) single package and 2) split-system air conditioners

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and heat pumps. Applications will be searched for duplicate serial numbers and applications with the same serial number will be rejected as a duplicate application.

Program Duration

The Program start date is January 1, 2013. Qualifying Equipment sold on or after the start date will be eligible for rebates in SCE electric service territory only if it is installed or job sited at a Qualifying Customer facility in SCE electric service territory. The Program end date is no later than December 31, 2014. All rebate Applications must be submitted online on or before December 31, 2014 for eligibility.

Notwithstanding the Program end date, this Program has a limited budget and may be terminated earlier. Applications will be accepted on a first-come, first-served basis until the Program end date is reached or until allocated funds are spent. First-come, first-served status will be determined by the date the rebate Application is submitted online.

Online Application Submission

Applications for the Program must be submitted online. The URL for the online rebate Application is www.cainstantrebates.com. All online Applications must be entered and submitted on or before December 31, 2014. If you do not have access to the internet to submit your Application online, please contact the Program Implementer listed below to make other arrangements for Application submission.

By using the online rebate system, you acknowledge and accept the Terms and Conditions of the Program listed on the website. When you accept the Terms and Conditions, the rebate Application becomes a legally binding contract between you and SCE. If the Program Implementer enters an Application online for you, you agree that that Application is legally binding as if you had entered it personally.

You may only enter an Application after receiving a Distributor Identification Number and password. You should change your password before your first Application entry. You will be responsible for maintaining the privacy of your password and for Applications submitted using your password.

Facsimiles (Faxes)

Facsimiles of documents and any associated signatures shall be accepted as originals (except this Participation Agreement). All supporting documentation shall be faxed to the Program fax number (510) 482-4421. To be eligible for the Program, all supporting documentation (usually equipment specification sheets) must be faxed on or before December 31, 2014. Documents that are scanned and emailed will be considered and treated the same as facsimiles.

Verification

Each piece of equipment will be subject to verification of installation. Verification will be performed per SCE requirements by SCE or the Program Implementer on all equipment listed, or a select portion of the equipment listed, on every Application. In order to pass verification, the equipment's model number as listed on the Application must match the

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equipment. The equipment must be verified to be new equipment, and the equipment must be installed or job sited at the Qualifying Customer's facility. If the model number found during field verification is different from the model number as listed in the Application, Program Implementers will look up the new model number on the manufacturer's website to determine if the model found meets or exceeds the efficiency standards. If the model found meets or exceeds the standards, the unit will be passed; if the new model falls below the efficiency standards, the unit will be failed. The Distributor is responsible for submitting accurate and exact customer addresses. Incorrect addresses can result in SCE failing all the equipment at that location. If construction or other project delays cause units to not be installed or job sited at the Qualifying Customer's facility prior to the time of field verification, SCE will fail the unit and the Distributor may resubmit an Application after the Distributor has verified installation at the Qualifying Customer's facility.

Payment Holds

Program Implementer will randomly select a portion of Applications for field verification of installed or job sited equipment. For those pieces of equipment that are earmarked for inspection, payments will be held until the inspection is complete. All other units will be immediately processed for payment.

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Refunds and Adjustments

Program Implementer or SCE is entitled to a prompt refund from Distributor of any and all rebate amounts paid to Distributor for Qualifying Equipment that fails verification or resulting from inaccurate applications. Any refund of rebate amounts paid to Distributor to which Program Implementer or SCE becomes entitled will be deducted as an adjustment from Distributor's future invoices. If Program Implementer or SCE cannot offset the refund in a timely manner, then if requested by Program Implementer or SCE, the Distributor must promptly refund to Program Implementer or SCE the rebate amounts due Program Implementer or SCE. Any rebate applied for in an Application submitted by Distributor near the end date of the Program will be held by Program Implementer until verification is completed.

Suspension

At its discretion, SCE reserves the right to suspend a Qualifying Distributor from the Program. Typical reasons for a suspension are: incorrect or inaccurate rebate applications, failed verifications or inspections, not adhering to this Participant Agreement, or violating SCE's Program policies and procedures, equipment or customer eligibility, or the Program's terms and conditions. A Distributor may apply for reinstatement to the Program after 30 days. During the suspension period, SCE reserves the right to disqualify all of the Distributor's equipment sales from the date of suspension to the date of reinstatement.

Distributor initials: _____

Program Contacts

If you have question about the Program, please call the Program Implementer first, before calling the Program Administrator.

Program Implementer:

Energy Solutions – Jeff Johnston (562) 200-7020 x502
jjohnston@energy-solution.com

Program Administrator:

SCE – Lorraine Espinosa-Nall (626) 302-0371
Lorraine.Espinosa-nall@sce.com

CPUC Authority

This Agreement shall at all times be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction. Distributor understands that the CPUC may commence an investigation or other regulatory proceeding in connection with the Program and/or this Participant Agreement. Distributor agrees to cooperate fully with any such investigation or proceeding.

SCE does not guarantee that it can keep any data confidential. This Program is subject to oversight by the CPUC, which may wish to review any Program data that SCE receives. Furthermore, SCE will have no liability to Distributor or other party as result of any public disclosure of any data or other materials.

Nonetheless, SCE understands the sensitive nature of certain data supplied by Distributor. Any participant data provided by Distributor to SCE as part of the Program will be used only for the purpose of tracking and analyzing trends in sales of Qualifying Equipment over the course of the Program in order to evaluate the effectiveness of the Program.

The cumulative sales information of all participating Distributors will be used to generate an overall report, which will act as the basis for determination of the Program's success. This report will be made available to the public. However, this report will not contain Distributor-specific information.

Application Agreement Clauses

The following clauses contain Terms and Conditions that are part of every Program Application. By signing this Participant Agreement, Distributor agrees that these Terms and Conditions will apply to every Program Application Distributor submits:

I, as Distributor or as an authorized representative of Distributor, certify that the information Distributor has submitted for this Program is true and correct and that all of the equipment listed in any Application will be new and sold to a SCE customer intending



to install it in a facility that receives electric transmission or distribution service from SCE. Furthermore, I will take appropriate internal administrative steps to avoid duplicate entries of equipment that may be created due to our current paperwork process, personal organization of assigned administrative support, and potential fraudulent activity.

Distributor agrees to comply with the Program's objectives to: 1) upsell qualifying high efficiency HVAC equipment, and 2) stock qualifying high efficiency HVAC equipment. Upselling requires the Distributor to explain the benefits of high efficiency HVAC equipment and, when necessary, to calculate its cost benefits.

Distributor agrees to cooperate with verification activities conducted by SCE or the Program Implementer of both the sales transaction and equipment installation, and to provide information about its stocking practices, sales practices, and customers for use in Program measurement and evaluation activities.

Distributor understands that Applications and supporting documentation must be received by SCE online or faxed no later than December 31, 2014. Distributor understands that the Program has a limited budget and Applications will be accepted on a first-come, first-served basis until December 31, 2014 or until Program allocated funds are no longer available, whichever comes first.

Distributor understands the Program requirements as set forth in the Participant Agreement and agrees to abide by those requirements. Further, Distributor understands that payment of any rebate under the Program is contingent upon providing SCE with complete and accurate documentation as necessary to support Distributor's Application(s).

Distributor understands that SCE or the Program Implementer will conduct selected field verifications to ensure that equipment was sold and installed or job sited in the manner required by the Program, and that SCE reserves the right to adjust or deny rebate payments, require repayment of rebates previously paid, or suspend Distributor's participation in the Program based on the results of these field verifications. SCE reserves the right to make changes to the Program subject to internal audits or changes in business conditions.

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The Distributor and its Subcontractors shall preserve all records of sales on equipment for which a rebate was received from SCE under this program for a period of three years after termination of this Participation Agreement. SCE's representatives shall have the right to inspect and to reproduce any such accounts and records related to equipment purchase, sales, or the rebates received. All financial statements, reports, records, and other documents shall properly reflect the true facts about all activities and transactions for which the Distributor received a rebate as a Program participant.



Tax Liability

Program Implementer or SCE will report Distributor’s rebates as income to Distributor on IRS Form 1099 unless Distributor has indicated corporation tax status above. Distributor is urged to consult its tax adviser concerning the taxability of rebates. Program Implementer or SCE is not responsible for any taxes that may be imposed on Distributor as a result of receipt of rebates from this Program.

Distributor agrees to be bound by this Participation Agreement and has caused this Participant Agreement to be executed by its duly authorized representative.

Distributor Signature _____
Title _____
Print Name _____
Date _____

Distributor Participant Agreement Checklist:

1. Fill out Page 1 in the Distributor Information section
2. Initial Page 2 in the Qualifying Customers section
3. Initial Page 2 in the Qualifying Equipment section
4. Initial Page 3 in the Verification section
5. Initial Page 4 in the Payment Holds section
6. Initial Page 4 in the Suspension section
7. Initial Page 6
8. Sign Page 7
9. Mail original Participant Agreement to address below

Mailing Instructions:

Please make a copy of this Participant Agreement for your records, and then mail the original signed and initialed document to:

**Energy Solutions
Attention: Jeff Johnston
200 Pine Ave. Suite 640
Long Beach, CA 90802**