

NOT-FOR-PROFIT REBATES TERMS AND CONDITIONS

1. Incentives

- a) Subject to these Terms and Conditions, The Long Island Power Authority or LIPA (The "Authority") will pay incentives to eligible Customers or their Representatives (hereinafter "Customers") for the installation of ECMs.
- b) "ECMs" are those electric conservation measures identified as such in program materials issued by the Authority and other site-specific Custom Measures that are approved by the Authority.

2. Customer Eligibility

LIPA's Customer Driven Efficiency Program is available to qualified not-for-profit electric customers in the LIPA service territory.

3. Pre-Approval and Pre-Installation Survey

- a) The Authority is not bound to pay any incentives unless the Authority pre-approves the ECMs proposed by the Customer and completes a satisfactory energy analysis of the Customer's facilities, unless the Authority has waived such pre-approval/inspection requirement explicitly.
- b) The Authority reserves complete discretion to approve or disapprove of any proposed ECMs.

4. Post-Installation Verification

The Authority is not bound to pay any incentives until it has performed a satisfactory post installation verification of the installation unless the Authority has waived such post-installation verification requirement explicitly. If the Authority determines that the ECMs were not installed in a manner that is consistent with the purpose of achieving energy savings, or if the installation was not consistent with generally accepted good engineering practices, the Authority may require changes before making any payments.

5. Customer Application and Analysis

- a) In addition to completing the worksheet, the Customer may be required by the Authority to provide an analysis of the demand and energy reduction potential of the proposed ECMs. In some cases, the analysis must be prepared by a Professional Engineer licensed in the state where the Facility is located. Nameplate data may be required for ECMs having incentives based on peak demand.
- b) The Authority may independently review the Customer's application and analysis to determine the energy saving and demand reduction potential. The Authority reserves the right to reject or modify any calculations, based on the Authority's own analysis.

6. Site-Specific Custom Measures

The Authority will only approve of those site-specific Custom Measures that the Authority believes have cost-effective energy and/or demand reduction potential. In any case, the Authority reserves sole discretion to approve or disapprove of any such Measures proposed.

7. Incentive Amounts

- a) Before pre-approving any incentive amounts requested by the Customer, the Authority reserves the right to adjust and/or negotiate the incentive amount.
- b) Once an incentive amount is pre-approved, the Authority will pay no more than the cost to the Customer of purchasing the ECM, or the pre-approved incentive amount, whichever is less.
- c) The Authority reserves the right to lower the incentive amount if the quantity and/or cost of ECMs actually installed by the Customer differs from the pre-approved amounts. Notwithstanding any other provision of these Terms and Conditions, the Authority reserves the right to seek a refund for incentives paid if, at any time, it learns that the agreed to ECMs were not actually and properly installed or have subsequently been disconnected.
- d) The Authority reserves the right to withhold payment or award the incentive in the form of a bill credit for customers in arrears.
- e) The Authority reserves the right to withhold incentive payments for any Energy Conservation Measures (ECM's) that do not carry the Underwriter's Laboratory (UL) or, with the written consent of LIPA, an equivalent independent testing laboratory. Please consult with Underwriters Laboratory for your product classification into the appropriate UL category of the UL Listing Mark or the UL Classification Mark.

In addition, prior to including a technology in the program, the Authority reserves the right to require that the customer undertake, at the customer's own expense, further testing of such technology by Underwriters Laboratories (UL) or, with the written consent of LIPA, an equivalent independent testing laboratory. The UL classification of Energy Verification Services (EVS) is required. The purpose of the testing is to evaluate the technology's energy performance levels.

8. Cost of Equipment

At any time, upon the Authority's request, Customer must provide copies of all invoices (including all materials, labor, and equipment discounts) reflecting the costs of purchasing and installing the ECMs. The invoices shall include a breakdown of all ECMs purchased for installation under this Agreement. In addition the Authority may request any other reasonable documentation or verification of the cost to the Customer of purchasing the ECM. The Authority reserves the right at any time to require invoices from the contractor to determine the price paid by the contractor (including any discounts or incentives) for the ECMs. For custom ECMs, the Authority reserves the right to use the contractor's reasonable costs in order to determine the correct incentive amount.

9. Date of Incentive Payments

The Authority expects to pay the Design Incentive and Equipment Incentive within sixty (60) days after the retrofit and/or renovation is complete and the Authority has verified installation costs and satisfactory installation of the ECMs, all in accordance with the specifications.

10. Installation Service Costs Recognized

The Authority will recognize installation costs only to the extent that they are reasonable and actually incurred by the Customer.

11. Replacement of Burn-Outs

Customers who install energy-efficient lighting ECMs are expected to replace any of the energy-efficient lights that burn out with lights of similar or superior energy savings efficiency at the Customer's expense.

12. Monitoring and Evaluation Follow-up Visits

- a) The Authority reserves the right to make a reasonable number of follow-up visits to customer's Facility during the 24 months following the Actual Completion Date noted on this application. Such visit(s) will be at a time convenient to the Customer, made with at least one week advance notice given to the Customer by the Authority.
- b) The purpose of the follow-up visit(s) is to provide the Authority with an opportunity to review the operation of the ECMs for program evaluation purposes. The follow-up visit(s) will have no impact on the incentive paid to the Customer for installing the ECMs.

13. Limited Scope of Review

The Authority is under no obligation to: (1) make follow-up visits, (2) review the operation of the ECMs, or (3) make any suggestions of any kind to the Customer.

The scope of review by the Authority of the design and installation of the ECMs is limited solely to determining whether program conditions have been met. It does not include any kind of safety review.

14. Changes in the Program

Notwithstanding paragraph 26(d), the Authority may change the program and the Terms & Conditions at any time without notice. Pre-approved applications, however, will be processed to completion under the Terms & Conditions in effect at the time of the pre-approval by the Authority.

15. Publicity of Customer Participation

The Authority may wish to publicize the Customer's participation in the program, the results, the amount of incentives paid to the Customer, and any other information which reasonably relates to the Customer's participation. In such instances, the Authority will secure a release from the Customer authorizing to make such information public.

16. Installation Schedule Requirements

If the Customer is not engaged in construction of the Facility by the end of one year from the date the Authority signs this Agreement, the Authority may cancel this Agreement.

17. Limitation of Liability and Indemnification

The Authority's liability under this Agreement will be limited to paying the incentives specified in this Agreement. The Authority and any of its affiliates shall not be liable to the Customer for any consequential or incidental damages or for any damages in tort (including negligence) caused by any activities associated with this Agreement or in the program.

The Customer shall protect, indemnify, and hold harmless the Authority from and against all liabilities, losses, claims, damages, judgements, penalties, causes of action, costs and expenses (including, without limitation, attorney's fees and expenses) imposed upon or incurred by or assessed against the Authority resulting from, arising out of, or relating to the performance of this Agreement.

18. No Warranties

- a) The Authority does not endorse, guarantee, or warrant any particular manufacturer or product, and the Authority provides no warranties, expressed or implied, for any product or services. The Customer's reliance on warranties is limited to any warranties that may arise from, or be provided by contractors, vendors, etc.
- b) The Customer acknowledges that neither the Authority nor any of its consultants are responsible for assuring that the design, engineering and construction of the Facility or installation of the ECMs is proper or complies with any particular laws (including patent laws), codes, or industry standards. The Authority does not make any representations of any kind regarding the results to be achieved by the ECMs or the adequacy or safety of such measures.

19. Customer Must Pay All Taxes

The benefits conferred upon the Customer through participation in this program may be taxable by the federal, state, and local government. The Customer is responsible for declaring and paying all such taxes.

20. Limit of Incentive Payments

The Authority reserves the right, for any reason, to stop pre-approving ECMs at any time without notice. In particular, the Authority is not obligated to pre-approve any application for an incentive that may result in the Authority exceeding its program budget.

21. Pre-Approved Letter

After an application is approved by the Authority's authorized executive, the Customer will receive written notification of the pre-approved incentive amount and the date that the ECMs must be fully installed to qualify for incentive payments. Any ECMs installed prior to the issuance of the Authority's written authorization will be deemed as an unauthorized installation and the Authority will have no obligation to pay incentives for those ECMs.

22. Application Does Not Entitle Customer to Participate

The program described in this application may be altered, suspended, or canceled by the Authority at any time without prior notice. Under such circumstances, the Customer is not entitled to any program benefits in excess of those approved prior to such action by the Authority. Submission of a completed application does not entitle the Customer to program participation. Entitlement to program participation can only occur after the Authority has signed a copy of the application and granted pre-approval.

23. Vendor Selection

The Authority acknowledges that the Customer may select any vendor or contractor to perform the work contemplated by this Application, even after the Application is submitted for pre-approval by the Authority. Notwithstanding the foregoing, the Customer acknowledges that the Authority has the right to prohibit specific vendors or contractors from program participation.

24. Removal of Equipment

The customer agrees, as a condition of participation in the program, to remove and dispose of the equipment being replaced by the ECMs and in accordance with all laws, rules, and regulations. The Customer agrees not to reinstall any of this equipment in the service territory of the Authority or its affiliates.

25. Review of Specifications, Submittals and Drawings

The Customer may be required to provide the Authority with a copy of the specifications for the construction or renovation of the Facility that will be provided to the construction contractors. Such specifications must include the ECMs that are the subject matter of the Customer's application to this program. The Authority may refuse to pay incentives if the specifications do not adequately provide for installation of the ECMs consistent with good engineering and energy-efficient design practices. Customer will, upon request by the Authority, provide a copy of the as-built drawings and equipment submittals for the facility. The Authority may refuse to pay incentives if the final submittals and drawings do not adequately reflect the installation of the ECMs consistent with the original design intent as identified on the Customer application and worksheets. All equipment eligible for a rebate must be new equipment and installed by licensed contractors when required by code and/or law.

26. Miscellaneous

- a) This Agreement is composed of the application and these Terms and Conditions. It is the entire agreement between the parties and supersedes all other communications and representations.
- b) Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.
- c) The Customer acknowledges that the only individuals authorized to bind the Authority under this Agreement are the individual who signed this Agreement, or an officer of the Authority.
- d) If either the Authority or the Customer desires to modify this Agreement, the modification must be in writing and signed by an authorized person of the other party in order for the modification to be enforceable against that party.

If any provision of the Terms and Conditions is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining Terms and Conditions shall remain in full force and effect in accordance with their terms.