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May 21, 2024

**VIA FEDEX OVERNIGHT DELIVERY**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Consolidation of Proceedings and Approval of Act 129 Phase IV Energy Efficiency and Conservation Docket Nos. M-2020-3020820, M-2020-3020821, M-2020-3020822, and M-2020-3020823**

Dear Secretary Chiavetta:

Enclosed for filing is the executed CONFIDENTIAL Conservation Service Provider (“CSP”) contract between FirstEnergy Pennsylvania Electric Company on behalf of the Met-Ed, Penelec, Penn Power, and West Penn Power Rate Districts<sup>1</sup> (“FE PA” or “Company”) and the CSP selected to promote awareness of energy efficiency programs and their benefits and assist FirstEnergy Pennsylvania non-residential customers in submission of applications to FirstEnergy’s Commercial and Industrial (“C&I”) Energy Solutions for Business program for the remainder of the Phase IV plan cycle. The CSP will define and implement a plan to, engage, contact, and meet with FirstEnergy PA Utilities C&I customers via dedicated energy engineers, consultants, and account managers, which includes engagement of FE PA Utilities’ non-residential customers to provide technical assistance and engineering support to assist customers in identifying opportunities to install energy efficient measures or projects and to provide fluent process to make application to any FE PA Utilities C&I PA Act 129 Energy Efficiency Program.

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<sup>1</sup> On January 1, 2024, FirstEnergy Corp.'s Pennsylvania operating companies (i.e., Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company) merged into FirstEnergy Pennsylvania Electric Company. Due to the merger transaction, FE PA became successor in interest to all matters previously belonging to the individual Pennsylvania operating companies. As such, the customers of the former Pennsylvania Electric Company have their own separate and distinct rate district under FirstEnergy Pennsylvania Electric Company’s tariff.

In addition, this filing includes a CONFIDENTIAL copy of the FE PA cover sheet summarizing the aspects of the contract as required by the Pennsylvania Public Utility Commission's ("Commission") Phase IV Implementation Order<sup>2</sup>, which contains bid evaluation summaries (including the number of bids that were received, justification for selection of the CSP if based on receipt of less than three bids, and explanation for non-selection of the low-bid CSP).

The enclosures are marked CONFIDENTIAL because they contain competitively sensitive information, including, but not limited to, details about the bids received for the services to be provided under the CSP contract as well as the Company's evaluation of such bids. Therefore, the Company respectfully requests that the Commission afford the enclosures proprietary treatment and place them in a non-public folder.

The Company solicited and evaluated bids in accordance with its "Procedure for Awarding Contracts to PA Act 129 Conservation Service Providers" which was approved via Secretarial Letter by the Commission on July 16, 2020. The enclosed CONFIDENTIAL cover sheet describes the bid solicitation and evaluation process for the contract.

Further, the Company notes that the enclosed CONFIDENTIAL CSP contract will only be effective upon Commission approval.

FE PA respectfully request that the Commission approve the enclosed CONFIDENTIAL CSP contract through an expedited review process, thus allowing FE PA to market, outreach, and technical program services. Therefore, it is important that the enclosed CSP contract is approved as soon as practicable.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Daniel A. Garcia

DAG:vlr

Enclosure

cc: Certificate of Service

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<sup>2</sup> *Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228, at 114-17 (Order entered June 18, 2020).

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Joint Petition of Metropolitan</b>	:	
<b>Edison Company, Pennsylvania</b>	:	
<b>Electric Company, Pennsylvania</b>	:	
<b>Power Company and West Penn</b>	:	<b>Docket No. M-2020-3020820,</b>
<b>Power Company for Approval of Act 129</b>	:	<b>M-2020-3020821, M-2020-3020822,</b>
<b>Phase IV Energy Efficiency and</b>	:	<b>M-2020-3020823</b>
<b>Conservation</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties via listed below by e-mail.

Patrick Cicero, Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor.  
Harrisburg, PA 17101-1923  
[ra-oca@paoca.org](mailto:ra-oca@paoca.org)  
Steve Bainbridge - Attorney, Law Bureau  
Pennsylvania Public Utility Commission  
400 North Street Keystone Bldg.  
Harrisburg, PA 17120  
[sbainbridg@pa.gov](mailto:sbainbridg@pa.gov)

Kriss Brown - Law Bureau  
Pennsylvania Public Utility Commission  
400 North Street Keystone Bldg.  
Harrisburg, PA 17120  
[kribrown@pa.gov](mailto:kribrown@pa.gov)  
Joe Sherrick - Energy Conservation, TUS  
Pennsylvania Public Utility Commission  
400 North Street Keystone Bldg.  
Harrisburg, PA 17120  
[josherrick@pa.gov](mailto:josherrick@pa.gov)

Date: March 21, 2024



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Daniel A. Garcia

## FirstEnergy PA EDC CSP Contract Cover Sheet Act 129 – Phase IV

### Full company name of contractor and SEP registration Docket Number

CLEAResult – Docket #'s M-2020-3020820, M-2020-3020821, M-2020-3020822, and M-2020-3020823

### Brief description of statement of work

The services of CLEAResult are being sought to promote awareness of energy efficiency programs, their benefits and assist FirstEnergy PA non-residential customers in submission of applications to FirstEnergy's C&I ESB program. Specifically, FirstEnergy (PA) has a need to identify and close kW(pk) savings from energy efficiency projects in each of its four PA operating companies to meet regulated goals and has been limited in its success to secure a pipeline of Prescriptive, Custom and Energy Management kW(pk) Energy Efficiency project savings.

### Name of EE&C Plan Program associated with proposed contract and explanation if SOW addresses the Program in its entirety or in part

The proposed contract is for Marketing & Outreach on FirstEnergy PA Utilities managed accounts and projects with kW(pk) savings. Vendor will provide the program with skilled outreach and technical resources to implement the outreach strategy and engagement plan to establish a relationship with the current FirstEnergy PA Utilities program personnel and CSP's charged with Implementing FirstEnergy PA Act 129 Phase IV C&I ESB Programs.

### Estimated total contract cost and statement regarding incentives and rebates, their amount and explanation if total cost includes incentives and rebates

This contract is not for incentives or rebates. This contract is for marketing and outreach purposes only.

Dollar Summary		ME	PN	PP	WP
Fixed Startup Costs	Units: Fixed Monthly	\$ 1,278,561.78	\$ 1,454,919.17	\$ 365,721.87	\$ 1,470,797.19
Program Management	Units: Fixed Monthly	\$ 1,823,518.66	\$ 2,075,044.13	\$ 521,602.28	\$ 2,097,689.93
Marketing	Units: Fixed Monthly	\$ 95,974.63	\$ 109,212.74	\$ 27,452.80	\$ 110,404.60
Program Performance	Units: Per kW (pk)	\$ 3,197,795.88	\$ 3,638,881.28	\$ 914,702.68	\$ 3,678,593.62
		\$ 6,395,850.95	\$ 7,278,057.32	\$ 1,829,479.63	\$ 7,357,485.34

## Estimated targeted energy savings associated with contract

Target energy savings by Program and EDC are in the following table:

Operating Company	5/15/2025 (PY17)		12/15/2025 (PY18)		5/15/2026 (PY 18)	
	kW(pk)		kW(pk)		kW(pk)	
<b>Met-Ed</b>						
LCI	7,302	25%	14,735	25%	19,640	25%
SCI	811	3%	1,638	3%	2,182	3%
	8,114		16,372		21,822	
<b>Penelec</b>						
LCI	8,309	29%	16,747	29%	22,349	29%
SCI	924	3%	1,863	3%	2,483	3%
	9,233		18,610		24,832	
<b>Penn Power</b>						
LCI	2,089	7%	4,215	7%	5,618	7%
SCI	232	1%	468	1%	624	1%
	2,321		4,684		6,242	
<b>West Penn Power</b>						
LCI	8,400	29%	16,951	29%	22,593	29%
SCI	933	3%	1,884	3%	2,510	3%
	9,333		18,834		25,103	
<b>Milestone Total</b>	<b>29,000</b>		<b>58,500</b>		<b>78,000</b>	

## Timeframe and duration of contract from start date to completion

The term of the contract is for the remainder of Act 129 Phase IV and is expected to run from contract award until August 31, 2026. All services will be completed by May 31, 2026 and billing for Phase IV services must be completed by August 31, 2026.

## Statement relating to the number of bids that were received, justification for selection of CSP contractor/subcontractor if based on receipt of less than three bids for any particular program, and identification and explanation for non-selection of low-bid CSP, if applicable.

There was only one proposal received in response to the RFP. CLEAResult was the only bid. CLEAResult has performed well as the Company's current CSP in other programs and has proven experience with Marketing and Outreach efforts in Pennsylvania under Act 129. For these reasons, FirstEnergy requests that the Commission approve the Companies' recommended award of this contract.

# FirstEnergy® FirstEnergy Service Company PURCHASE ORDER

<b>CLEAResult CONSULTING INCORPORATED</b> 6504 BRIDGE POINT PKWY SUITE 425 AUSTIN, TX 78730 Attn: Andrew Fisk michael.stevenson@clearresult.com Phone: +1 (503) 575-4194	PO NUMBER	750105322
	SAP LEGACY PO	
	DATE	05/20/24
	PAYMENT TERMS	0199 ASAP - 2% 10 Days - 45 Net
	SHIPPING TERMS	009 3rd Party Bill,FOB destination
	CURRENCY	USD
	FE BUYER	Edward Packer (330)-384-4645
	REQUESTER	Julie Chadwell jchadwell@firstenergycorp.com

EXTERNAL COMMENT

**Ship To**  
Monongahela Power  
5001 NASA BLVD  
FAIRMONT, WV 26554  
6200-  
Attn: Julie Chadwell

**Bill To**  
76 South Main Street  
Accounts Payable A-GO-6  
Akron, Ohio 44308  
Attn: Julie Chadwell

Line Description	Backing Contract	Need By Date	Qty	Unit	Price	Total
1 PA C&I Marketing Outreach		03/29/24			22,860,873.24	22,860,873.24
<b>22,860,873.24 USD</b>						

**Note: Purchase Order must be viewed in electronic view on the Coupa web portal to ensure all information and requirements are understood and/or to obtain any attached additional documentation.**

**"Purchaser"** is the FirstEnergy company identified in the Ship To address above. If no FirstEnergy company is identified in the Ship To address above, then Purchaser is FirstEnergy Service Company on its own behalf and on behalf of its affiliates. If more than one company is identified as the Purchaser, the liability of each company named shall be several and not joint and shall be limited to such company's interest as identified therein.

**Proposal/Quote:** If a proposal/quote is attached or referenced in this Purchase Order, any terms or conditions contained within the proposal/quote shall be considered additional and material terms and conditions and are hereby objected to and rejected.

**Utilization of FirstEnergy Retirees:** If Supplier engages FirstEnergy (FE) retirees in support of work under this Purchase Order, they shall identify these retirees by name to the FE contact person prior to the retiree performing any work under this Purchase Order. FE retirees shall not perform work under this Purchase Order unless and until receiving written approval from the FE contact person.

**Contact Us:** For contract concerns, please comment and tag the FE Buyer referenced on the Purchase Order Header. For technical concerns, please tag the Requester.

**Payment:** The payment terms shown on the face of this Purchase Order supersede any payment terms referenced elsewhere in the Agreement. Purchase Orders with payment terms other than pay immediately will be processed on the 10<sup>th</sup>, 20<sup>th</sup>, and the last business day of the month. If the 10<sup>th</sup> or 20<sup>th</sup> fall on a weekend, the payments will be made the following business day.

**Freight:** FirstEnergy Service Company utilizes a third-party freight management program to optimize inbound freight services and costs for FirstEnergy Corp. All goods acquired under this purchase order shall be shipped as specified herein. All shipments shall be billed

"THIRD PARTY" to Ardmore Power Logistics. Purchaser reserves the right to reject COD (cash on delivery) Shipments. Supplier shall not insure the goods for Purchaser's account during shipment except upon Purchaser's written request.

FirstEnergy's online routing guide can be accessed at [www.firstenergyfreight.com](http://www.firstenergyfreight.com) and is programmed to route parcel shipments (e.g. UPS) as well as motor freight shipments (e.g. FedEx Freight, Pitt Ohio, etc.). The guide creates barcodes for parcel shipments and bills of lading for motor freight shipments and pickups can be scheduled electronically for each mode through this site. If your shipment does not fall into the parcel or motor freight category and/or requires special handling, please contact Ardmore Power Logistics at 877-340-7447.

NOTE: Failure to follow the above instructions may result in a short pay or payment refusal situation as FirstEnergy reserves the right to deny the payment of any freight-related charges on all noncompliant shipments. All requests for reimbursement must be submitted through the [www.firstenergyfreight.com](http://www.firstenergyfreight.com) site by clicking on "click here" in the last paragraph in the blue box.

**Sales Tax:** Sales Tax, if any, shall be shown separately on any bids or invoices sent to Purchaser. Purchaser holds Direct Payment Permits from several states authorizing purchase of tangible personal property without payment of sales tax at the time of purchase. These operating companies will purchase materials using a Direct Pay Permit. FirstEnergy Service Company does not hold Direct Pay Permits, therefore sales tax related to these purchases varies by taxing jurisdiction. For verification of the sales tax exemption status, please request the Direct Pay Permits or exemption certificates. If you believe that your good or service should be marked as taxable and we have marked it otherwise, please reach out to your FirstEnergy contact via the PO comments.

**Terms and Conditions:** If no Backing Contract is identified in the above field, then this purchase order shall be governed by the attached Terms and Conditions for Materials, Equipment and Related Services which must be viewed in electronic view on the Coupa web portal. Otherwise, the terms and conditions governing each line of this purchase order shall be those identified in the Backing Contract field for each line item above, and such identified Backing Contract is incorporated herein by reference and made a part hereof.

**Additional Terms and Conditions:** Additional terms and conditions may be applicable. If applicable to the Work, the additional terms and conditions shall apply and be incorporated into the Agreement. Additional terms and conditions may be accessed at Additional Terms and Conditions / Important Information (<https://www.firstenergycorp.com/supplychain.html>)

## SUPPLEMENTAL TERMS AND CONDITIONS FOR CONTRACTS WITH CONSERVATION SERVICE PROVIDERS ("CSPs")

### NON-AFFILIATION

The CSP represents that it is not an affiliate of any Electric Distribution Company ("EDC") in the Commonwealth of Pennsylvania, including FirstEnergy's EDCs Pennsylvania Power Company, West Penn Power Company, Metropolitan Edison Company, or Pennsylvania Electric Company.

### MERGER

If CSP should merge with a Pennsylvania EDC or otherwise restructure in such a manner as to provide any such EDC with a direct or indirect ownership interest in CSP, then CSP shall immediately notify Purchaser of any such transaction as soon as the law permits. CSP acknowledges that in such an event, this Agreement shall automatically terminate and CSP shall be liable for any and all reasonable costs incurred by Purchaser to replace CSP with a comparable vendor. This remedy shall be in addition to any and all other legal or equitable remedies available to Purchaser.

### CSP REGISTRATION

CSP represents and warrants that it has complied with any and all filings required by law, including without limitation, any registration requirements of the Pennsylvania Public Utility Commission that are necessary to become a registered CSP. CSP further represents and warrants that it will maintain such registration in good standing throughout the term of this Agreement. CSP shall provide Purchaser with proof of valid registration or any renewals thereof. CSP acknowledges that the failure to maintain valid registration shall constitute a breach of this Agreement. In such an event, CSP shall be liable to Purchaser for any and all reasonable costs incurred by Purchaser to replace CSP with a comparable vendor. This remedy shall be in addition to any and all other legal or equitable remedies available to Purchaser.

### ADDITIONAL CRIMINAL/BACKGROUND REQUIREMENTS

Supplier, at its own expense and prior to performing any services pursuant to this Agreement that include: 1) access to any of FE's or its affiliates' assets, including buildings, properties and/or customer information, and/or 2) any contact with FE's customers, including but not limited to access to a customer's premises or other direct and personal contact with a customer, shall conduct criminal and identity investigations of all employees providing such services in order to ensure that Supplier's employees assigned to FE do not have criminal records and are not involved in criminal activity which could create a risk to FE's site, customers, and/or employees. Upon actual knowledge of a criminal record or involvement in criminal activity, Supplier shall immediately remove said employee or employees from the Work. FE, at any time, may request Supplier to verify that an employee(s) does not possess a criminal record. Supplier shall provide certification for each of Supplier's employees, who are authorized as part of the Work to have electronic or unescorted physical access to Critical Cyber Assets (as the same are identified by FE from time to time), that such employee: (i) has submitted to a Background Check within the past seven years whereby no evidence of a criminal record or criminal activity was discovered; (ii) is subject to a seven-year cycle re-check of the Background Check; and (iii) has received the FE-sponsored Security Awareness training or will receive such training prior to accessing Critical Cyber Assets. These requirements are subject to audit and certification by Supplier upon request by FE. A report on each employee shall be maintained for review by the parties or the Pennsylvania Public Utility Commission (PUC), which shall include a seven (7) year criminal background check as to any felony or misdemeanor convictions, and verification of identity, prior employment, education and any professional training required by Act 129, the PUC or FE.

CSP agrees to make data available to the Pennsylvania Act 129 Statewide Evaluator (SWE) regarding audits and interactions between these parties in regard to program data upon request by the SWE.

CSP shall retain all electronic and hard copy project file documentation that it creates pursuant to the CSP agreement for a period not less than five years.

All CSP subcontractors with an annual contract cost that equals or exceeds ten percent of CSP's total annual cost to perform services pursuant to an EDC EE&C plan must also be registered as CSPs. This is pursuant to "Implementation of Act 129 of 2008 Phase 2 - Registry of Conservation Service Providers Order" at Docket No. M-2008-2074154 (entered July 16, 2013).

**MASTER SERVICE AGREEMENT FOR  
PROFESSIONAL OR CONSULTING SERVICES**

This Master Service Agreement for Professional or Consulting Services dated as of the date of last signature (the "Effective Date"), is made between FirstEnergy Service Company ("Agent") acting on behalf of the Purchaser identified in the statement of work or in the ship to address on each Purchase Order, with its principal address at 76 S Main St. Akron, OH 44308 and CLEAResult Consulting Inc. with its principal address at 6504 Bridge Point Parkway, Suite 425, Austin, TX 78730 ("Consultant").

**WHEREAS** the purpose of this Agreement is to establish Master Service Agreement terms and conditions which will apply to statements of work, Purchase Orders and Change Orders issued by the Purchaser to procure professional and/or consulting services from Consultant.

**NOW THEREFORE**, in consideration of the promises and mutual covenants herein contained, the sufficiency of which are acknowledged and agreed to by the parties, and intending to be legally bound, Purchaser and Consultant mutually agree as follows:

**ARTICLE 1 - DEFINITIONS**

When used in the Agreement, the following terms shall have the meanings given below except when expressly indicated otherwise:

- A. "Agent" means FirstEnergy Service Company, its successors and assigns, as the authorized agent for the Purchaser.
- B. "Agreement" means the terms and conditions set forth in this document, together with a statement of work and/or Purchase Order, including all attachments, exhibits, revisions, addendums and supplements thereto.
- C. "Consultant" means the organization, individual or entity which is furnishing the Work.
- D. "Data" means material that includes documentation, manuals, maps, plans, schedules, programs, Specifications, software, reports, drawings, designs and other relevant information.
- E. "Purchase Order" is the document describing the commercial terms and additional terms unique to the transaction described thereto. The parties acknowledge and agree that the issuance of a Purchase Order by Purchaser to Consultant constitutes Purchaser's assent to that Purchase Order and such Purchase Order does not require Purchaser's signature.
- F. "Purchaser" means: the FirstEnergy company designated in the "Ship To" address of each Purchase Order for which the Work shall be performed. If more than one FirstEnergy company is identified as the Purchaser, the liability of each FirstEnergy company named shall be several and not joint and shall be limited to such FirstEnergy company's interest in the Agreement.
- G. "Purchaser's Site" means locations owned or leased by Purchaser, that the Work is intended to benefit, to which the Work is to be delivered, or where the Work is to be performed.
- H. "Release Order" means any individual release order issued pursuant to the terms of a Purchase Order and may describe specific products or services to be provided and other terms pertaining to that release.
- I. "Specifications" means the portion of the Agreement describing the products and services to be delivered by Consultant, including without limitation, drawings, dimensions, components, attachments, technical and non-technical requirements and characteristics, standards, performance requirements, and tolerances. Should any conflict occur between the Specifications and any other provision of the Agreement, the Specifications shall take precedence only when and to the extent that such application does not result in any way in the dilution or diminution of the rights or benefits of the Purchaser under the Agreement.
- J. "Work" means the deliverables, products, outcomes, results, information, new discoveries, inventions, improvements, technical consulting or other technical services, design services, analytical services, quality assurance, supervision and direction of work, or performance of labor, and all other facilities and services which are necessary for Consultant to complete its obligations under the Agreement.

**ARTICLE 2 - TERMS OF AGREEMENT**

- A. Offer and Acceptance. Consultant's acknowledgement, commencement of performance, or any conduct which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by Consultant of the Agreement and all of its terms and conditions. Acceptance of the Agreement is expressly limited to Consultant's assent to all of the terms and conditions of the Agreement. Additional or different terms provided in Consultant's acceptance of Purchaser's offer which vary in any degree from any of the terms herein or expressly referenced on the face of the Agreement shall be deemed material and are hereby objected to and rejected. If the Agreement shall be deemed an acceptance by Purchaser in response to an offer by Consultant and if any terms herein are additional to or different from any terms of such offer, then the issuance of the Agreement by Purchaser shall constitute an acceptance expressly conditioned upon Consultant's assent to all of the terms and conditions of the Agreement. Additional or different terms in any acknowledgement, invoice, or communication submitted by Consultant, or any attempt by Consultant to vary

in any degree any of the terms of the Agreement, unless expressly agreed to by Purchaser in writing, shall be deemed material and are hereby objected to and rejected. Any such terms proposed by Consultant, whether by offer or acceptance, shall be void unless expressly agreed to in writing by Purchaser.

- B. Integration; Modification. The parties intend the Agreement to constitute the complete, exclusive and fully integrated statement of their agreement concerning the subject matter hereof. As such, the Agreement is the sole repository of their agreement and the parties are not bound by any other agreements of whatsoever kind or nature pertaining to the subject matter hereof. The parties further intend the complete, exclusive and fully integrated statement of their agreement may not be supplemented or interpreted by any evidence of trade usage, course of dealing, or course of performance. No amendment, modification, or rescission of the Agreement shall be enforceable unless the same is in writing and signed by the party against whom the terms of such amendment, modification, or rescission are sought to be enforced.
- C. Non-Exclusivity. The Agreement is not exclusive, and Purchaser may, at its sole discretion, contract with others to perform such Work as is herein contemplated, or may perform such Work with its own forces.
- D. Modifications to Work. If Purchaser requires modifications and/or changes to the Work after it has been performed, which modifications and/or changes are through no fault of Consultant, or if Purchaser desires additional Work not covered by the Agreement, Consultant shall only perform such Work as ordered by Purchaser in writing, and shall be paid for such Work as agreed to in writing between the parties.
- E. Independent Contractor. Consultant shall be considered an independent contractor in its performance of the Work and responsible for all acts or omissions (negligent or otherwise) of its agents, employees and subcontractors Consultant alone shall be liable and responsible for the manner and methods by which the Work is performed and for materials, work force and equipment supplied in connection therewith, irrespective of whether or not any changes are made as a result of any comments received from Purchaser. Nothing in the Agreement or in the performance of the Work shall be construed to create a partnership, joint venture or other joint business arrangement between Purchaser and Consultant. Consultant shall be responsible for all contributions for unemployment compensation, workers' compensation, social security, and other employment benefits of its employees.

### **ARTICLE 3 - SHIPMENT, DELIVERY, AND INSPECTION OF WORK**

- A. Title and Risk of Loss. Title and risk of loss of products and materials incorporated into the Work passes to Purchaser upon notification to Consultant by Purchaser of acceptance of the Work. All products and materials brought to Purchaser's Site by Consultant or its subcontractors must be removed by Consultant or subcontractor immediately once no longer needed, or upon Consultant's departure.
- B. Time is of the Essence. THE OBLIGATION OF CONSULTANT TO MEET THE DELIVERY DATES, SPECIFICATIONS AND QUANTITIES SET FORTH HEREIN IS OF THE ESSENCE OF THE AGREEMENT
- C. Delivery. Consultant shall notify Purchaser immediately of any delay in delivery or shipment that may affect the completion date of the Work. If Consultant fails to meet the delivery schedule, Purchaser, without limiting its other rights or remedies, may: (1) direct expedited routing and charge to Consultant all additional and incidental costs incurred thereby; or (2) cancel all or part of the Work.
- D. Inspection, Rejection and Revocation. The Work shall be subject to inspection, tests, and count by Purchaser at any time or place at the discretion of Purchaser whether during or after manufacture, delivery or installation. Nothing herein shall relieve Consultant of the obligation to make full and adequate testing and inspection of any Work. If any of the Work is defective or otherwise not in conformity with the requirements of this Agreement, Purchaser, in addition to its other rights, may reject the same and: (1) receive full credit from Consultant; or (2) require its correction in accordance with Article 6. Any Work Purchaser rejects shall not thereafter be tendered for acceptance without Purchaser's written consent.
- E. Records. Consultant shall maintain books, records, documents and other information sufficient to determine the status of Consultant's performance, testing, and compliance with the requirements of the Agreement.
- F. Work Acceptance. Acceptance of the Work shall be when: (1) Consultant has completed the performance of the Work; (2) all required testing has been successfully completed; (3) the Work complies with applicable law and all of the requirements of this Agreement; (4) Consultant has provided all tools and spare parts, all drawings and specifications, all supplier warranties, and all manuals and other documentation related to the Work that are required to be provided by Consultant; (5) Consultant has removed all supplies, waste, materials, rubbish, and temporary facilities from Purchaser's Site; and (6) Consultant has delivered to Purchaser lien and claim waivers as required by Article 10.
- G. Purchaser's Review and Approvals. Purchaser's review or approval of, or right to review, release and/or approve, any Work provided or performed by Consultant under this Agreement (including approval of drawings and Specifications, subcontractors, safety and environmental protection guidelines, quality assurance, quality control, testing and inspection procedures) shall not in any way be deemed to limit or alter Consultant's responsibility to schedule, coordinate, perform, inspect, test, and complete the Work in strict accordance with the requirements of this Agreement, or Consultant's obligations under Article 6.

**ARTICLE 4 – CONTRACT PRICE AND PAYMENT**

- A. Pricing. Pricing stated in the Agreement shall be the maximum Purchaser shall pay Consultant for the Work. Unless otherwise set forth in the Agreement, Purchaser will not be responsible for any additional charges, including boxing, packing, crating, carting, insurance or shipping. All amounts referenced in the Agreement are in United States dollars. Except to the extent otherwise provided in the Agreement, Consultant shall pay all taxes, duties, levies and all other fees and charges imposed by any governmental entity with respect to the Agreement and the Work.
- B. Invoicing.
1. Unless otherwise instructed in a Purchase Order or statement of work, invoices shall be submitted electronically in FirstEnergy Service Company's eProcurement system against the Purchase Order. The elements of all amounts invoiced shall be shown separately, by applicable line items, and shall be classified as Purchaser may require for accounting and payment purposes. Any taxes payable by Purchaser hereunder shall be shown separately on any bids and invoices sent to Purchaser. For Work to be performed on a time and materials basis, each invoice must: (1) detail by activity the man-hours worked by Consultant; (2) detail by activity the labor cost; (3) detail the direct reimbursable costs in connection with the Work; (4) indicate the cumulative cost to date for all activities; (5) indicate the total monthly cost of the Work; and (6) include other information reasonably required by Purchaser. Any disputed invoice or portion thereof need not be paid, but in such case, Purchaser shall promptly notify Consultant of any rejected invoice or portion thereof (with reasons for such rejection). Invoices shall be submitted upon final completion of the Work, not later than the 10th day of each month. Purchaser may deduct five percent (5%) as a processing fee from Consultant for any invoice issued more than one hundred eighty (180) days after Purchaser's acceptance of the Work.
  2. Evaluated Receipt Settlement. Notwithstanding the foregoing, when tangible goods are requested and specified on the Purchase Order as an Evaluated Receipt Settlement (ERS), Consultant invoice is not required. The payment will be scheduled and paid based on Purchase Order payment terms.
- C. Payment. Each invoice shall, after approval by Purchaser, be processed for payment in accordance with the terms of payment as set forth in the Agreement. Unless otherwise set forth in the Agreement, payment terms are 2% 10 Net 45 days. Purchaser may retain ten percent (10%) of each payment due, which shall be paid to Consultant when Purchaser has fully accepted the Work and is satisfied that the interests of the Purchaser in the completed Work have been protected. Such payment shall not be unreasonably withheld. Payment dates shall be calculated from the date Purchaser receives a correct invoice or accepts the Work, whichever is later. Payments by Purchaser shall not be deemed evidence of acceptance by Purchaser of the Work. After completion of the Agreement and final acceptance of the Work, any retained monies, except those retained under Article 4(D) hereof, will be paid without interest to Consultant in accordance with the terms of payment designated in the Agreement.
- D. Withholding.
1. If Purchaser has a claim under the Agreement, regardless of when it is discovered, including a claim that: (1) Consultant's invoice is erroneous; or (2) the Work is deficient, defective or incomplete; or (3) Purchaser, another supplier, subcontractor, or other party suffers damage or injury which is attributable to Consultant; or (4) Consultant fails to make a payment as and when due to a subcontractor or supplier for materials, labor or equipment; or (5) Consultant has failed to supply any affidavit, release or waiver of lien Purchaser may require; then Purchaser may withhold payment of, or set-off the amount of its claim, costs, or loss, against any amount owed to Consultant. If any monies are so withheld, Purchaser shall only pay such amount when, without cost to the Purchaser, the cause of such withholding has been eliminated to Purchaser's satisfaction. If any monies are so withheld, Purchaser shall not be responsible for any interest payment to Consultant.
  2. New Jersey Withholding. If applicable, in accordance with New Jersey law, Purchaser shall withhold a portion of payments owed to Consultant for services to construct, improve, alter, or repair a building, structure, or improvement to real property unless Consultant provides written documentation that Consultant is an entity registered to do business within the State of New Jersey.
- E. Set-off. Purchaser shall be entitled at all times to set-off any amount owing from Consultant to Purchaser or any affiliate of Purchaser against any amount payable by Purchaser hereunder.
- F. Audit. Purchaser shall (upon reasonable notice) have the right to audit books and records of Consultant for the purpose of confirming the amount due to Consultant or Consultant's performance of its obligations under the Agreement. Consultant, its subcontractors and any other entity Consultant uses to perform its obligations under the Agreement shall preserve all such records for a period of three (3) years after final payment hereunder. Upon request, Consultant shall provide Purchaser with information related to prices of materials, equipment and services sufficient to enable Purchaser to comply with accounting regulations of any governmental or quasi-governmental organization. Consultant shall provide for such right to audit by Purchaser in all contracts with subcontractors and other entities relating to the Agreement.
- G. Self-Employed Status. Consultant is deemed to be a self-employed independent contractor; and accordingly, no sums are contemplated to be withheld from Consultant's compensation to cover the payment of income taxes, FICA (social security), FUTA

(unemployment compensation) or other taxes. Consultant agrees to file all required federal, state and local income tax and other tax returns (including, without limitation, all required declarations of estimated tax) covering Consultant's compensation hereunder. Consultant agrees to pay all such taxes and contributions when due; and Consultant hereby indemnifies Purchaser and holds it harmless from and against any and all loss, cost and liability whatsoever incurred by or claimed against Purchaser for any failure of Consultant to comply herewith.

**ARTICLE 5 – SERVICES AND CONSULTANT'S EMPLOYEES**

- A. Consultant Employees. Consultant will employ experienced, qualified, reliable and trustworthy persons to perform the Work. At Purchaser's request, the credentials of any of Consultant's employees assigned to perform the Work shall be submitted to Purchaser in advance of such assignment. Individuals employed by or representing Consultant on Purchaser's Site (or who have access to Purchaser's network) shall be subject to Purchaser's continuing approval. During the performance of the Work, Purchaser may object to any Consultant employee who, in Purchaser's opinion, does not meet these criteria or whose performance is unsatisfactory. In such case, Consultant shall, at its expense and risk, immediately replace or remove such individual from the Work. Notwithstanding the foregoing, Consultant shall be responsible for all acts or omissions (negligent or otherwise) of its agents, employees and subcontractors.
- B. Background Checks. Consultant shall make best efforts to ensure that each employee assigned to the Work has had a background check consisting of, at a minimum, an identity verification (e.g. Social Security Number verification in the U.S.) and a seven (7) year criminal check that revealed no evidence of a criminal conviction and does not pose a threat to the security or integrity of Purchaser's Site, customers, information assets, and/or employees. To the extent that Consultant becomes aware of any such potential threat to Purchaser's Site, customers, information assets, and/or employees, Consultant shall immediately remove such employee from the Work. Purchaser, at any time prior to the start of or during the Work, may request Consultant to verify it is in compliance with the background check requirements set forth herein.
- C. Substance Abuse. Consultant agrees to comply with all applicable state and federal laws regarding drug-free workplace, as well as Purchaser's rules and regulations concerning the same, available upon request. Consultant is responsible for ensuring all Consultant's employees and its subcontractors, while working on Purchaser's Site, will not: (1) be under the influence of drugs or alcohol; or (2) purchase, transfer, use or possess illegal drugs or alcohol; or (3) abuse prescription drugs in any way.
- D. Non-Interference. Consultant shall conduct the Work so as to minimize interference with other activities at Purchaser's Site. If Consultant is working at Purchaser's Site, Consultant shall cooperate fully with Purchaser and other vendors, and shall plan and perform the Work in such a manner so as not to interfere with the activities or operations of Purchaser or other vendors. Purchaser will establish priorities and, at the request of Consultant or other vendors, shall resolve interferences. Consultant shall not permit its employees or the employees of any of its subcontractors to operate the existing Purchaser's Site or any of Purchaser's equipment or facilities or to perform maintenance work on Purchaser's Site or any of Purchaser's other facilities, except as specified under the Agreement. Consultant and its employees, agents, subcontractors and suppliers shall enter and exit Purchaser's Site only by the entrances designated from time to time by Purchaser. Purchaser shall have the right to inspect all individuals, property, and vehicles entering and leaving any of Purchaser's facilities and exercise such control of individuals, property, and vehicles as Purchaser deems necessary in its sole discretion. Consultant shall comply with all of Purchaser's protection and safety rules for any Purchaser Site at which the Work is performed, and with all instructions and directives from Purchaser's Site manager or their designees.
- E. Safety and Health. Consultant shall conduct its operations in a manner to avoid risk of bodily harm to persons or damage to property. Consultant shall take all precautions necessary and shall be solely responsible for the safety of the Work and the safety and adequacy of the manner and methods it employs in performing the Work and shall not require any employee or representative performing hereunder to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to safety or health. Consultant shall conduct the Work in conformance with all applicable safety and health laws, ordinances, rules, regulations, orders and all other requirements (including, without limitation, standards under the Occupational Safety and Health Act (OSHA) and Purchaser's safety requirements) when at Purchaser's Site. Consultant shall continuously inspect its work, materials and equipment to identify any unsafe conditions, and shall promptly take action to correct any condition which presents such a risk. To the extent applicable, Consultant shall comply with all hazard communication standards promulgated by OSHA, 29 CFR 1910.1200, et. seq., the Pennsylvania Right To Know Act and similar hazard communication laws of other states; this includes evaluating and labeling all hazardous chemicals as defined by said standards and maintaining Material Safety Data Sheets on all such hazardous chemicals to ensure that hazard information with regard to chemical hazards produced, imported, or used within the workplace is transmitted to affected employees of Consultant, its subcontractor(s) and Purchaser.
- F. Testimony. Consultant agrees that (at the request of Purchaser) the persons performing Work under the Agreement shall be made available as consultants or witnesses in any litigation, hearing or proceeding to which Purchaser is or becomes a party, to explain or defend, as appropriate, any aspect of methods used by Consultant, or results or conclusions developed by Consultant in connection

with the applicable Work. Purchaser shall pay Consultant at its prevailing rates for all time spent by its personnel in connection with any court, administrative or other legal proceedings arising from or relating to the Work (except in a dispute between the parties), regardless of whether or not Consultant is subpoenaed to appear at such proceedings by Purchaser or any third party. Purchaser shall be entitled to a credit against such fees for any statutory witness fees paid to Consultant by Purchaser or any third party.

#### **ARTICLE 6 - STANDARD OF CARE AND PERFORMANCE**

- A. **Standard of Care.** Consultant warrants the Work: (1) will be conducted in a manner consistent with the highest generally accepted level of care and skill ordinarily exercised by professionals and other persons performing work of a nature similar to the Work; and (2) will be performed safely, lawfully, efficiently and properly, and otherwise in a good and workmanlike manner; and (3) will be in strict conformity with the requirements of the Agreement, including, without limitation, all specific design standards and the Specifications and drawings incorporated into this Agreement; and (4) will be of good workmanship and quality, free from defects (including, without limitation, defects in design, material, workmanship and title); and (5) will be fit for the ordinary purposes for which such Work is used or intended and for any particular purpose by Purchaser of which Consultant is aware. Consultant further warrants that all equipment used in connection with performance of the Work shall be in safe and proper working order. Consultant acknowledges and agrees that Purchaser is relying upon Consultant's professional expertise for the accuracy, competence and completeness of Consultant's Work.
- B. **Performance.** Consultant represents and warrants that it is technically, physically, financially, and legally competent, able to perform, and capable of performing the Work. Consultant represents, warrants and covenants that it has, and will have throughout the term of the Agreement, the requisite personnel, competence, skill and physical resources to perform the Work, and that it has, and shall maintain, the capability, experience, registrations, and permits required to perform the Work.
- C. **Remedies.** Consultant shall cure any breach of the foregoing warranties at no cost to Purchaser and shall reimburse Purchaser for any damages that may be incurred by Purchaser as a result of reliance by Purchaser, its employees, agents, other consultants or subcontractors on such Work or anticipated performance by Consultant. The costs of transporting, repairing, replacing, removing or installing material to make the Work comply with the above performance standards, warranties and requirements shall be borne by Consultant. If Consultant should fail to cure such breach or if Purchaser determines that Consultant will be unable to cure such breach before the scheduled time of completion, Purchaser may correct such breach itself or through a third party and charge Consultant for the costs incurred therefor.

#### **ARTICLE 7 - INTELLECTUAL PROPERTY RIGHTS**

- A. **Ownership.** All items Consultant is to deliver to Purchaser associated with the Work (including drawings and specifications, data, calculations, manuals, reports, documentation, designs, programs, software, and training materials) whether or not patentable, registrable as a copyrightable work, or registrable as a trademark or service mark, shall become the property of Purchaser and Purchaser shall own all intellectual property rights therein (including the rights to any patent, trademark or service mark, trade secret, and copyright). Any works of authorship conceived or recorded by Consultant during the term of the Agreement pertaining in any material respect to the Work shall be done as "work made for hire" as defined and used in the Copyright Act of 1976, 17 USC §1 et seq. Purchaser, as the entity for which the work of authorship is prepared, shall own all right, title and interest in and to such materials, including the entire copyright therein. To the extent that any such material is not deemed to be a "work made for hire", Consultant hereby assigns to Purchaser ownership of all right, title, and interest in and to such materials, including copyright. Notwithstanding the foregoing, nothing herein shall be deemed to convey or grant any ownership of intellectual property rights: (1) owned by Consultant prior to the effective date of this Agreement; or (2) developed by Consultant outside of the scope of work on the Work; provided that Purchaser shall receive with respect to any such rights a nonexclusive, irrevocable, fully paid-up and royalty-free, transferable, sub-licensable license to use, copy, communicate, and prepare modifications to such rights for the purpose of completing, operating, maintaining, repairing, modifying, adding to, improving and demolishing the Work and related systems and any replacement thereof.
- B. **Infringement.** Consultant warrants that the Work and every part thereof: (1) is and will be original; (2) does not and will not infringe upon or misappropriate any patent, copyright, trademark, or other intellectual property rights of any third party; and (3) has not previously been transferred to a third party or is otherwise encumbered. If the Work or any portion thereof is held to constitute an infringement or misappropriation of the intellectual property rights of a third party, then Article 8(B) shall apply.
- C. **Data Furnished by Purchaser.** All Data Purchaser furnishes in connection with the Work shall remain Purchaser's exclusive property. Consultant shall not use Purchaser-furnished Data for any purpose other than for the Work. Consultant shall, upon Purchaser's request: (1) sign and deliver a written itemized receipt for all Purchaser-furnished Data and shall be responsible for its safekeeping; and (2) return to Purchaser Purchaser-furnished Data and all copies thereof.

**ARTICLE 8 - INDEMNITY**

- A. Consultant's Indemnity. Consultant shall indemnify, defend, and hold harmless Purchaser, its parent, subsidiaries and affiliates, and each of their respective agents, officers, employees, successors, assigns, and indemnitees (the "**Indemnified Parties**"), from and against any and all losses, costs, damages, claims, liabilities, fines, penalties, and expenses (including, without limitation, attorneys' and other professional fees and expenses, any mediation, arbitration, and court costs, incurred in connection with the investigation, defense, and settlement of any claim asserted against any Indemnified Party or the enforcement of Consultant's obligations under this Article (collectively, "**Losses**") which any of the Indemnified Parties may suffer or incur, arising out of or related to the Work and/or the actions or omissions of Consultant and/or its subcontractors, including Losses relating to: (1) actual or alleged bodily or mental injury to or death of any person; or (2) damage to or loss of use of property of Purchaser, Consultant, or any third party; or (3) any contractual liability owed by Purchaser to a third party; or (4) any breach of or inaccuracy in the covenants, representations, and warranties made by Consultant under the Agreement; or (5) any violation by Consultant or any subcontractor of any ordinance, regulation, rule, or law of the United States or any political subdivision or duly constituted public authority; or (6) any lien or encumbrance arising out of or in connection with performance of Consultant's obligations under the Agreement; **provided, however**, that Consultant's indemnity obligations under this Article 8(A) shall not apply to any Losses to the extent such Losses are found to have been caused by the negligence or willful misconduct of any of the Indemnified Parties.
- B. Intellectual Property Indemnity. Consultant shall indemnify, defend, and hold harmless the Indemnified Parties from and against any and all Losses which any of the Indemnified Parties may suffer or incur arising out of or related to any claim, suit, or proceeding alleging that the Work, the intended use thereof, or any materials and information designed, specified, or used by Consultant or any subcontractor in performing the Work violates, infringes, or misappropriates any patent rights, copyrights, trade secrets, or other intellectual property rights of any third party. If the use of any Work is enjoined or restrained and Consultant fails to remove such injunction or restraining order within a reasonable time, Consultant shall promptly and at Consultant's expense: (1) secure for Purchaser the right to use the Work or any portion thereof which is said to be infringing by procuring for Purchaser a royalty-free license or; (2) replace the Work or such portion thereof with non-infringing Work that meets the requirements of the Agreement; or (3) remove such infringing Work or such portion thereof, as Purchaser may elect, and refund the sums paid therefor by Purchaser, together with any out-of-pocket costs incurred by Purchaser in connection with its purchase and use of the infringing Work, all without damage or injury to Purchaser's other property.
- C. Waiver of Immunities. If an employee of Consultant or its subcontractor, or such employee's heirs, assigns, or anyone otherwise entitled to receive damages by reason of injury or death to such employee, brings an action at law against any Indemnified Party, then Consultant, for itself, its successors, assigns, and subcontractors hereby expressly waives any provision of any workers' compensation act or other similar law whereby Consultant could preclude its joinder by such Indemnified Party as an additional defendant in such actions, or avoid liability for damages, contribution, defense, or indemnity in any such action at law, or otherwise. Consultant's obligation to Purchaser under this Article 8 shall not be limited by any limitation on the amount or type of damages, benefits or compensation payable by or for Consultant under any worker's compensation acts, disability benefit acts, or other employee benefit acts on account of claims against Purchaser by an employee of Consultant or anyone employed directly or indirectly by Consultant or anyone for whose acts Consultant may be liable.

**ARTICLE 9 - INSURANCE**

- A. Consultant's Insurance. Consultant shall secure and maintain in force minimum policies of insurance of the types listed below and shall furnish to Purchaser, prior to providing any portion of the Work and throughout the duration of the Consultant's performance of the Work, certificates of insurance evidencing current coverage listed below (collectively, the "**Policies**").
1. Commercial General Liability (CGL) insurance including products-completed operations, independent contractors, and contractual liability coverages with minimum limits of \$2,000,000 per occurrence, combined single limit for bodily injury (including disease or death), personal injury, and property damage (including loss of use) liability.
  2. Automobile Liability insurance, including non-ownership and hired car endorsement, with minimum limits of \$1,000,000 per occurrence, combined single limit.
  3. Worker's Compensation coverage in the statutory amounts under the worker's compensation act(s) of the location(s) in which the Work is to be performed, for the current period.
  4. Employer's Liability with a minimum limit of \$1,000,000 for each accident or illness.
  5. Professional or Errors and Omissions insurance with minimum limits of \$2,000,000 per occurrence.
  6. If the Consultant will have access to the Purchaser's Network/Systems or any of Purchaser's customer data, Consultant is required to provide Cyber Liability Insurance with limits of not less than \$2,000,000 per occurrence.
- Any of the above per-occurrence limits may be satisfied by a combination of primary and excess liability coverage.

- B. Additional Insured. FirstEnergy Corp. and its subsidiaries and affiliates shall be included by Consultant as an additional insured to the Policies for the portion of any losses resulting from, or related to, the Consultant's sole or concurrent negligence. The Policies shall provide primary and non-contributory coverage in relation to any insurance Purchaser carries for the same losses, and include a separation of insured's provisions. The limits of liability specified for the required insurance coverage herein are the minimum limits of liability that must be carried by Consultant. The limits of insurance required herein will in no way be deemed to limit any liabilities or obligations assumed by Consultant hereunder or under applicable law, except as provided by statute. A copy of the endorsement adding FirstEnergy Corp. and its subsidiaries and its affiliates as an additional insured (blanket endorsement is acceptable) shall be attached to the certificate of insurance providing general liability coverage.
- C. Lapse of Coverage. The Policies shall not be canceled or allowed to lapse, and no change shall be made altering, restricting or reducing the insurance provided or changing the name of the insured without giving immediate notice in writing to *FirstEnergy Service Company, Insurance Risk Management, 76 South Main Street, Akron, Ohio 44308*, with receipt of notice acknowledged. In the event of cancellation or lapse of or prohibited change in any Policy, Purchaser shall have the right to suspend provision of the Work by Consultant until the Policy and certificates in evidence thereof are reinstated or arrangements acceptable to Purchaser are made pending issuance of new Policies and certificates. If any Policy shall be about to lapse or be canceled, Consultant shall, obtain a new Policy with like coverage, and if Consultant fails to do so, Purchaser may terminate the Agreement.
- D. Waiver of Subrogation. Consultant hereby waives (and any of its subcontractors shall waive) any rights of subrogation they or any of their insurers may have against Purchaser, and each non-affiliated company disclosed in the Agreement, their respective agents or employees.

#### **ARTICLE 10 – ENCUMBRANCES**

Consultant shall neither file (nor cause or permit to be filed) any lien or encumbrance with respect to the Work and hereby waives any right to file (or cause to be filed) such lien or encumbrance. Consultant, in each of its subcontracts and agreements with suppliers related to the Work, shall require all subcontractors and suppliers to expressly waive their rights to file liens and shall provide Purchaser with copies of such waivers.

#### **ARTICLE 11 - TERMINATION**

- A. Events of Default; Termination for Cause. If Consultant: (1) fails to comply with applicable laws and ordinances; or (2) assigns or subcontracts its obligations under the Agreement or any part hereof without Purchaser's consent; or (3) otherwise fails or refuses to perform its obligations under the Agreement in any respect; or (4) fails to provide Purchaser, upon request with adequate assurance of future performance of the Agreement; or (5) becomes insolvent or makes a general assignment for the benefit of creditors or admits in writing its inability to pay debts as they mature or if a trustee or receiver of Consultant or of any substantial part of Consultant's assets is appointed by any court or proceedings instituted under any provisions of the Federal Bankruptcy Code or any state insolvency law by or against Consultant are acquiesced in or are not dismissed within thirty (30) days or result in an adjudication in bankruptcy or insolvency; or; (6) unnecessarily delays the Work or any part thereof; or (7) fails to perform the Work in accordance with the acceptable practices and customary diligence of the profession or industry of which Consultant is a member or in a timely way, then Purchaser may terminate the Agreement immediately or cancel any remaining portion of the Work (and Purchaser's corresponding obligations) and/or pursue any further remedies available at law or in equity. Notice of termination shall be in writing and shall be effective upon receipt thereof. Upon a final determination by a court of competent jurisdiction that a termination pursuant to this Article 11(A) was improper, the termination shall be deemed a termination for convenience pursuant to Article 11(B).
- B. Consultant may terminate the Agreement, including with respect to any Work in process if Purchaser breaches any material term of condition of the Agreement by providing Purchaser with at least thirty (30) days' written notice of the default and after Purchaser has had the opportunity to cure the breach during that time period.
- C. Termination or Suspension for Convenience. Purchaser may, at any time without cause and for its own convenience, terminate or suspend the Agreement, or from time to time, cancel any portion of the Work (and Purchaser's corresponding obligations) by giving Consultant written notice. Upon receiving a notice of termination, suspension or cancellation and (except as otherwise directed by Purchaser) Consultant shall: (1) stop all efforts under the Agreement related to the affected Work; and (2) place no further orders or subcontracts related to the affected Work; and (3) take all actions necessary (or as directed by Purchaser) to protect and preserve the Work; and (4) Consultant shall return all equipment, supplies, identification cards, etc. to Purchaser (collectively "**Cessation Actions**"). Purchaser shall pay Consultant its actual, necessary, reasonable and verifiable expenses as a direct consequence of such termination, suspension, or cancellation. Purchaser shall be entitled to the Work for which Purchaser has paid or, at Purchaser's option, Consultant shall attempt to liquidate the same, and Purchaser shall be entitled to the benefits of any value received. Consultant shall make every reasonable effort to mitigate costs. Purchaser shall not be liable for lost profit, anticipated profit or unabsorbed indirect costs or overhead on the terminated or cancelled Work. Purchaser's liability for termination expenses shall not exceed, in any event, the

unpaid balance of the contract price. The compensation described in this Article 11(B) shall be Consultant's sole and exclusive compensation and remedy if the Agreement is terminated, suspended or cancelled for convenience.

- D. Return of Pre-Paid Funds. Upon termination of the Agreement under this Article 11 for cause or convenience, Consultant shall return all pre-paid funds received from Purchaser to which Consultant is not entitled.

#### **ARTICLE 12- CHANGES TO SCOPE OF WORK**

Purchaser may at any time, by written notice, make changes altering, adding to, or reducing the scope of the Work, or changing the Specifications, packing and shipping instructions, time and/or place of delivery, quantities, sequencing, or accelerating the Work under the Agreement ("Change Order"). Consultant's performance of additional Work as related to the changes shall in no way be a basis of claims involving loss of efficiency on any Work performed or to be performed under the Agreement. Performance of additional Work shall not be a basis for schedule extensions unless such extensions are agreed upon at the time of award of the additional Work. Such changes shall be initiated by written order of Purchaser and Consultant shall submit the proposed cost or credit to Purchaser for any changes in the Work within fifteen (15) working days after receipt of the written order for Purchaser's approval. No change to the cost or schedule of the Work shall be binding upon Purchaser without Purchaser's written approval. Consultant shall be paid for any additional Work by an amount to be determined, at Purchaser's option, by (a) unit prices, (b) lump sums, or (c) other methods of reimbursement, in each case as designated in the Agreement, or as subsequently agreed upon in writing.

#### **ARTICLE 13 – COMPLIANCE WITH LAWS, REGULATIONS, AND PERMITS**

- A. During the performance of the Agreement, Consultant shall strictly comply with all federal, state and local laws, rules or regulations and executive orders applicable to the Work.
- B. Without limiting the foregoing, and unless exempted under the rules, regulations and relevant orders (41 CFR Chapter 60) of the U.S. Secretary of Labor, in connection with the Work, Consultant agrees as follows:
1. Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, gender, national origin, age or disability. Such action shall include, but not be limited to, employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Consultant shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the U.S. Department of Labor setting forth the provisions of this nondiscrimination clause.
  2. Consultant shall state, in all solicitations or advertisements for employees placed by or on its behalf, that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, national origin, age or disability.
  3. Consultant shall send to each labor union or representative of workers with which it has a collective bargaining agreement, contract or understanding, a notice to be provided by the U.S. Department of Labor, advising the labor union or workers' representative of Consultant's commitments under the following provisions, as amended from time to time:
    - a. Section 202 of Executive Order 11246 (Equal Opportunity);
    - b. Executive Order 11701 (Employment of Veterans);
    - c. Executive Order 11758 (Employment of the Handicapped);
    - d. Executive Order 11141 (Employment Discrimination Because of Age);
    - e. Executive Order 11625 and Public Law 95-507 (Utilization of Disadvantaged Business Enterprises); and
    - f. Executive Order 13496 (Employee Rights Under the National Labor Relations Act), and shall post copies thereof in conspicuous places available to employees and applicants for employment.
  4. Consultant and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.
  5. Consultant and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.
- C. If this Agreement is a subcontract under a government contract or a federally-funded project, Consultant shall comply with subcontractor flow-down requirements under the Federal Acquisition Regulations (48 CFR Chapter 1), as amended from time to time, which are specified in supplemental terms to this Agreement.
- D. Consultant shall comply with the Department of Commerce Export Administration Regulations ("EAR") in 15 CFR Chapter VII, subchapter C, including 15 CFR Section 734.2 which prohibits the export or release of controlled technology and/or software to foreign nationals within the United States who are not lawfully admitted to the United States for permanent residence. Consultant shall

confirm that these regulations either do not apply to Consultant's activities under the terms of the Agreement or that Consultant has procedures to ensure compliance. If Consultant is directly or indirectly employing a foreign national not currently lawfully admitted to the United States for permanent residence to perform work under the Agreement, Consultant warrants to Purchaser that such employment does not violate the foregoing regulations.

- E. Foreign Corrupt Practices Act ("FCPA"). The following provisions shall apply to Consultant (unless it is a foreign concern) if it performs or obtains any of the Work in a foreign country:
1. All payments to Consultant shall be by check or bank transfer only. No payment shall be in cash or by bearer instrument and no payment shall be made to any corporation or person other than Consultant. All payments due hereunder shall be made to Consultant at its principal place of business in the United States, even if Consultant performs or obtains the Work in a foreign country.
  2. Consultant represents that it is familiar with the FCPA and its purposes; and that, in particular, it is familiar with the prohibition against paying or giving of anything of value, either directly or indirectly, by an American company to an official of a foreign government for the purpose of influencing an act or decision in his official capacity, or inducing him to use his influence with that government, to assist a company in obtaining or retaining business for or with, or directing business to, any person.
  3. Consultant represents that none of its partners, purchasers, principals, and staff members are officials, officers, or representatives of any government or political party or candidates for political office. Consultant shall not use any part of its compensation for any purpose, and shall take no action that would constitute a violation of any law of the United States (including the FCPA) or of any jurisdiction where it performs services or manufactures or sells goods. Purchaser represents that it does not desire and will not knowingly request any Work by Consultant that would or might constitute any such violation.
  4. Purchaser may terminate the Agreement for default at any time, without any liability or obligation, if it believes, in good faith, that Consultant has violated this Article. Any action by Consultant which would or might constitute a violation of the FCPA, or a request for such action from Consultant's representative, shall result in immediate termination of the Agreement for default. Should Consultant ever receive, directly or indirectly, from any Purchaser representative a request that Consultant believes will or might violate the FCPA, Consultant shall immediately notify Purchaser's general counsel.
  5. Purchaser may disclose the existence and terms of the Agreement, including the compensation provisions, at any time, for any reason and to whomever Purchaser's general counsel determines has a legitimate need to know the same including, without limitation, the United States government, the government of any country where the Work is performed or obtained, and any regulatory agency with jurisdiction over Purchaser.
- F. Government Authorizations. Unless the Agreement otherwise provides, Consultant shall, at its own expense, obtain from appropriate governmental authorities all permits, inspections and licenses which are required for the Work and comply with all rules and regulations of insurance companies that have insured Consultant in any way related to the Work.
- G. Any costs, fines, penalties, awards, damages or other liabilities associated with any violations of this Article shall be borne and paid by Consultant.
- H. Information Assets Access. If Consultant's employees are given access to Purchaser's information and control systems, Consultant and such employees shall agree to and comply with FirstEnergy's Information Assets Access Agreement (located at: <https://www.firstenergycorp.com/supplychain.html>) governing Consultant's and such employees' use of such systems.
- I. Information Security. If applicable to its performance of the Work, Consultant shall be subject to the following:
1. Consultant Requirements: Without limiting Consultant's confidentiality obligations under the Agreement, Consultant shall be responsible for establishing and maintaining an information security program (including any relevant subcontractors) that is designed to: (i) ensure the security and confidentiality of Purchaser's data; and (ii) protect against any threats or hazards to the security or integrity of Purchaser's data; and (iii) protect against unauthorized access to or use of Purchaser's data; and (iv) ensure the proper deletion of Purchaser's data; and (v) ensure that all Consultant's subcontractors, if any, comply with the foregoing. If Consultant's information security system is breached, Consultant must timely notify Purchaser of such breach via e-mail and phone call. The minimum information security requirements will be incorporated into this Agreement as "FirstEnergy Security Requirements for External System & Service Providers" (located at: <https://www.firstenergycorp.com/supplychain.html>) and will be a material obligation of Consultant in its performance of the Work.
  2. Right to Audit. Consultant's information security program will be subject to periodic review, as requested by Purchaser. Consultant shall notify Purchaser of any modification to the information security program (including modifications made by subcontractors) for Purchaser's review and implement any safeguards required by Purchaser.
  3. Third-Party Audit. No less than annually, Consultant shall conduct an independent third-party audit of its information security program and provide such audit results to Purchaser. Consultant shall implement any required safeguards as identified by such information security program audit.

- J. Codes of Conduct. Consultant shall comply with all requirements of *FirstEnergy's Supplier's Code of Conduct (located at [www.firstenergycorp.com](http://www.firstenergycorp.com))* which is incorporated herein by reference, and any governmental regulatory codes of conduct applicable to the Work.
- K. NERC CIP Requirements. The following obligations shall apply to each Consultant employee who is authorized as part of the Work to have either electronic or unescorted physical access to Bulk Electric Systems ("**BES**") Cyber Systems (which Purchaser shall from time to time identify for Consultant) ("**CIP Employee**"). Upon request from Purchaser, at any time prior to the start of or during the Work, Consultant shall:

- (a) provide direct evidence (i.e. the actual search criteria and results) verifying that no CIP Employee possesses a criminal conviction; and
- (b) certify that each CIP Employee has completed the training necessary to achieve the North American Electric Reliability Corporation ("**NERC**") Critical Infrastructure Protection ("**CIP**") certification. (If required, Purchaser shall provide and pay for the training to achieve NERC CIP certification).

Pursuant to a NERC CIP compliant documented personnel risk assessment and training program, Consultant shall provide such evidence and certification confirming that each CIP Employee:

- (y) has either: (i) within the past seven (7) years, submitted to a background check consisting of at a minimum an identity verification (e.g. Security Number verification in the U.S.) and a seven (7) year criminal check that revealed no evidence of a criminal conviction; or (ii) has been subject to a similar seven-year cycle recheck; and
- (z) has received the Purchaser-sponsored Security Awareness training or will receive such training prior to accessing BES Cyber Systems.

Consultant shall inform Purchaser immediately, but no later than four (4) hours after actual knowledge, via email and phone call, if Consultant's employee having authorized electronic or authorized unescorted physical access to BES Cyber Systems is terminated or when the access rights of a Consultant's employee to BES Cyber Systems needs to be changed or revoked. Consultant agrees to adhere to current and future NERC CIP compliance regulations applicable to the Work and as required by Purchaser.

- L. Gifts and Gratuities/Conflicts of Interest. Purchaser's employees are subject to conflicts of interest and gifts and gratuities policies, which generally prohibit such employees and/or their family members from giving or receiving gifts, favors, services, or privileges (including travel and entertainment, and discounts that would not be available to the general public) from existing or potential customers, suppliers, or contractors that: (1) have more than a nominal value; or (2) exceed the level of standard business courtesies; or (3) the acceptance of cash, gift certificates, or loans in any amount. The conflicts of interest policy generally prohibits Purchaser's employees and/or their family members from serving as an officer, director, employee, consultant, agent, of, or owning any beneficial interest in, an organization having a business relationship with Purchaser as a supplier or contractor, if the employee is in a position to influence decisions concerning the relationship. The entire text of these policies may be found within the Supply Chain Section at [www.firstenergycorp.com](http://www.firstenergycorp.com). Consultant and prospective suppliers to Purchaser are expected to be aware of and comply with these policies in their dealings with Purchaser's employees and their family members. *Any suspected or actual violations of these policies should be reported; and, may be reported anonymously and confidentially by a customer, supplier, contractor, or employee by calling the Employee Concerns Line (1-800-683-3625), 24 hours a day, 7 days a week.*

- M. Conflict Minerals. For purposes of this Agreement, "**Conflict Minerals**" means any cassiterite, columbite-tantalite, gold, wolframite, or the derivatives tantalum, tin, or tungsten and any other mineral or its derivatives determined by the U.S. Secretary of State pursuant to Section 13p of the Securities and Exchange Act of 1934 to be financing conflict in the Democratic Republic of Congo ("**DRC**") or any country that shares an internationally recognized border with the DRC (collectively, and together with the DRC, the "**Conflict Region**"). With respect to any deliverable Purchaser reasonably determines has been or will be "contracted to be manufactured" or incorporated into a product "manufactured" by Purchaser, in each case, as contemplated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Act**"), and could contain Conflict Minerals:

1. Consultant shall disclose to Purchaser, in writing, whether such Work does contain Conflict Minerals and, if so, the type(s) of Conflict Mineral(s) the Work contains;
2. Consultant hereby represents to Purchaser that any such Conflict Minerals did not originate in the Conflict Region or, in the alternative, such Work is "DRC conflict free" as defined in the Act and the implementing regulations; and
3. Consultant shall comply with, and support Purchaser's efforts to comply with, the Act and its implementing regulations (including, without limitation, the Act's due diligence and reporting requirements), regardless of whether Consultant is a covered issuer under the Act, and comply with Purchaser's Conflict Minerals Policy.

Purchaser may terminate this Agreement for default at any time, without any liability or obligation, if it believes, in good faith, that Consultant has violated this Article 13(M).

- N. Identity Theft. Consultant agrees to perform all duties contemplated herein consistent with reasonable policies, procedures and related controls that are designed to detect, prevent and mitigate the risk of identity theft, and to take appropriate steps to prevent,

or mitigate the same if any such events occur. The need for this contractual provision is based on the Identity Theft Red Flags Rule promulgated under the Fair and Accurate Credit Transactions Act of 2003, which provides in pertinent part at 16 CFR Part 681 Attachment A VI (C): A financial institution or creditor should take steps to ensure that the activity of the service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft.

- O. Prevailing Wage. Consultant shall be responsible for determining whether any federal, state, county or municipal prevailing wage law applies to this Agreement, and if one does apply, then Consultant shall comply with the law, as amended, and shall be responsible for all computations related thereto. Further, Consultant will indemnify Purchaser for any claims arising from Consultant's failure to comply with this obligation.

#### **ARTICLE 14 - LIMITATION OF LIABILITY/DAMAGES**

Except as otherwise expressly provided under this Agreement, under no circumstances shall either party, its respective parent, subsidiaries and affiliates, be liable for any incidental, indirect, special, punitive or consequential damages (including anticipated profits or revenues).

#### **ARTICLE 15 - AUTHORITY OF AGENT**

- A. Authority of Agent. Agent is wholly authorized to perform any action, as agent and representative of Purchaser, included in, related to, or necessary to carry out the provisions of this Agreement, including any Purchase Order, Change Order or Release Order issued hereunder.
- B. Liability of Agent. Notwithstanding the Agent's authority described herein, the Agent is not, nor shall it be construed to be, a party to the Agreement or to any Purchase Order, Change Order or Release Order governed thereby. Under no circumstances shall Agent be liable for any obligations of Purchaser hereunder or for any incidental, indirect, special, punitive or consequential damages (including anticipated profits or revenues) for any controversy or dispute arising out of, related to, or touching in any way this Agreement or any agreement related hereto.

#### **ARTICLE 16 - PROHIBITION OF PUBLICITY**

Consultant shall not refer to the Agreement or reference Purchaser, its parent, subsidiaries and affiliates, directly or indirectly, in its advertising or promotional materials, or in any form of so called "social media" without Purchaser's prior express written consent.

#### **ARTICLE 17 - CONFIDENTIALITY**

- A. Consultant and Purchaser (individually "Party" and collectively "Parties") acknowledges that in the course of performing under the Agreement it ("Receiving Party") may have access to and/or be in possession of Confidential Information of the other Party ("Disclosing Party"). "Confidential Information" shall include scientific and technical information, formulas, devices, concepts, inventions, designs, drawings, methods, techniques, computer software, screens, user interfaces, system designs and documentation, marketing and commercial strategies, information concerning a Party's or any of its affiliates' employees, customers, or suppliers, processes, data concepts, know-how, and unique combinations of separate items that individually may or may not be confidential, which information is not generally known to the public and either derives economic value (actual or potential) from not being generally known or has a character such that a Party or any of its affiliates has an interest in maintaining its secrecy. Receiving Party shall hold in confidence, in the same manner as it holds its own Confidential Information, all Disclosing Party's Confidential Information to which it may have access pursuant to the Agreement. Receiving Party shall not use Disclosing Party's Confidential Information for any purpose other than performance of the Work and as set forth in the Information Assets Access Agreement. Access to Purchaser's Confidential Information shall be restricted to Consultant's employees with a need to know such information in connection with the Service. Access to Consultant's Confidential Information shall be restricted to Purchaser's employees with a need to know such information in connection with the Work. Receiving Party shall return Data and Confidential Information to Disclosing Party upon completion of performance of the Agreement, except that Receiving Party may maintain archival copies subject to Receiving Party's backup procedures or as required by law.
- B. Receiving Party shall not use or disclose Confidential Information for any reason or purpose without the prior written consent of the Disclosing Party. Receiving Party may use Confidential Information for the sole purpose of the performance of the Agreement for the benefit of the Disclosing Party. Receiving Party will take all precautions and actions to prevent sale, transfer, sublicense, use or disclosure of Confidential Information to any third party.
- C. The restrictions set forth in this Article shall not apply to information that: (1) is or has become generally known to, or readily ascertainable by, the public without fault or omission of the Receiving Party or its employees or agents; or (2) was already known to Receiving Party prior to the first disclosure of such information to Receiving Party by Disclosing Party; or (3) was received by Receiving Party without restrictions as to its use from a third party who is lawfully in possession and not restricted as to the use thereof; or (4)

is required to be disclosed by law or by order of a court of competent jurisdiction; or (5) was independently developed by Receiving Party through persons who have not had, either directly or indirectly, access to or knowledge of similar information provided by Disclosing Party.

- D. If Receiving Party is requested or required (by interrogatories, governmental request for information, request for production of documents, subpoena, Civil Investigative Demand or similar process, or otherwise required by applicable law) to disclose any Confidential Information of Disclosing Party, Receiving Party shall provide Disclosing Party with prompt notice of such request(s) so Disclosing Party may seek an appropriate protective order and Receiving Party shall use appropriate efforts to limit the disclosure and maintain confidentiality to the maximum extent possible.
- E. If Receiving Party breaches or threatens to breach this Article, the Parties acknowledge that there may exist no adequate remedy at law, and hereby agree that Disclosing Party shall have the right to seek temporary and permanent injunctive relief to restrain a violation of this Article, without the necessity of posting a bond. Disclosing Party's right to injunctive relief shall be cumulative and in addition to its right to seek and obtain other remedies, including monetary damages.
- F. Consultant shall incorporate the above provisions in all agreements with its subcontractors, agents and assigns.

#### **ARTICLE 18 - FORCE MAJEURE**

Neither party shall be liable to the other for failure to perform or for delay in performance due to unforeseen causes beyond its reasonable control, and such causes are without the failure or negligence of the affected party. Such unforeseen causes include, but are not limited to, acts of God, fire, flood, epidemic, strike, work stoppage or other labor difficulty, acts of governmental authority, federal, state, or local laws, orders or regulations, embargo, war, terrorist act, riot, civil commotion and/or insurrection, or by any other event or circumstance of whatsoever kind or nature not within the control of the affected party which, by exercise of reasonable diligence such party is unable to prevent, whether or not similar or dissimilar to any of the foregoing class of events or circumstances ("**Force Majeure Event**"). For the avoidance of doubt, economic hardship of an affected party shall not be considered a Force Majeure Event.

In the event of a Force Majeure Event, the time for performance by the affected party shall be extended by a period of time equal to the time lost by reason thereof. The affected party will: (a) promptly notify the non-affected party in writing of any causes or circumstances claimed to constitute a Force Majeure Event, the obligations which will be affected by such Force Majeure Event, the measures taken or to be taken to minimize the impact thereof, the schedule upon which such measures will be implemented, the anticipated duration of the failure to perform or delay, and documented evidence supporting the claim; and (b) use reasonable commercial efforts to mitigate the effect of such failure to perform or delay and to remedy the impact on the Work. The non-affected party will review the claim and advise the affected party in writing of the decision regarding the claim for extension of time for performance of the Agreement.

#### **ARTICLE 19 - MISCELLANEOUS**

- A. Assignment and Subcontractors.
  1. Consultant may not assign any rights or claims, or delegate any duties under the Agreement, in whole or in part, without Purchaser's prior written consent, which shall not be unreasonably withheld. In the event of any assignment, subcontracting or delegation permitted hereunder, Consultant shall continue to be liable for the performance of its obligations hereunder.
  2. If Consultant proposes to subcontract any portion of the Work, it shall submit to Purchaser the name of each proposed subcontractor(s) prior to engaging such subcontractor(s), with the proposed portion of the Work and such information about the subcontractor(s) as Purchaser may request. Purchaser may reject any and all subcontractors at its absolute discretion. Consultant shall not be relieved of any responsibility or obligations under the Agreement by subcontracting any portion of the Work, whether or not such proposed subcontract is approved by Purchaser.
  3. This Agreement is binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.
- B. Non-Wavier. The delay or failure of either party to assert or enforce the strict performance of any of the terms of the Agreement or to exercise any rights hereunder, shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights at any later time or on any future occasion.
- C. Severability. If any portion of the Agreement is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of the Agreement, and the parties further agree to substitute for the invalid provision, a valid provision that most closely approximates the economic effect and intent of the invalid provision.
- D. Cumulative Rights. Purchaser's rights and remedies set forth in the Agreement are cumulative and not exclusive, are in addition to any other rights and remedies provided at law, in equity, or under the Agreement, and may be pursued separately or concurrently as Purchaser determines.
- E. Governing Law, Jurisdiction and Venue. All matters of dispute between the parties, whether regarding, arising from or relating to the Agreement, or arising from alleged extra-contractual facts prior to, during, or subsequent to, formation of the Agreement including,

without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of contract shall be governed, construed, and enforced in accordance with the laws of the State of Ohio for both substantive and procedural matters (without giving effect to conflict of laws principles) regardless of the theory upon which such matter is asserted. The parties expressly exclude the applicability of the United Nations Convention on Contracts for the International Sale of Goods. Any legal suit, action, or proceeding regarding, arising from or relating to the Agreement, may be (and, if against Purchaser, must exclusively be) instituted in a State or Federal Court in Summit County, Ohio. Consultant waives any objection it may have now or hereafter regarding the jurisdiction or venue of any such suit, action or proceeding and hereby irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding.

- F. Interpretation. The following principles of interpretation shall apply to the Agreement: (1) paragraph headings and captions are inserted for convenience only and shall not constitute a part of the Agreement and shall not be considered in construing intent, meaning, content or construction; (2) neither Purchaser nor Consultant shall be considered to be the party responsible for drafting any particular provision of the Agreement; (3) the words "hereof," "herein," "hereunder," and words of similar import shall refer to the Agreement as a whole and not to any particular provision hereof; (4) the word "including" means "including, but not limited to" and shall be interpreted as broadly as possible; (5) words in the singular include the plural and vice versa; (6) all references to "days" shall be calendar days (and not merely business days, unless the Agreement so states); (7) any provision hereof that is prohibited or unenforceable shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction and the prohibited or unenforceable provision shall be reformed or modified to reflect the parties' intent to the maximum extent permitted by applicable legal requirements; and (8) if any conflict arises between a term defined in this document and a term (defined or otherwise) contained in another document comprising a part of the Agreement, the conflict shall be resolved in favor of the more specific defined term unless the context clearly indicates otherwise.
- G. Execution and Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement. Delivery of a copy of this Agreement by facsimile transmission, by electronic mail in "portable document format" ("pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, shall have the same effect as physical delivery of the paper document bearing the original signature.

#### **ARTICLE 20 – PERSONALLY IDENTIFIABLE INFORMATION (PII)**

- A. "Personally Identifiable Information" (PII) means any information that identifies, relates to, describes, is reasonably capable of being associated with a particular individual or household, that is processed by Consultant pursuant to this Agreement, and that is deemed "personal data," "personal information," or the like under the Data Protection Laws.
- B. "Data Protection Laws" means all applicable international, federal, state, provincial, and local laws, rules, regulations, directives, requirements, codes and industry standards and guidelines, relating to the privacy, confidentiality, integrity, protection, or security of PII.
- C. Any PII disclosed to Consultant or with which Consultant otherwise comes in contact while, as applicable, providing the Work will be deemed to be Confidential Information, regardless of whether it is labeled or designated as such. Consultant shall not: (i) use PII for any purpose other than as reasonably necessary to fulfill the terms of the Agreement; or (ii) make PII available to any employees, agents, Subcontractors, or other party representatives except those with a need to know.
- D. Consultant shall implement appropriate measures to ensure the security and confidentiality of all PII in its and its Subcontractors' possession, including protecting against any threats or hazards to the security or integrity of the PII that Consultant should reasonably be able to anticipate, and against unauthorized access to or use of the PII.
- E. Notwithstanding any other provisions hereof, Consultant shall notify Purchaser within one (1) business day of becoming aware of any Breach of Security. "Breach of Security" shall mean unauthorized access to, acquisition of, or disclosure of, PII or any individual's information which was held in the custody or control of Consultant or of any tier, agents or other representatives, or a reasonable belief by either party or its Subcontractor of any tier, agent or representative that such unauthorized access, acquisition or disclosure has occurred. Consultant's notice shall include the following: (i) date and time that Consultant discovered the Breach of Security and the date and time when the breach actually occurred, if discoverable; (ii) a detailed description of the Breach of Security; (iii) a list of the systems and data at risk, including a list of affected individuals; and (iv) a description of actions taken after the Breach of Security was discovered. Thereafter, Consultant shall provide Purchaser with periodic updates describing the investigation into the Breach of Security and all corrective or remedial actions taken or to be taken by Consultant (or any applicable Subcontractor).
- F. To the extent that Consultant has PII in their possession, Consultant shall implement a comprehensive written information security program containing organizational, administrative, physical and technical security measures that satisfies all relevant state and federal laws and regulations. Consultant shall allow Purchaser to review Consultant's comprehensive written information security program as well as any audit reports, summaries of test results, or other documents related to security measures taken by Consultant,

and, as deemed necessary by Purchaser, inspect the implementation of associated administrative, physical and technical security measures, as the case may be, to assess whether Consultant's written information security program complies with information security requirements set forth by regulations. Such inspections will not include: (i) access by Purchaser to Confidential Information of Consultant's other customers; or (ii) direct access to any Consultant systems.

- G. Purchaser may, in its sole discretion, take any and all actions necessary or reasonable to respond to a Breach of Security involving PII, including but not limited to conducting an investigation into the cause of the Breach of Security involving PII and notifying affected persons or government agencies accordingly. Consultant shall provide the Purchaser with all information reasonably necessary to: (i) aid Purchaser's compliance with all federal and state data breach notification laws and any other laws or regulations that may be applicable to a Breach of Security involving PII; and (ii) facilitate Purchaser's determination of whether the breach was effectively mitigated. Consultant shall bear all costs and expenses incurred by Purchaser related to the Breach of Security of PII and compliance with law. Alternatively, Consultant may take action to remedy the Breach of Security involving PII at Consultant's sole expense. This may include, for example, sending notice to all individuals affected by the Breach of Security of PII. For the sake of clarity, Purchaser shall make the final decision how and whether to notify third parties of any such Breach of Security, including individuals, law enforcement or governmental authorities, and/or the general public of such Breach of Security. Unless required to do so by applicable law, Consultant agrees that it will not inform any third party of any Breach of Security incident to the extent that it may be associated with or linked to Purchaser without first obtaining Purchaser's prior written consent, other than to inform a complainant that the matter has been forwarded to Purchaser's legal counsel.
- H. Consultant agrees to defend, indemnify and save the Indemnified Parties harmless from and against any and all Losses incurred as a result of any claim or action brought by any third party related to a Breach of Security to the extent directly and proximately caused by the negligence or willful misconduct of Consultant while engaged in the performance of Work under this Agreement; provided, however, that if there also is fault on the part of an Indemnified Party hereunder or any entity or individual acting on an Indemnified Party's behalf, the foregoing indemnification shall be on a comparative fault basis.

**IN WITNESS WHEREOF**, the Purchaser and Consultant hereto have executed this Agreement as of the Effective Date, by their duly authorized agents.

AGENT FOR PURCHASER

CONSULTANT

DocuSigned by: any

DocuSigned by: Consulting Inc.

*Edward Packer*  
A09C470231124C5...

*Victor Pisani*  
304CFA1C2C1643D...

Name: Edward Packer

Name: Victor Pisani

Title: Senior SC Category Spec.

Title: Sr. Vice President

Date: 12/22/2023 | 7:45:51 AM PST

Date: 12/22/2023 | 10:43:44 AM EST

**Certificate Of Completion**

Envelope Id: 69D1D22552804480842F5465D1BA459F	Status: Completed
Subject: Contract 2131 'C-MSA-Clearesult 12-23' requires your action	
Source Envelope:	
Document Pages: 14	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Supply Chain
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	341 White Pond Dr
	A-WAC-A1
	Akron, OH 44320
	supplychaintechology@firstenergycorp.com
	IP Address: 54.236.3.63

**Record Tracking**

Status: Original	Holder: Supply Chain	Location: DocuSign
12/22/2023 7:39:32 AM		
	supplychaintechology@firstenergycorp.com	

**Signer Events**

Victor Pisani  
 vpisani@clearesult.com  
 Sr. Vice President  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 304CFA1C2C1643D...  
 Signature Adoption: Drawn on Device  
 Using IP Address: 155.190.22.4

**Timestamp**

Sent: 12/22/2023 8:21:05 AM  
 Viewed: 12/22/2023 8:26:01 AM  
 Signed: 12/22/2023 10:43:44 AM

**Electronic Record and Signature Disclosure:**

Accepted: 12/22/2023 8:26:01 AM  
 ID: e902879c-5627-471e-99d0-b16801835776

Edward Packer  
 epacker@firstenergycorp.com  
 Senior SC Category Spec.  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 A09C470231124C5...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 108.88.196.29

Sent: 12/22/2023 10:43:45 AM  
 Viewed: 12/22/2023 10:45:35 AM  
 Signed: 12/22/2023 10:45:51 AM

**Electronic Record and Signature Disclosure:**

Accepted: 12/22/2023 10:45:35 AM  
 ID: eb8e938f-c9ec-4236-ad83-66165e099a76

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	12/22/2023 8:21:05 AM
Certified Delivered	Security Checked	12/22/2023 10:45:35 AM
Signing Complete	Security Checked	12/22/2023 10:45:51 AM
Completed	Security Checked	12/22/2023 10:45:51 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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**Electronic Record and Signature Disclosure**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, FirstEnergy Corp. (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact FirstEnergy Corp.:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [rpsmaltz@firstenergycorp.com](mailto:rpsmaltz@firstenergycorp.com)

### **To advise FirstEnergy Corp. of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [rpsmaltz@firstenergycorp.com](mailto:rpsmaltz@firstenergycorp.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from FirstEnergy Corp.**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [rpsmaltz@firstenergycorp.com](mailto:rpsmaltz@firstenergycorp.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with FirstEnergy Corp.**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [rpsmaltz@firstenergycorp.com](mailto:rpsmaltz@firstenergycorp.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify FirstEnergy Corp. as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by FirstEnergy Corp. during the course of your relationship with FirstEnergy Corp..



# Statement of Work

## Marketing, Outreach and Technical Program Services for FirstEnergy PA Utilities Act 129 Phase IV Commercial & Industrial Energy Solutions for Business Programs and Energy Management Programs

This Statement of Work (SOW), effective as of Friday, May 17, 2024, is entered into by and between Purchaser and Supplier, and is subject to the terms and conditions specified below. The exhibit(s) to this SOW, if any, shall be deemed to be a part hereof. In the event of any inconsistencies between the terms of the body of this SOW and the terms of the exhibit(s) hereto, the terms of the body of this SOW shall prevail. Capitalized terms not defined in this SOW shall have the meanings set forth in the Agreement.

All terms, conditions, and pricing are in accordance with Master Service Agreement for Professional or Consulting Services or “C-MSA-CLEAResult 12-23 (2131)” (“MSA”) dated as of December 22, 2023, between FirstEnergy Service Company (“FirstEnergy”, “FE”, “Purchaser”, “Client”) and CLEAResult Consulting Inc. (“Vendor”, “Supplier”, “CLEAResult”) and are incorporated herein by reference and made a part hereof.

The terms of the MSA supersede provisions in this SOW only to the extent that the terms of this SOW and the MSA expressly conflict. Unless expressly amended by this SOW, all provisions of the MSA remain intact and in full effect and nothing in this SOW should be interpreted as amending the MSA.

### Period of Performance

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The period of performance of this SOW shall be from 6/1/2024 and continue through 5/31/2026

### Contact Information

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Supplier Contact	FE Purchasing Contact	FE Technical Contact
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Name: Victor Pisani Phone: 773-255-9918 Email: vpisani@clearesult.com	Name: Edward Packer Phone: 330-384-46945 Email: epacker@firstenergycorp.com	Name: Lynn DeCario Phone: 724-601-4889 Email: ldecario@firstenergycorp.com
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## Scope of Work

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### 5. Program / Market Descriptions and Scope of Work

#### 5.1 Market Segments

The Phase IV Plan was developed based on experience gained over the past three Act 129 Phases, factoring in performance to date of not only the FirstEnergy's programs, but also those of the affiliate and non-affiliate utilities, and taking under advisement feedback and suggestions received from the FirstEnergy's energy efficiency consultants, vendors, contractors, and interested stakeholders.

The Commercial & Industrial program designs presented in the Phase IV Plan cover two market segments:

- ***Small Commercial and Industrial (SCI): customers residing on eligible rate schedules that have an up to demand of 400 kW***
- ***Large Commercial and Industrial (LCI): customers residing on eligible rate schedules that have a demand > 400 kW***

The official name of the Commercial and Industrial sector programs is C&I Energy Solutions for Business Program – Small and C&I Energy Solutions for Business Program – Large.

Governmental customers (which include federal, state, and local government or municipalities/school districts/institutions of higher learning and non-profit entities) that reside on eligible SCI & LCI rate schedules may participate in the Small or Large C&I Energy Solutions for Business Programs.

Customers residing on Government & Institutional Tariff Rate Schedules may participate in the Small or Large C&I Energy Solutions for Business Programs.



Program details and Tables listing of all FirstEnergy PA Utilities PA Act 129 Phase IV Commercial and Industrial Programs, sub-programs and measures may be referenced in Phase IV Plan.

## 5.2 Scope of Work, Clarifications and Exceptions

### 5.2.1 Scope of Work

The purpose of this Scope of Work is to promote awareness of energy efficiency programs and their benefits and assist FirstEnergy PA non-residential customers in submission of applications to FirstEnergy's C&I ESB program. Specifically, FirstEnergy (PA) has a need to identify and close kW(pk) savings from energy efficiency projects in each of its four PA operating companies ("Operating Companies") to meet regulated goals and has been limited in its success to secure a pipeline of Prescriptive, Custom and Energy Management kW(pk) Energy Efficiency project savings.

Vendor will define and implement a plan to, engage, contact, and meet with FirstEnergy PA Utilities C&I customers via dedicated energy engineers/consultants/account managers. Responsibilities include engagement of FirstEnergy PA Utilities non-residential customers to provide technical assistance and engineering support to assist customers in identifying opportunities to install energy efficient measures/projects and to provide fluent process to make application to any FirstEnergy PA Utilities C&I PA Act 129 Energy Efficiency Program.

Vendor will assign dedicated outreach staff of full-time equivalent (FTE's) to a minimum of 4 geographical regions, with a maximum of 8 geographical regions. Staff count and proposed coverage area are to be presented to FirstEnergy in bid submission.

Vendor will analyze FirstEnergy PA Utilities non-residential customer list to develop an outreach and engagement strategy that provides a specific implementation plan and estimated assumed savings from various defined actions within the plan.

The strategy is to focus primarily on FirstEnergy PA Utilities managed accounts and projects with kW(pk) savings.

Vendor will implement the outreach strategy and engagement plan designed to:

- Establish a relationship with the current FirstEnergy PA Utilities program personnel and CSP's charged with Implementing FirstEnergy PA Act 129 Phase IV C&I ESB Programs



Establish relationship with FirstEnergy PA Utilities account teams: Customer Support, External Affairs and National Accounts

- Identify energy efficiency projects that the customer will submit as an application to the program.
- Provide on-going Engineering and technical support to assist in creating and completing eligible projects; may include application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Ongoing customer engagement to track energy usage and performance, assist with planning energy efficiency projects, and interact with facility personnel to adopt energy efficiency strategies and behaviors
- Assist in scheduling of attendance of customer personnel to attend educational workshops, webinars, and group/individual training sessions (e.g., Building Operations Training)
- Recommendation of additional funding sources and financing options

Vendor will engage customers and offer educational and consultative services regarding the eligibility and application of energy efficient measures at no cost to the customer.

Vendor will promote programs outlined in this scope of work by developing and fostering partnerships with program allies, building owners, developers, architects, engineering firms and contractors and provide a mix of energy consultative technical, financial opportunity awareness and educational assistance to help influence adoption of energy efficient measures and implementation of energy efficiency projects.

Vendor will identify energy savings and demand reduction measures/opportunities to customers that may exist outside this scope of work. Vendor will provide information and instruction to customers, regarding participation in Energy Efficiency and Conservation programs offered by the FirstEnergy and instructions on participating in other programs, for identified energy savings measures/opportunities.



## 5.2.2 Clarifications

### 5.2.2.1 Conservation Service Providers (CSP)

PA CSP Registration:

Vendor must be a registered CSP in PA.

Website: <https://www.puc.pa.gov/filing-resources/issues-laws-regulations/act-129/conservation-service-providers/>

### 5.2.2.2 Contract

Contract Targets:

Vendor is expected to deliver to program nonresidential applications that achieve kW(pk) targets as defined in Section 8. Program Target and Performance.

Language Conflict:

Should a conflict rise between language in this Scope of Work and the Energy Efficiency and Conservation Plan as filed with the Commission November 30, 2020, the filed language of the plan shall supersede language in this Scope of Work.

Contract Award Contingency:

Note that a contract award for any service is contingent upon Commission approval of the implementation and cost recovery of the specific program or measure related to such service and will not be effective until after the Commission issues a Final Order in the FirstEnergy's ' Energy Efficiency & Conservation Plan proceedings.

Commission Approval of Contract:

Note that contract award for any service described in this Scope of Work is contingent upon Commission approval of the Vendor contract. Vendor shall assume all risk regarding expenses associated for initiating work prior to FirstEnergy receiving Commission approval of signed contract for services included in this document.

Application Service Provider Checklist (ASP Checklist):

Vendor will be required to complete FE's IT ASP Checklist (unless a current version is already on file) to determine if Vendor meets FE's IT standards for data security and protection policies. Reference Section 6.2.2.2. Ownership, Sharing, and Retention of



Data.

**PJM Capacity Rights:**

All Energy Efficiency Resource Capacity Rights generated by the FirstEnergy's Energy Efficiency and Peak Demand Reduction Programs shall remain the property of the FirstEnergy to aggregate into the PJM capacity market.

PA customers who have existing contracts with third party demand response service providers that were executed before June 1, 2021 (i.e., the start of Phase IV of Act 129 EE&C), have the option of retaining the PJM capacity rights associated with EE&C projects when participating in FirstEnergy PA Act 129 energy efficiency and peak demand reduction programs.

Vendor is prohibited from claiming such Capacity Rights.

Vendor shall not disclose any information collected for, or provided by FirstEnergy, to third parties unless written authorization is provided to Vendor by FirstEnergy. Reference Section 6.2.2.2. Ownership, Sharing, and Retention of Data.

Capacity Rights refer to the demand reduction associated with any energy efficiency measure for which energy efficiency or peak demand reduction program incentives were provided by FirstEnergy.

**Licensing and Registration:**

Vendor and all subcontractors utilized by Vendor shall maintain all required licenses and registrations required by the FirstEnergy, Commission or State of Pennsylvania.

### 5.2.2.3 Program Implementation

Vendor will conduct an analysis of FirstEnergy C&I customer base and develop an Outreach Strategy and Engagement Plan for the accounts that will include, but not limited to:

The plan will segment accounts into initiatives that batch customers in similar industries and provide estimates of potential percentage (%) of participation, likely available measures for upgrades, and estimated percentage (%) of achievable kW(pk) savings based on current customer usage.

An estimate of total savings to potentially be achieved by dates 5/31/2025, 5/15/2025, and 5/31/2026 will be estimated based on the assumptions above and estimated FTE hours needed to reach the potential of the list that FirstEnergy desires to capture.

Customer Initiative segments may include, but are not limited to, healthcare, general manufacturing and specialty subsegments, warehousing, waste-water



treatment, public and municipal commercial organizations, agriculture, datacenters, school and educational organizations, and where applicable, measure specific opportunities such as compressed air, solar, vacuum systems, and CHP projects.

Vendor will present Outreach Strategy and Engagement Plan, including list of all potential target customers to FirstEnergy for approval, along with estimates of kW(pk) demand reduction achievable.

Vendor to provide outreach resources to implement the Outreach Strategy and Engagement Plan that includes, but not limited to:

Research customer contacts and make program introduction calls

Identify via phone conversations recently completed and / or in process projects

Coordinate customer meetings with outreach staff and/or Engineers to visit customer location to confirm, identify and/or motivate additional projects:

Vendor will provide Account Managers and Engineers with specific subject matter expertise relevant to the customers' business and energy savings opportunities.

Vendor will enroll as a Program Ally in FirstEnergy's program(s) to facilitate project submission and tracking via the program's already established submission system.

Vendor will work on FirstEnergy's customers' behalf to ensure all project documentation is submitted to complete the application process. Where project applications are not submitted on the customers' behalf by CLEARresult, CLEARresult will require customers sign a letter of attestation stating that CLEARresult developed the projects and identify the customer/contractor/trade ally making the application submission. Note that the contractor/trade ally submitting the application will be excluded from any bonuses, incentives, or trade ally bonus that may be in place at time of application submittal.

Vendor will provide Program Coordinators to submit projects in good order via the already established FirstEnergy PA Utilities program process.

Vendor will provide on-going Engineering and technical support to assist in creating and completing eligible projects. Tasks include:

- Develop energy efficiency project calculations and project plans.
- Review project designs



- Advise customers on the best technology and approaches for savings.

Vendor will be responsible to develop any marketing materials necessary to supplement current FirstEnergy PA Utilities CSP's marketing materials to successfully implement the Outreach Strategy and Engagement Plan.

[PJM Capacity Rights Disclaimer:](#)

The following disclaimer language shall be included in all marketing to customers :

### **Customer Literature Marketing:**

By participating in energy efficiency and peak demand reduction programs, customers agree to allow their utility to retain ownership of all Capacity Rights which refers to the demand reduction associated with any energy efficiency or peak demand reduction measures for which incentives were provided by FirstEnergy. PA customers who have existing contracts with third party demand response service providers that were executed before June 1, 2021 (i.e., the start of Phase IV of Act 129 EE&C), have the option of retaining the PJM capacity rights associated with EE&C projects when participating in FirstEnergy PA Act 129 energy efficiency and peak demand reduction programs.

## 6. Program Launch Responsibilities

### 6.1. Initial Activities

Vendor shall be responsible for the initial activities of the program.

#### 6.1.1. Initial Activities Plan

Vendor shall be responsible for delivering a Program initial activities start-sp plan, which shall be part of the Work Plan Gantt chart that outlines all steps necessary to launch the program to ensure that all processes are operational and running smoothly ("Initial Activities Plan"). Each step of the Gantt chart includes tasks, duration (start/completion dates), all responsible parties/persons for task completion, and percentage completion towards goal for all tasks related to program operation.

Example Gantt chart categories would include, but are not limited to:

- Program Design and Operations



- FE Energy Efficiency Implementation Support (“EEIS”) Process Integration
- Information Technology (“IT”) Requirements
- Outreach Strategy and Engagement Plan
- Required Marketing and Outreach Materials
- FE Assigned Account Management
- Customer Service / Call Center Activity
- Trade Ally/Program Ally Engagement
- Code of Conduct (if applicable is due at Kickoff Meeting) See Section 6.2.2. Code of Conduct
- Vendor Staffing and geographical assignment of staff
- Organizational chart (As related to Scope of Work)

The Program Initial Activities Plan, Outreach Strategy and Engagement Plan & Code of Conduct (if applicable) will be prepared and presented by the Vendor at the Kickoff Meeting.

#### 6.1.2. Launch Coordination Meetings

All travel expenses related to meetings shall be considered part of the contract price. The Vendor shall not be paid separately for travel.

#### 6.1.3. Kickoff Meeting

Within 15 calendar days following approval of this SOW by the PA PUC, the Purchaser and the Vendor will meet to discuss all aspects of this Scope of Work (the “Kickoff Meeting”). The meeting will include the Vendor’s project manager as well as any other key staff as deemed necessary.

The Kickoff Meeting will cover a thorough review of the Program Initial Activities Plan (Gantt chart), Code of Conduct Plan (if required), Outreach Strategy and Engagement Plan and development of required Program Work Plan.

Vendor shall prepare and submit a draft Work Plan (see Section 7.2. *Work Plan*) within 15 business days following the Kickoff Meeting.

Vendor shall submit a summary report/revised Program Initial Activities Gantt chart by email within five (5) business days of the Kickoff Meeting.



#### 6.1.4. Initial Activities Meetings

During program initial activities, Vendor shall meet with the Purchaser as necessary and appropriate until all processes are operational and running smoothly. Vendor is responsible for updating the Program Initial Activities Gantt chart as progress is achieved.

#### 6.1.5. Steering Committee Meetings

Vendor is required to provide an update to FE Management on program launch activities throughout the Initial Activities Phase. This can be via teleconference or other mutually agreed upon method. These meetings will be held regularly throughout the Initial Activities Phase.

### 6.2. Initial Activities

Vendor shall assemble a team dedicated primarily to supporting the launch, implementation, and execution of the Outreach Strategy and Engagement Plan and comply with Section 6.2.2. *Code of Conduct*. Vendor shall supply the Purchaser with a staffing breakdown for this team.

#### 6.2.1. Vendor Tracking System & Data Integration

During the initial activities period, Vendor will work with FirstEnergy to clearly define and quantify key performance indicators (KPIs) to measure the success of the outreach plan to include both quantitative and qualitative metrics related to client satisfaction, program pipeline growth, and other relevant factors that is to be captured in Vendor Tracking System. These KPIs will be used exclusively by the parties for the purpose of gauging the success of the program and whether adjustments are appropriate as described in Section 8. The failure to meet such KPIs shall not be considered a breach of this SOW or the Agreement.

Vendor will be responsible for developing monthly, along with Ad-Hoc, reports of defined data captured in Vendor Tracking System.

#### 6.2.2. Code of Conduct

Code of Conduct will be followed as defined in the MSA Section 13(J).



## 7. Program Operations and Implementation

### 7.1. General Administration and Operations

Vendor shall develop their own management and operational systems. This includes but is not limited to:

- General project management, including the preparation and submission of plans and reports to the Purchaser
- Contract management
- Project forecasting (application submittals and resulting energy and demand savings)
- Marketing and Program Advertising
- Support as required for program evaluation and audits managed by the Operating Companies and/or Commission (or its designee)

### 7.2. Work Plan

Vendor is responsible for developing a Work Plan for the initial activities and continued administration of the program. Once the contract is signed, Vendor will have until the Kickoff Meeting to develop the Program Initial Activities Sections 6.1 and 6.2 of the Work Plan. Vendor will be required to submit the remaining Work Plan within 15 calendar days following the Kickoff Meeting.

The Plan shall include, at a minimum:

- Initial Activities Plan in the form of a Gantt Chart
- Vendor to have E-Blasts written, approved by the Purchaser and sent by end of business on 6/1/2024 announcing initiative
- Vendor to have Marketing Materials written, approved by the Purchaser and sent by end of business on 6/1/2024
- Plan for executing Program responsibilities including general administration
- Organizational Chart with the reporting office location(s) and number of staff to be assigned by geographical area.
- Description of a plan for use of any subcontractors (Purchaser reserve the right to approve or disapprove any selected subcontractors) and a listing of any that have been identified or partnered with for this proposal
- Overview of development and implementation of advertising and marketing plans, including CAN-SPAM Act (Do Not Contact) compliance.
- Dispute Resolution Process
- Coordination meetings with the Purchaser, including regularly scheduled program meetings and ad hoc meetings
- Any other areas deemed appropriate



Immediately following contract award and Kickoff Meeting, Purchaser and Vendor shall work together to modify the Work Plan submitted by Vendor to develop systems and procedures needed to operate the program.

Work Plan shall be submitted to the Purchaser for approval prior to the start of work. The Work Plan shall include a schedule with milestones/times for deliverables and parties responsible.

Purchaser may approve the Work Plan fully, partially, or disapprove entirely. Vendor is not authorized and shall not perform work specified in the Work Plan that has not been approved by the Purchaser. Vendor may proceed with work in the Work Plan that has been approved. Vendor shall submit a revised Work Plan within five (5) business days of any disapproval or request for modification.

After approval of the Work Plan, Vendor must perform all tasks as outlined in the Work Plan in accordance with this Scope of Work. Any variances to the Work Plan shall be discussed with the Purchaser and shall be submitted in writing as a modification to the Work Plan to be approved by the Purchaser.

## 7.2.1 Program Management and Coordination Meetings

### 7.2.1.1. Program Meetings

Vendor shall participate in regularly scheduled quarterly meetings/teleconferences with the Purchaser. Program meetings/conferences will cover at a minimum: contract issues, marketing, promotions and communications guidelines, program reporting, regulatory issues, program updates, customer issues/complaints and any other issue considered relevant to the Commission, the Purchaser and the Vendor. The Purchaser anticipate monthly meetings/teleconferences with the evaluation, measurement, and verification (EM&V) team and may expand the meetings/teleconference to include the Commission, or third parties as appropriate.

### 7.2.1.2. Pipeline Meetings/Reports

Vendor shall participate in regularly scheduled meetings/teleconferences with the Purchaser' Program Implementation Managers (PIMs) to discuss program and marketing activities, issues and challenges, specifics concerning larger projects, current and forecasted progress toward savings targets and any other relevant issues.

Vendor will meet with the Purchaser monthly to review monthly progress report and incorporate any feedback from the Purchaser to the outreach plan.



#### *7.2.1.3. Ad Hoc Meetings*

During the course of this contract, Vendor shall attend meetings with the Purchaser, Purchaser's EM&V Vendor, Statewide Evaluator ("SWE") or the Commission, or other areas and locations as required. These may be informal meetings or formal presentations to the Purchaser, Commission, Stakeholders, or customers. Vendor shall provide status reports, deliverables or other materials as needed for these meetings.

### 7.2.2. Reports

#### *7.2.2.1. Management Status Reports (Monthly)*

Vendor will be expected to provide a monthly summary report of program performance, activities, issues, forecasts, special and/or large project listings, etc. that will be reviewed at schedule monthly and quarterly meetings.

The report shall provide reporting based upon program applications submitted to date (PTD) vs upcoming milestone targets and will include recent check batch period (typically the 15th to 15th) pipeline actives.

Vendor will provide a written monthly progress report to the Purchaser highlighting key achievements, challenges, and recommended adjustments.

The Purchaser will review and approve the monthly report or return to Vendor with questions and possible request for revision. Vendor shall revise.

#### *7.2.2.2. Monthly Advertising and Marketing Reports*

Vendor is responsible for providing an update related to all Advertising, Marketing and Outreach Activity. This report is to be included in the monthly Management Status Report described in Section 7.2.2.1. Management Status Reports (Monthly).

### Market Assessment and Characterization Activities

On a quarterly basis, Vendor shall collect, compile and assess information on the characteristics and current status of markets affected by the current and past FE EE&C programs for purpose of evaluation and to define markets that may be potential target(s) of modified, enhanced, new or existing programs. This should include market penetration and information on changes, or expected changes, in markets, technology, pricing and



possible recommendations to program design and management strategies to increase energy efficiency program awareness and participation. Vendor shall use this information, along with the information obtained through other relevant evaluations, to recommend changes or enhancements to programs and provide updates on market conditions, which shall include a SWOT (strengths, weakness, opportunities, & threats) marketing analysis by operating company, by customer sector, that shall be presented during regularly scheduled quarterly Vendor meetings.

Vendor shall be responsible for determining if findings from information collected and analyzed warrant changes to Outreach Strategy and Engagement Plan. Vendor shall be responsible for assembling all information collected, and presented quarterly, in an annual report that provides insight into market conditions, analytics of program performance and forward-looking recommendations.

## 7.3. Program Documentation

### 7.3.1. Shared File System

Vendor will be responsible for creating a shared file system that may be accessed by Vendor and FirstEnergy PA program personnel that will be log on and password protected.

Vendor is responsible to maintain program documents and files in an “up to date: state” on a shared file system.

Vendor will develop, publish, and maintain a documentation system for programs files and documents.

Program directories for documents and files will include, but not limited to:

- All process related documents to programs
- Program Guidance Documents
- Program Allies
- Marketing Materials
- Customer Facing Documents
- FirstEnergy Corporate Communication and Legal approvals for all Customer facing website, marketing, and form documents.
- Contract and Milestones
- Program Forms



- Trainings
- Do Not Contact List
- Vendor Do Not Use List
- Incentive Tables
- Customer Participation
  - Trainings
  - Webinars
  - Outreach Events
  - Applications submitted
    - By Program
    - By Operating Company

Vendor will continually work with FirstEnergy PA Utilities to define and refine directory structure, along with the files and documents stored on the shared file system.

### 7.3.2. Program Documentation Types

#### 7.3.2.1. Program Manual

Vendor is responsible for development of a program manual listing all programs offered, program eligibility guidelines, incentive structures and other pertinent related program information.

Vendor and FirstEnergy PA Utilities will work together to refine and define program manual within first 30 days of contract approval by PA PUC.

Vendor will have completed Program Manual within 60 business days of contract approval by PA PUC .

Vendor and FirstEnergy PA Utilities will work together to update the program manual, as needed, on a quarterly basis.

Vendor is responsible to maintain update to date Program Manual(s) on Shared File System.

#### 7.3.2.2. Incentive Tracking

Vendor is responsible to maintain a running record of incentive levels, by program, by measure for entirety of contract.

Record will indicate date incentive offered, changed, or cancelled.



#### 7.3.2.3. Bonus Initiative Tracking

Vendor is responsible to maintain a running record of all bonuses offered, incentive or administrative, by program and measure as applicable for entirety of contract.

Record will indicate date bonus incentive offered, changed, or cancelled dates.

#### 7.3.2.4. Retention & Documentation of Approved Marketing Documents

Final approved marketing documents shall be retained by Vendor with “in use” date maintained for each document version. These documents may include, but are NOT limited to:

- Website
- e-blasts
- Case studies
- Advertising/Promotional materials and giveaways
- Any outside facing marketing pieces
- Marketing Events (Cup of Joe/workshops) i.e. PPT’s used

Vendor shall also retain approval emails from Corporate Communications, dates approved by Corporate Communications and “in use dates” for approved materials.

Vendor on a quarterly basis will transfer all approved materials, along with documented approvals from FE Corporate Communications, outlined above to the Purchaser in both hardcopy and electronic copy; a schedule of the transfer of materials will be discussed and communicated at time of program initial activities.

## 7.4. Customer Service

### 7.4.1. Vendor Call Center Services

Vendor shall use its own or contract with a Call Center. Call Center shall field customer telephone calls, process enrollments, schedule appointments, respond to electronic inquiries and provide technical consultation associated with the program as applicable. Vendor’s Call Center must have general knowledge of other FE EE&C programs and be able to direct calls to other vendors. Call Center statistics should be provided at request of PIM or with monthly/quarterly reporting.



#### 7.4.2. Dispute Resolution

Vendor shall develop procedures to deal with complaints from customers, stakeholders, other utilities, subcontractors, and Program Allies, concerning performance of its responsibilities. The Purchaser shall assist in the development of the procedures.

Vendor shall participate fully, promptly and in good faith in dispute resolution processes, and shall retain records supporting avoidance and expeditious resolution of complaints, including records of all communications related to any complaints.

### 7.5. Communication Protocols

Vendor and the PIM shall establish expectations of personal communication protocols among the teams, including but not limited to topics such as returning customer, retailer, and Program Ally inquiries as well as the Operating Companies' inquiries. Ideally, all inquiries shall be responded to within one (1) business day or sooner, but in unique circumstances, Vendor shall respond within a reasonable time period.

All communications (emails, phone calls, etc.) with customers, retailers and Program Allies shall be logged in a Vendor tracking system. Vendor will coordinate with the Operating Companies to ensure that tracking system functionality meets communication requirements and time frames. No one method of communications shall be used to the exclusion of any other means. Email, while an effective initial means of communications, may not be the best method in all circumstances. If any communication is ineffective, personal visits or other measures will be employed.

All regulatory communications will be performed by the Purchaser's personnel. Any participation in regulatory or stakeholder processes will be as the Purchaser's agent, and under the Purchaser's direction. Certain regulatory communications and data requests are subject to strict timelines against which Vendor will use best efforts to provide reasonable information and responses to the Purchaser .

### 7.6. Contract / Subcontractor Management

Vendor is fully responsible for the performance of any subcontracted work.

Vendor shall solicit, select, contract, and oversee employees and subcontractors performing work outlined in this Scope of Work, and develop methods for managing



the performance and compensation of program implementers (subcontractors). This shall be consistent with Purchaser' Code of Conduct policies. Vendors may request this document from FE. Refer to Section 4 for designated FE contact.

Vendor shall maintain the administrative capability to effectively manage these resources and ensure the completion of each task and subtask. Vendor shall develop and implement procedures to assign, monitor, review and approve completed work, and to ensure subcontractors are compensated in a timely manner.

Vendor and all subcontractors shall maintain all required licenses and registrations as required by the Purchaser, Commission and/or state.

In the event contractors are hired directly by the Purchaser, the Purchaser may have the Vendor assume administration responsibility of accepting applications, evaluation of applications, processing applications, collecting required program information, reporting savings (kWh and kW) and providing Purchaser with reporting on the direct install services of the hired contractors. Purchaser will in turn allow Vendor to claim savings (kWh and kW) as part of their contractual obligation to Purchaser.

## 7.7. Program Data and File Collection Requirements

Vendor will be responsible to capture all data needed to monitor, assess, and evaluate program performance, report on its activities, and improve the design and delivery of the programs.

Vendor will be responsible to provide access to their tracking and reporting system/database to FE personnel for specific purpose of accessing and downloading vendor prepared reports to be used for reconciling energy and demand savings for programs defined as part of this Scope of Work.

## 7.8. Energy Efficiency Implementation Support (“EEIS”) Responsibilities

FE's EEIS group is responsible for administrative support, back office processing, contract administration, invoice processing, operational analytics, budgets, and financial forecasts.



## 8. Program Target and Performance

The purpose of this section is to provide a mechanism to promote a steady pace to achieve and coincidental peak demand (kW(pk)) reduction targets as outlined in Section 8.1, Exhibit A below.

If, at any time, the Purchaser identify deficiencies in performance, Vendor will be given 30 days to develop a plan to be approved by the Purchaser to achieve contracted savings and demand reduction target(s).

### 8.1 Milestone Targets

Vendor shall deliver the program and subprogram targets, by defined milestones, at the Retail-Level, and demand, unless otherwise dictated by the Purchaser in writing.

Purchaser will assess progress towards milestone targets by evaluation of Retail-Level kW(pk) reduction, adjusted for realization rates.

FirstEnergy will work with CLEAResult to set "billing realization rates" that reflect the Purchaser past experience and CLEAResult's past performance in similar FirstEnergy programs.

CLEAResult will be given credit for all projects submitted by CLEAResult and projects submitted to program with a signed letter of attestation stating that CLEAResult developed the project(s) and identifies customer/contractor/trade ally submitting application.

For projects CLEAResult submits for the current phase but does not complete on or before May 31, 2026, both parties agree that CLEAResult may claim up to 10,000 kW towards it end of program milestone target. Pay for performance dollars are only claimable for projects closing on or before May 31, 2026.

Program Milestone Targets, kW (pk), may be altered at the Purchaser' discretion depending on numerous factors, including but not limited to, altered regulatory mandates, timing of the Plan approval by Commission, etc.

Vendor shall not exceed the 100% total contract target unless authorized by the Purchaser in writing.

Exhibit A:



Milestone Targets are Cumulative							
Milestone Period		6/1/2024 - 5/15/2025		6/1/2024 - 12/15/2025		6/1/2024 - 5/15/2026	
		Milestone 1		Milestone 2		Milestone 3	
		5/15/2025		12/15/2025		5/15/2026	
Operating Company	Sector	kW(pk)		kW(pk)		kW(pk)	
<b>Met-Ed</b>							
	LCI	7,302	25%	14,735	25%	19,640	25%
	SCI	811	3%	1,638	3%	2,182	3%
		8,114		16,372		21,822	
<b>Penelec</b>							
	LCI	8,309	29%	16,747	29%	22,349	29%
	SCI	924	3%	1,863	3%	2,483	3%
		9,233		18,610		24,832	
<b>Penn Power</b>							
	LCI	2,089	7%	4,215	7%	5,618	7%
	SCI	232	1%	468	1%	624	1%
		2,321		4,684		6,242	
<b>West Penn Power</b>							
	LCI	8,400	29%	16,951	29%	22,593	29%
	SCI	933	3%	1,884	3%	2,510	3%
		9,333		18,834		25,103	
<b>Milestone Total</b>		<b>29,000</b>		<b>58,500</b>		<b>78,000</b>	

## 8.2 Performance Holdback Provision

Performance Holdback Provision is a mechanism put in place when milestone targets, kW (pk) by Operating Company and in total, as specified in Exhibit A are not achieved. If any contractual milestone is not achieved, the holdback percentage is calculated based upon the largest percentage deficit, rounded up to the nearest whole number, of the Operating Company milestone per Exhibit A. The largest percentage deficit is used to calculate the holdback dollars and is rounded up to the nearest whole percentage and applied to the invoices for that Operating Company. Holdback percentages are applied to all invoices, excluding incentive invoices, for the duration of the next milestone period, in the Operating Company where the milestone was not achieved.

If a milestone is not achieved:

- The holdback percentage will be calculated using the methodology above.
- If the next contractual milestone target is achieved, the prior-period holdback dollars will be released.
- If the next contractual milestone target is not achieved, the prior-period holdback dollars will be held until the end of the contract.
- If vendor has achieved 100% of the contractual milestone savings targets, by Operating Company, by the end of the contract, all holdback dollars will be released.



If vendor has not achieved 100% of the contracted milestone savings targets, by Operating Company, by the end of the contract, or in the event the vendor is no longer under contract, vendor forfeits all holdback dollars that have accumulated.

## 9. Contract Payments

Contract Period: June 1, 2024 - May 31, 2026

Program Implementation Period: June 1, 2024 - May 31, 2026

Invoice Processing and Reporting: June 1, 2024 - August 31, 2026 \*

\* 90-day period added for processing final invoices, address open program-related issues, and finalize reporting only.

### 9.1 Contract Administration Payments: Initial Activities

Upon contract execution and PUC approval, FirstEnergy will pay no more than twenty (20%) percent of the total contract amount for Initial Activities. This payment covers the costs of hiring and onboarding staff, preparing operational infrastructure, and commencing immediate service delivery.

### 9.2 Contract Administration Payments: Program Management and Marketing

After the Program Initial Activities month(s), Purchaser will pay Vendor no more than thirty (30 %) percent of the total contract amount in fixed monthly fees over the remaining months of the contract. Administration pricing for each service, Program Management and Marketing, shall be priced independently and presented as set monthly pricing for the contractual period.

Marketing shall be defined as advertising, promotion, education and communication of FE EE programs to FE customers, which includes the sponsoring of outreach/marketing events, design and purchasing of FirstEnergy branded promotional items and design and implementation of program website. Marketing expenses shall not include cost of labor.

Purchaser reserves the right to reduce or eliminate marketing payments. Purchaser will continually evaluate all contracted program performance and should the Purchaser determines that a specific program is overperforming or underperforming, or in the event that a program target has been achieved, the Purchaser may deem it



necessary to stop all marketing efforts for either a specific program or all programs for the remainder of the contract.

### 9.3 Program Performance Payments

Purchaser will pay Vendor a minimum of fifty (50%) percent the total contract amount in program performance payments over the entire Contract Period. For programs with a pay per kW(pk) component (See Appendix A: Pricing and Fees “Pricing Breakdown Sheet”), program performance payments will be paid to the Vendor monthly and will be based on reported retail-level kW (pk) savings adjusted for realization rates (capped at a 100% realization rate).

FirstEnergy will work with CLEAResult to set “billing realization rates” that reflect the Purchaser past experience with CLEAResult’s performance in similar FirstEnergy programs.

The Purchaser will evaluate the Vendor’s progress toward the kW(pk) targets identified in Exhibit A. If Vendor achieves 100% of any contractual kW (pk) target in any Operating Company, and one of the following criteria is met, at its discretion, the Companies may reduce the program performance rate to between \$0.00 per kW (pk) MWh and the program performance rate included in the contract. If the program performance rate is to be modified by the Companies, Vendor will be notified in writing and a change will take effect with the next invoicing cycle or date provided by the Companies.

- kW(pk)Target has been exceeded by 130%
- Vendor achieves 100% of the total, overall contractual Retail-Level kW(pk) reduction goals for the total program

Purchaser reserves the right to suspend the program if the portfolio targets are reached prior to the end of the Program Implementation Period.

Applications for projects submitted by the Purchaser for assets owned by the Purchaser, are exempt from the Program Performance MWh Rates. These applications are to be paid at a Program Performance MWh Rate not to exceed \$10 per MWh. MWh’s delivered from Purchaser-submitted applications will NOT count towards vendor’s contracted MWh targets.

### 9.4 Program Ally / Trade Ally Bonus

Vendor will be exempt from participating in any Program Ally or Trade Ally Bonus programs that the Purchaser may implement during the term of this Scope of Work



## 9.5 Contract Suspension or Cancellation

Purchaser reserves the right to suspend work or eliminate payments or cancel contract. should Purchaser determines contracted program performance targets have been achieved or program budgets cannot sustain contracted effort or should the Purchaser determines that vendor is underperforming.

## 10. Program Exit and Transition Plans

Vendor shall complete, within 90 calendar days after the end of the program implementation period, whether by expiration or termination, with no additional fixed costs, all end of plan processing requirements necessary. This would include but is not limited to the following:

- Process all remaining contract-period applications
- Finalize and issue all contract-period customer rebates
- Provide all final administration and rebate invoicing

Vendor shall, within 15 calendar days after the end of the program implementation period, whether by expiration or termination, turn over to the Purchaser or their designees as directed and applicable, including but not limited to the following:

- Open applications not eligible during this program implementation period
- Program implementation-generated documents, marketing materials and application files
- Reports and other relevant materials

Should Vendor utilize a third-party CRM & PM system, the Purchaser shall retain the rights to all intellectual property and customization developed for the CRM & PM system used to run the programs free of licensing. Vendor shall work to transfer, in an easy-to-use format such as Excel, all customized modules to the Purchaser or their designee to allow for continued program operation at no additional cost to the Purchaser.

Vendor shall meet with the Purchaser and the Vendor for the subsequent Plan, to provide a summary of all ongoing outreach activities with description of activities, next steps, contact information, including commitments to outside companies and other groups involved in the outreach activities. Vendor will provide electronic versions of outreach materials, Program Ally lists and materials, annual plans and all content generated as property of the program. Vendor commits to providing and facilitating the necessary data extraction and mapping and commits to support this transfer of information for 90 calendar days, or for a time period at the discretion of the Purchaser, after the end of the Plan Period. In addition, the Vendor must submit upon contract completion a complete list of customer payments, payment dates, check numbers, dates cashed. All outstanding checks not cleared and cancelled after 180 days is the responsibility of the vendor for resubmission of new checks for customer payment at no additional cost to the Purchaser. Vendor will be responsible to address uncashed incentive



checks and address as deemed appropriately by the state in which the uncashed incentive rebate is to be paid.

Unless otherwise instructed by the Purchaser, Vendor shall transfer, in an easy-to-use format such as Excel, all customer records to the Companies as indicated in Code of Conduct in the MSA Section 13(J).

Vendor shall complete, within 60 calendar days after the last day of the Program Implementation Period, with no additional fixed costs, a summary report of their performance, activities, achievements, and summarized data for the completed Plan and submit to the Purchaser.

This report would include the following sections but is not limited to the following:

**Program Performance:**

- Customer participation by Program
- MWhs & kW (pk) delivered by Program
- Summary of Program Performance Payment, Program Management Payment, and Marketing Payment dollars invoiced
- Summary of incentive dollars approved and paid by Program and sector
- Summary of Program Realization Rates by Program on Yearly, or Quarterly, basis
- Status of Program Performance towards kW(pk) milestone target
- Listing of all bonus programs dates and timelines, participation and payouts, customers, and program allies
- Impact of bonus programs by sector and Program Ally
- Summary of issues / roadblocks encountered and how they were resolved

**Customer / Program Ally Contact Information:**

- Listing (Excel Format) of Customer / Program Ally contact information: Name / Telephone / Cellular / Email / Address
- Listing of Registered Program Ally's: Name / Telephone / Cellular / Email / Address / Type of work (Lighting / HVAC / Direct Install)
- Listing (Excel Format) of participating Customer contact information: Name / Telephone / Cellular / Email / Address

**Customer Participation:**

- Listing, in an appendix, of all C&I program participants
- Listing, in an appendix, of all Governmental program participants.
- Summary of Program Ally participation, include a list of participants by applications submitted, and by MWh delivered (these can be vastly different)

**Program Marketing:**

- Summary of all marketing and outreach activities with an overview of what worked, what did not work, and a Market penetration rate
- Listing, in an appendix, of all workshop/seminar participants
- Electronic copies of all marketing materials, customer facing documents, website

**Program Complaints / Fraudulent Activities:**

- Summary of all complaints that were levied during the phase and how they were handled
- Summary of any fraudulent activity during the phase and the resolution

**Data Access Contact & Process:**

- List contact(s) and associated process that FE is to follow to request data, or access, from Vendor's database

## Deliverables

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### Accruals

- If applicable, Vendor shall be responsible for submitting monthly accruals for the value of all materials and services received through the current month (including prior periods) and not yet invoiced. Accrual amounts shall be itemized to the same level required for invoicing. Accrual data shall include all pertinent backup documentation, calculations, and any other information to support the accrual amounts.
- If applicable, an accrual template will be provided to the Vendor by the Purchaser
- Monthly accruals will be due to the Purchaser no later than four (4) business days prior to the end of the month. An email reminder will be sent to the Vendor at least one week in advance of the due date.

## Invoicing Instruction

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### Invoicing

#### General

- FE will provide a list of personnel and backup personnel responsible for the invoicing processes
- Vendor will be responsible for submitting invoices via FE's Electronic Invoice Presentment System



- Invoices shall be in accordance with the rates and terms of the contract and shall include all required backup documentation
- Vendor shall issue an email notification to the Purchaser's personnel and backup personnel indicating that invoices were issued for review and processing. Invoices and back up documentation are sent through a secure FTP site or FE's Electronic Invoice Presentment System. Customer data is not permitted to be sent through email.
- All invoices shall include:
  1. Vendor Letterhead/Logo
  2. Vendor name and remittance address
  3. Operating Company
  4. Invoice Number
  5. Invoice Date
  6. PO Number and PO Line Number
  7. Invoice Period for services provided
  8. Total Amount Due:
    - A. If applicable, participant/measure quantities shall match backup documentation
    - B. Calculation of amount due shall be in accordance with contract rates and terms
  9. If applicable, ensure that the agreed upon monthly holdback is deducted from the monthly invoice and most recent accounting template that will be provided by the Purchaser.
  10. Backup documentation
  11. If payment terms are included in the invoice, ensure that they coincide with the contract terms
- All invoicing data, along with required backup documentation, shall be kept by the Vendor for at least six (6) years from the end of the contract period and made available to the Commission and the Company or their designees upon request.

#### Program Management / Marketing Invoices

- By the 15th of each month, Vendor shall submit an invoice(s) for Program Management and Marketing
- The Purchaser shall process and pay all Program Management and Marketing invoices in accordance with the payment terms of the MSA of 2% 10 Net 45 days.

#### Rebate Invoices

- Vendor shall submit an invoice(s) for rebates per the defined schedule provided by the Purchaser.
- Payment terms for rebate invoices shall be "pay immediately". Purchaser shall process all rebate invoices within five (5) business days from date received provided all required backup documentation is included.



### Program Performance Invoices

- Vendor shall submit an invoice(s) for Program Performance at the same frequency and in conjunction with the rebate invoices.
- If applicable, Company shall provide Realization Rates to Vendor for use in calculating Program Performance amounts on the invoice templates.
- Purchaser shall process and pay all Program Performance invoices in accordance with the payment terms of the MSA of 2% 10 Net 45 days.

### Rebate Process

#### Rebate Check Batch Process – C&I

- Vendor is responsible for screening customer applications for eligibility and ensuring that applications received include all required backup documentation, such as signed applications, W-9s, cut sheets, invoices, letters of attestation and any other backup documentation the Purchaser deems necessary.
- A rebate batch file shall be prepared per the defined schedule provided by the Purchaser. If the schedule needs to be adjusted for Purchaser business purposes, Vendor will be notified.
- When the customer application process is complete and prior to Vendor issuing customer rebate payments, a rebate batch file and preliminary invoice shall be submitted to the Purchaser for auditing and approval.
- The Purchaser will design the rebate batch file format in conjunction with Vendor. The file shall contain completed C&I application information including but not limited to:
  1. Customer Name
  2. Customer Account Number
  3. Project Number
  4. Rebate Amount
  5. Program Performance Payment associated with the rebate
  6. Program/Sub-Program Name
  7. kWh/MWh Savings
  8. Payment Recipient Information
  9. Rate Codes
  10. Sector Detail
  11. Pre-approval date
  12. Other fields as required by the Purchaser to complete an audit
- After a rebate batch file has been submitted to the Purchaser for review, no adjustments shall be made to energy savings or rebates without written approval from an FE Program Manager and dedicated EEIS staff member. Vendor is responsible for ensuring there are no duplicate customer rebates invoiced.



- Purchaser will have access to the Vendor data repository in order to verify all required customer documentation has been received and meets program guidelines. A unique login should be supplied to individuals who need access to the system for review.
- Purchaser will review/approve rebates contained in the rebate batch file. If an issue with the rebate batch file or supporting documentation is found, EEIS will ask Vendor to review the issue and take necessary steps to make corrections. If necessary, Vendor must submit an updated rebate batch file and a new preliminary invoice. If a rebate(s) must be removed for any reason, Vendor will remove the rebate(s) in question and submit an updated rebate batch file, a new preliminary invoice, and a summary of rebates that were removed.
- Upon approval of a rebate batch file, Vendor will be notified that customer rebate checks can be issued, and invoice(s) submitted to the Purchaser.
- Vendor may upload energy savings to the Purchaser Tracking & Reporting system only after a rebate batch is approved.

#### Rebate Process – Residential

- Vendor is responsible for screening customer applications for eligibility and ensuring that applications received include all required backup documentation.
- All rebates must be paid to the customer within 30 days of submitted rebate application.
- Rebates are to be pre-funded by the Vendor in order to meet deadline and reimbursed from the Purchaser.
- A rebate invoice and backup documentation shall be prepared per the defined schedule provided by the Purchaser. If the schedule needs to be adjusted for Purchaser business purposes, Vendor will be notified.
- Purchaser will design the rebate backup format in conjunction with Vendor. The file shall contain completed customer application information including but not limited to:
  1. Customer Name
  2. Customer Account Number
  3. Rebate Amount
  4. kWh/MWh Savings
  5. Payment Recipient Information
  6. Rate Codes
  7. Program/Sub-Program Name
  8. Other fields as required by the Purchaser to complete an audit

#### Additional Instructions

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N/A



## Appendix A: Pricing & Fees

### Appendix A: Price Breakdown Sheet

PA Phase IV C&I Outreach RFP

First Energy - Price Breakdown Sheet (PBS) Input

Proposal Submitted By: **CLEAResult**

Date Submitted: **26-Apr**

*Please Read Instructions before proceeding with Input sheet*

Program	Subprogram	Activity	Company	Unit Type	Estimated Number of Units (Target)	Rate	Total
C&I Energy Solutions for Business Program - Small	SCI	Fixed Initial Activities Costs Units: Fixed Monthly	ME	Fixed Monthly	1	\$ 127,844.46	\$ 127,844.46
		Fixed Initial Activities Costs Units: Fixed Monthly	PN	Fixed Monthly	1	\$ 145,480.20	\$ 145,480.20
		Fixed Initial Activities Costs Units: Fixed Monthly	PP	Fixed Monthly	1	\$ 36,560.47	\$ 36,560.47
		Fixed Initial Activities Costs Units: Fixed Monthly	WP	Fixed Monthly	1	\$ 147,062.14	\$ 147,062.14
C&I Energy Solutions for Business Program - Small	SCI	Program Management Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 7,927.62	\$ 182,335.26
		Program Management Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 9,021.20	\$ 207,487.60
		Program Management Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 2,267.11	\$ 52,143.53
		Program Management Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 9,119.30	\$ 209,743.90
C&I Energy Solutions for Business Program - Small	SCI	Marketing Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 417.24	\$ 9,596.52
		Marketing Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 474.80	\$ 10,920.40
		Marketing Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 119.32	\$ 2,744.36
		Marketing Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 479.96	\$ 11,039.08
C&I Energy Solutions for Business Program - Small	SCI	Program Performance Units: Per kW (pk)	ME	Per kW (pk)	2,182	\$ 146.54	\$ 319,750.28
		Program Performance Units: Per kW (pk)	PN	Per kW (pk)	2,483	\$ 146.54	\$ 363,858.82
		Program Performance Units: Per kW (pk)	PP	Per kW (pk)	624	\$ 146.54	\$ 91,440.96
		Program Performance Units: Per kW (pk)	WP	Per kW (pk)	2,510	\$ 146.54	\$ 367,815.40
C&I Energy Solutions for Business Program - Large	LCI	Fixed Initial Activities Costs Units: Fixed Monthly	ME	Fixed Monthly	1	\$ 1,150,717.32	\$ 1,150,717.32
		Fixed Initial Activities Costs Units: Fixed Monthly	PN	Fixed Monthly	1	\$ 1,309,438.97	\$ 1,309,438.97
		Fixed Initial Activities Costs Units: Fixed Monthly	PP	Fixed Monthly	1	\$ 329,161.40	\$ 329,161.40
		Fixed Initial Activities Costs Units: Fixed Monthly	WP	Fixed Monthly	1	\$ 1,323,735.05	\$ 1,323,735.05
C&I Energy Solutions for Business Program - Large	LCI	Program Management Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 71,355.80	\$ 1,641,183.40
		Program Management Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 81,198.11	\$ 1,867,556.53
		Program Management Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 20,411.25	\$ 469,458.75
		Program Management Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 82,084.61	\$ 1,887,946.03
C&I Energy Solutions for Business Program - Large	LCI	Marketing Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 3,755.57	\$ 86,378.11
		Marketing Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 4,273.58	\$ 98,292.34
		Marketing Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 1,074.28	\$ 24,708.44
		Marketing Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 4,320.24	\$ 99,365.52
C&I Energy Solutions for Business Program - Large	LCI	Program Performance Units: Per kW (pk)	ME	Per kW (pk)	19,640	\$ 146.54	\$ 2,878,045.60
		Program Performance Units: Per kW (pk)	PN	Per kW (pk)	22,349	\$ 146.54	\$ 3,275,022.46
		Program Performance Units: Per kW (pk)	PP	Per kW (pk)	5,618	\$ 146.54	\$ 823,261.72
		Program Performance Units: Per kW (pk)	WP	Per kW (pk)	22,593	\$ 146.54	\$ 3,310,778.22

**Dollar Summary**

	ME	PN	PP	WP
Fixed Initial Activities Costs	\$ 1,278,561.78	\$ 1,454,919.17	\$ 365,721.87	\$ 1,470,797.19
Program Management& Marketing	\$ 1,823,518.66	\$ 2,075,044.13	\$ 521,602.28	\$ 2,097,689.93
Program Performance	\$ 95,974.63	\$ 109,212.74	\$ 27,452.80	\$ 110,404.60
Per kW (pk)	\$ 3,197,795.88	\$ 3,638,881.28	\$ 914,702.68	\$ 3,678,593.62
	\$ 6,395,850.95	\$ 7,278,057.32	\$ 1,829,479.63	\$ 7,357,485.34

**Percent of Total Bid**

	ME	PN	PP	WP
Fixed Initial Activities Costs	20.0%	20.0%	20.0%	20.0%
Program Management& Marketing	30.0%	30.0%	30.0%	30.0%
Program Performance	50.0%	50.0%	50.0%	50.0%
	100.0%	100.0%	100.0%	100.0%

## Additional Terms and Conditions

Additional terms and conditions may be applicable. If applicable to the Work, the additional terms and conditions shall apply and be incorporated into the Agreement. Additional terms and conditions may be accessed at Additional Terms and Conditions / Important Information (<https://www.firstenergycorp.com/supplychain.html>)

IN WITNESS WHEREOF, the parties hereto have caused this SOW to be effective as of the day, month and year first written above.

Agent for Purchaser  
FirstEnergy Service Company

DocuSigned by:  
 5/17/2024  
A09C470231124C5...

Name: Ed Packer

Title: Senior SC Category Spec

Supplier  
CLEAResult Consulting Inc.

DocuSigned by:  
 5/17/2024  
A5D6E371E7CE466...

Name: Victor Pisani

Title: Senior Vice President, East

**Certificate Of Completion**

Envelope Id: D31A0FDD86D045BCAA97D9F9B7DE266F	Status: Completed
Subject: Complete with DocuSign: FECLEAResultSOWPAFinalClean05172024.docx	
Source Envelope:	
Document Pages: 30	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	Monica Ming
Time Zone: (UTC-06:00) Central Time (US & Canada)	4301 Westbank Dr, BLDG A, STE300, Austin, TX 78746 monica.ming@cleareresult.com IP Address: 155.190.8.5

**Record Tracking**

Status: Original 5/17/2024 4:00:15 PM	Holder: Monica Ming monica.ming@cleareresult.com	Location: DocuSign
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**Signer Events**

Victor Pisani  
vpisani@cleareresult.com  
Senior Vice President  
CLEAResult  
Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
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Signature Adoption: Drawn on Device  
Using IP Address: 155.190.22.2

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Sent: 5/17/2024 4:02:00 PM  
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Signed: 5/17/2024 4:04:21 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 5/17/2024 4:02:33 PM  
ID: 8c29f705-e12f-446a-b658-1ac24b2d8a4b

Ed Packer  
epacker@firstenergycorp.com  
Senior SC Category Spec  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
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Signature Adoption: Pre-selected Style  
Using IP Address: 108.88.196.29

Sent: 5/17/2024 4:04:23 PM  
Viewed: 5/17/2024 4:07:04 PM  
Signed: 5/17/2024 4:07:09 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 5/17/2024 4:07:04 PM  
ID: 09499533-1cf5-4693-81f7-e27027ab798d

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/17/2024 4:02:00 PM
Certified Delivered	Security Checked	5/17/2024 4:07:04 PM

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Completed	Security Checked	5/17/2024 4:07:09 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CLEAResult Consulting (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact CLEAResult Consulting:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by paper mail, please send correspondence to:

CLEAResult Consulting  
6504 Bridge Point Parkway  
Suite 425  
Austin, TX 78730

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## Attachment B: Price Breakdown Sheet

### First Energy - Price Breakdown Sheet (PBS) Instructions

1. Open and save this file using the following format: ***Company Name\_PBS\_EE Program OR ABC Inc\_PBS\_EE Products***
2. Enter values in the yellow-shaded cells in column H of the *Input* sheet.
3. Program Start-up Payments  
For the initial one month of operation, the companies expect the Selected Bidder to propose no more than 20% of the contract Fixed startup costs for development of intake processes, application forms & fulfillment processes including; call center, staffing, contractor recruitment, database development, website development, software fees, licensing fees, rebate/incentive processing startup, develop training and certification plans, design training materials, develop annual marketing plan, develop QA/QC procedures, checklists, etc.
4. Program Management & Marketing  
After the first month of Start-up, the Companies expect the Selected Bidder to propose no more than 30% of the contract amount for Program Management and Marketing in fixed monthly fees over the remaining 23 months of the contract period.
5. Program Performance Payments  
The Companies expect the Selected Bidder to propose at a minimum 50% of the contract amount in program performance fees over the entire contract period based on actual monthly performance.
6. The following programs are included in the C&I Energy Efficiency programs for proposed pricing:
  - C&I Energy Solutions for Business Program - Small
  - C&I Energy Solutions for Business Program - Large

See *Programs & Measures* sheet for a complete listing of the programs and specific measures included in each program.

Proposal Submitted By: **CLEAResult**  
 Date Submitted: **26-Apr**

*Please Read Instructions before proceeding with Input sheet*

Program	Subprogram	Activity	Company	Unit Type	Estimated Number of Units (Target)	Rate	Total
C&I Energy Solutions for Business Program - Small	SCI	Fixed Startup Costs Units: Fixed Monthly	ME	Fixed Monthly	1	\$ 127,844.46	\$ 127,844.46
		Fixed Startup Costs Units: Fixed Monthly	PN	Fixed Monthly	1	\$ 145,480.20	\$ 145,480.20
		Fixed Startup Costs Units: Fixed Monthly	PP	Fixed Monthly	1	\$ 36,560.47	\$ 36,560.47
		Fixed Startup Costs Units: Fixed Monthly	WP	Fixed Monthly	1	\$ 147,062.14	\$ 147,062.14
C&I Energy Solutions for Business Program - Small	SCI	Program Management Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 7,927.62	\$ 182,335.26
		Program Management Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 9,021.20	\$ 207,487.60
		Program Management Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 2,267.11	\$ 52,143.53
		Program Management Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 9,119.30	\$ 209,743.90
C&I Energy Solutions for Business Program - Small	SCI	Marketing Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 417.24	\$ 9,596.52
		Marketing Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 474.80	\$ 10,920.40
		Marketing Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 119.32	\$ 2,744.36
		Marketing Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 479.96	\$ 11,039.08
C&I Energy Solutions for Business Program - Small	SCI	Program Performance Units: Per kW (pk)	ME	Per kW (pk)	2,182	\$ 146.54	\$ 319,750.28
		Program Performance Units: Per kW (pk)	PN	Per kW (pk)	2,483	\$ 146.54	\$ 363,858.82
		Program Performance Units: Per kW (pk)	PP	Per kW (pk)	624	\$ 146.54	\$ 91,440.96
		Program Performance Units: Per kW (pk)	WP	Per kW (pk)	2,510	\$ 146.54	\$ 367,815.40
C&I Energy Solutions for Business Program - Large	LCI	Fixed Startup Costs Units: Fixed Monthly	ME	Fixed Monthly	1	\$ 1,150,717.32	\$ 1,150,717.32
		Fixed Startup Costs Units: Fixed Monthly	PN	Fixed Monthly	1	\$ 1,309,438.97	\$ 1,309,438.97
		Fixed Startup Costs Units: Fixed Monthly	PP	Fixed Monthly	1	\$ 329,161.40	\$ 329,161.40
		Fixed Startup Costs Units: Fixed Monthly	WP	Fixed Monthly	1	\$ 1,323,735.05	\$ 1,323,735.05

Proposal Submitted By: **CLEAResult**  
 Date Submitted: **26-Apr**

Please Read Instructions before proceeding with Input sheet

Program	Subprogram	Activity	Company	Unit Type	Estimated Number of Units (Target)	Rate	Total
C&I Energy Solutions for Business Program - Large	LCI	Program Management Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 71,355.80	\$ 1,641,183.40
		Program Management Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 81,198.11	\$ 1,867,556.53
		Program Management Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 20,411.25	\$ 469,458.75
		Program Management Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 82,084.61	\$ 1,887,946.03
C&I Energy Solutions for Business Program - Large	LCI	Marketing Units: Fixed Monthly	ME	Fixed Monthly	23	\$ 3,755.57	\$ 86,378.11
		Marketing Units: Fixed Monthly	PN	Fixed Monthly	23	\$ 4,273.58	\$ 98,292.34
		Marketing Units: Fixed Monthly	PP	Fixed Monthly	23	\$ 1,074.28	\$ 24,708.44
		Marketing Units: Fixed Monthly	WP	Fixed Monthly	23	\$ 4,320.24	\$ 99,365.52
C&I Energy Solutions for Business Program - Large	LCI	Program Performance Units: Per kW (pk)	ME	Per kW (pk)	19,640	\$ 146.54	\$ 2,878,045.60
		Program Performance Units: Per kW (pk)	PN	Per kW (pk)	22,349	\$ 146.54	\$ 3,275,022.46
		Program Performance Units: Per kW (pk)	PP	Per kW (pk)	5,618	\$ 146.54	\$ 823,261.72
		Program Performance Units: Per kW (pk)	WP	Per kW (pk)	22,593	\$ 146.54	\$ 3,310,778.22

**Dollar Summary**

	ME	PN	PP	WP
Fixed Startup Costs	\$ 1,278,561.78	\$ 1,454,919.17	\$ 365,721.87	\$ 1,470,797.19
Program Management	\$ 1,823,518.66	\$ 2,075,044.13	\$ 521,602.28	\$ 2,097,689.93
Marketing	\$ 95,974.63	\$ 109,212.74	\$ 27,452.80	\$ 110,404.60
Program Performance	\$ 3,197,795.88	\$ 3,638,881.28	\$ 914,702.68	\$ 3,678,593.62
	\$ 6,395,850.95	\$ 7,278,057.32	\$ 1,829,479.63	\$ 7,357,485.34

**Percent of Total Bid**

	ME	PN	PP	WP
Fixed Startup Costs	20.0%	20.0%	20.0%	20.0%
Program Management & Marketing	30.0%	30.0%	30.0%	30.0%
Program Performance	50.0%	50.0%	50.0%	50.0%
	100.0%	100.0%	100.0%	100.0%



TOGETHER, WE WILL  
**CHANGE**  
THE WAY PEOPLE  
USE ENERGY

**CLEARResult<sup>®</sup>** *FirstEnergy<sup>®</sup>*

**PROPOSAL TO FIRSTENERGY  
PA UTILITIES TO DELIVER  
THE MARKETING,  
OUTREACH, AND  
TECHNICAL SERVICES FOR  
ACT 129 PHASE IV  
COMMERCIAL & INDUSTRIAL  
ENERGY SOLUTIONS FOR  
BUSINESS PROGRAMS AND  
ENERGY MANAGEMENT  
PROGRAMS**

**SUBMITTED TO:**

FirstEnergy  
Ed Packer  
Corporate Services Supply Chain  
epacker@firstenergycorp.com  
330.384.4645

**SUBMITTED BY:**

CLEARResult  
200 Bursca Drive  
Suite 206  
Bridgeville, PA 15017  
[CLEARResult\\_BD@clearresult.com](mailto:BD@clearresult.com)  
518.542.3203

**SUBMITTED ON:**

April 26, 2024

**PARTNERS &  
STRATEGIC  
VENDORS:**  
The JPI Group



April 26, 2024

Ed Packer  
Corporate Services Supply Chain  
FirstEnergy  
epacker@firstenergycorp.com

Dear Ed:

Thank you for the opportunity to submit a proposal to FirstEnergy Corporation (FirstEnergy) to deliver Marketing, Outreach and Technical Program Services on behalf of your Pennsylvania operating companies: Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec") Pennsylvania Power Company ("Penn Power") and West Penn Power Company ("West Penn") (collectively the "Companies"). Our proposal details our customer-centric and technology-driven approach to successfully deliver the requested marketing, outreach, and technical program services. Through proven strategies and tactics that create deep and diversified savings per project, we will help the Companies aggressively target and support Commercial and Industrial (C&I) customers to submit cost-effective energy efficiency projects with a demand savings focus while improving the customer and program ally experience.

CLEARResult has extensive experience in the C&I sector and currently implements C&I programs for other leading utility clients throughout the U.S. including the Northeast and Mid-Atlantic region. As a previous Conservation Service Provider (CSP) for the Companies, we will use our understanding of your service territories, program designs, and proven tactics to engage hard-to-reach C&I populations.

Our team has proven throughout the years that we are willing to immerse ourselves in the commitment and challenges of everyday delivery on behalf of the Companies, while using these past experiences as a guide to grow and improve our marketing, outreach, and technical services. Our solutions aim to increase program participation and customer satisfaction, ongoing high-value customer engagement, reduction of barriers to participation, and ease of access for the Companies' large customer segments. When we combine the experience and expertise of our staff, including experienced technical staff from our diverse supplier partner The JPI Group, with the necessary marketing, outreach, and technical program services, we are confident we are proposing the most comprehensive outreach and recruitment strategies for your C&I program.

We appreciate the opportunity to grow our relationship with FirstEnergy, your customers, and local program allies using an approach that streamlines participation and offers high value for customer and program ally participation. Our primary contact for this proposal is Andrew Fisk, Business Development Vice President. If you have any questions, please contact him at CLEARResult\_BD@clearresult.com or 518.542.3203.

Sincerely,

A handwritten signature in black ink, appearing to read 'Victor Pisani'.

Victor Pisani  
Senior Vice President



April 26, 2024

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This proposal includes information that shall not be disclosed outside FirstEnergy and shall not be duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offer, as a result of, or in conjunction with, the submission of this information, FirstEnergy shall have the right to duplicate, use, or disclose the information to the extent provided in the resulting contract. This restriction does not limit FirstEnergy’s right to use the information if it is obtained from another source without restriction. The information subject to this restriction is contained in this volume and its appendices and attachments.



April 26, 2024

## Executive Summary

Through CLEAR result's strong local presence in Pennsylvania, deep bench of technical resources, and understanding of the unique needs of your service territory, we will provide the Companies with proven outreach and technical support strategies and tactics that will achieve the marketing, outreach, and technical services goals. Our team's approaches, processes, and skills are already proven in C&I energy efficiency delivery for FirstEnergy, allowing us to launch these services quickly, drive higher levels of customer participation, satisfaction, and engagement to help the Companies achieve their goals.

### Understanding FirstEnergy's Challenges and Objectives

**Achieving Companies' Goals.** As your trusted partner, we know the utmost importance FirstEnergy places on achieving your filed goals. We understand the nuance between delivering energy savings and peak demand savings and have the technical capabilities to explain that nuance to your customers to focus our collective efforts on delivering qualified projects. As detailed in this proposal, we have allocated substantial resources towards increasing the total CLEAR result Full Time Equivalent (FTE) staff to 44 positions including additional management staff and field resources, both Account Managers and Engineers, to ensure success for the program.

**Quick Service Start-Up.** Your C&I customers need a familiar and flexible vendor who can quickly ramp up services while providing a seamless experience to the Companies' large customers. We will integrate our proven outreach methodology, which leverages our existing knowledge and experience of working with FirstEnergy C&I customers in Pennsylvania.

### Approach to Accomplishing FirstEnergy's Objectives

For the remaining duration of ACT129 Phase IV, FirstEnergy has an immediate need to identify and close kW savings from C&I energy efficiency projects in each of its four Pennsylvania Operating Companies to meet its regulatory goals and objectives. To date, there has been limited success to secure a pipeline of custom kW energy efficiency project savings throughout their territories.

CLEAR result will assist the Companies with overcoming barriers and accomplishing the goals and objectives of the requested marketing, outreach, and technical services through completing the following:

- **Expanding Program Participation (outreach services).** We will provide an integrated customer engagement plan that will achieve quick results. Our program approach focuses on cost-effectively engaging C&I customers and program allies across segments and sizes to deliver expanded measures through a diverse mix of projects. We will analyze the Companies' C&I large customer list to develop an outreach and engagement strategy that provides a specific engagement plan and estimated assumed savings from various actions within the plan. Our strategy is to focus primarily on the largest accounts and the projects with significant kW savings. The C&I work we currently deliver in Pennsylvania, Maryland, and the Mid-Atlantic region has allowed us to

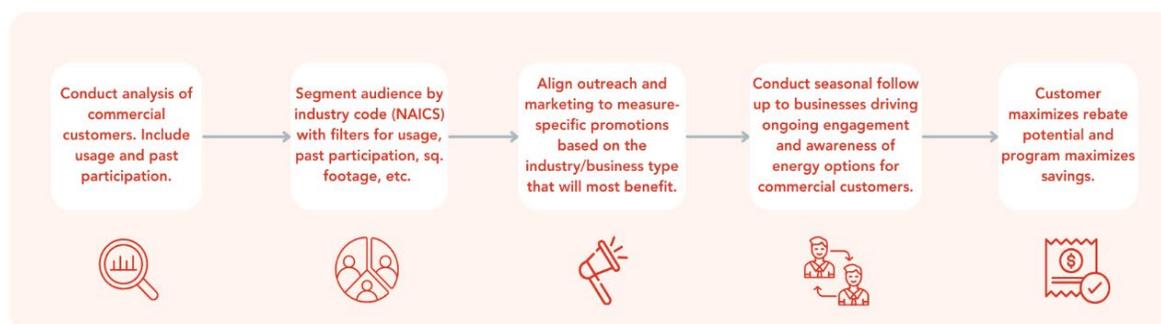


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establish strong relationships across the service territories. With these relationships, we understand the needs, strategies, and variations in program design that the Companies want to promote to their customers.

- **Deeper Measure Penetration (technical services).** To pursue greater energy efficiency, especially demand savings, we start engaging C&I customers by setting clearly defined peak demand savings goals. In tandem with our program team, we will assess risks, resources, and costs, and plan their project(s) with a holistic perspective. As the project unfolds, we will maintain transparent communication and collaborate on a comprehensive project plan. Our technical staff understands the barriers and motivators of C&I customers and uses an Energy Advisor approach to help customers overcome financial, technical, and operational challenges to identify, develop, and complete projects. This is backed by robust monitoring and evaluation to keep tabs on project progress, and a commitment to learning and adaptation throughout the project's lifecycle. All efforts are meticulously documented, preserving the knowledge and lessons learned for the benefit of that customer and future program participants.
- **Robust Forecasting.** To support and drive continuous program improvement, CLEARResult's program management and engineering teams, working in conjunction with the Companies, will consistently evaluate the effectiveness of marketing and outreach services and market trends throughout the remaining Phase IV duration. We will ensure we are offering optimal large customer engagement and providing technical support to enroll and submit eligible projects driving high levels of demand savings.
- **Improved Program Experience and Work Quality (dedicated staff).** To drive higher levels of customer satisfaction, the quickly hired and expanded CLEARResult team will commit to streamlining and personalizing every touchpoint in the customer journey, from initial inquiries to final project application submission. This will ensure resources are plentiful and that every large customer interaction is efficient and meaningful while maintaining aggressive customer engagement. Our goal is to create a seamless and memorable program experience that not only meets but exceeds customer expectations, fostering continued program participation and positive referrals and most importantly, delivers results.

Figure 1. Marketing Strategy



- **Enhanced Marketing/Outreach.** With a greater focus on analytics, CLEARResult will conduct a refreshed analysis of the large customer market, including looking at past



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participation and usage. Creating a segmentation model based on the types of businesses that are participating in certain high yielding measures, including our ability to create follow-up outreach efforts more individually to customers, our marketing strategy is also geared at driving deeper savings per customer. Please see Figure 1 for a visual of our Marketing Strategy.

## Why CLEARResult is Ideally Suited to Serve FirstEnergy

Our experience providing marketing, outreach, and technical services support across North America supports the Companies' need for a strategic partner that is familiar with your customer base and understands how to educate, inspire, and motivate C&I customers to increase their pursuit of energy efficiency measures, especially demand savings. The Companies' partner should understand the needs of the C&I marketplace to continue program momentum through relationships with C&I customers and with the program allies who help make the program successful. Perhaps most importantly, your partner must understand the full programs' offerings and help customers take advantage of the financial incentives and services that are beneficial to them, encouraging repeat participation within the C&I portfolio.

As the Companies' partner, CLEARResult has unmatched experience and credentials in the C&I program space, as evidenced by the more than 900 C&I programs we currently run on behalf of utilities across North America. This team is backed by CLEARResult's additional 170+ energy engineers as well who also work every day on C&I energy efficiency across many industry verticals. Through our national expertise and leadership coupled with our intimate understanding of FirstEnergy on a local level, we are excited to support you. We are committed to your success and are excited to support this essential suite of program services.

## Next Steps

We are happy to provide additional information or a presentation of our proposal. Thank you for inviting us to participate in your procurement process.



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## RFP Checklist

Table 1. RFP Checklist Requirements and Proposal Location

Requirement	Location
Organization chart and description of management roles and responsibilities; including resumes	Appendix 1, Work Plan
Identification of single point of contact coordinating Vendor Start-Up Plan activities and tasks	Appendix 1, Work Plan
Gantt chart with descriptions, dates, party responsibilities, and suggested program launch milestone plan to detail specific marketing/communications strategy; including launch of promotional strategies, creation of a website and establishment of a toll-free number for customers and for FirstEnergy to use for transfer calls it receives related to the program	Appendix 1, Work Plan
Plan to develop electronic payment between FirstEnergy and the vendor	Contract Payments – page 25
Plan to facilitate or support program tracking systems and reporting	Program Data and File Collection Requirements – page 22
Plan to ensure all other preparations needed are completed before the program is launched	Program Launch Responsibilities – beginning at page 11
Plans to use subcontractors to achieve program goals, including subcontractor diversity plan	Contract / Subcontractor Management – page 21
Example of quarterly program forecast	Market Assessment and Characterization Activities – beginning at page 18 and Appendix 2.
Example list of utility contacts and successful utility programs run	Provided separately under Supplier Capability within Coupa procurement questions
Experience related to managing similar programs as listed in Section 5 of this document	Provided separately under Supplier Capability within Coupa procurement questions
References from similar programs managed previously	Provided separately under Supplier Capability within Coupa procurement questions



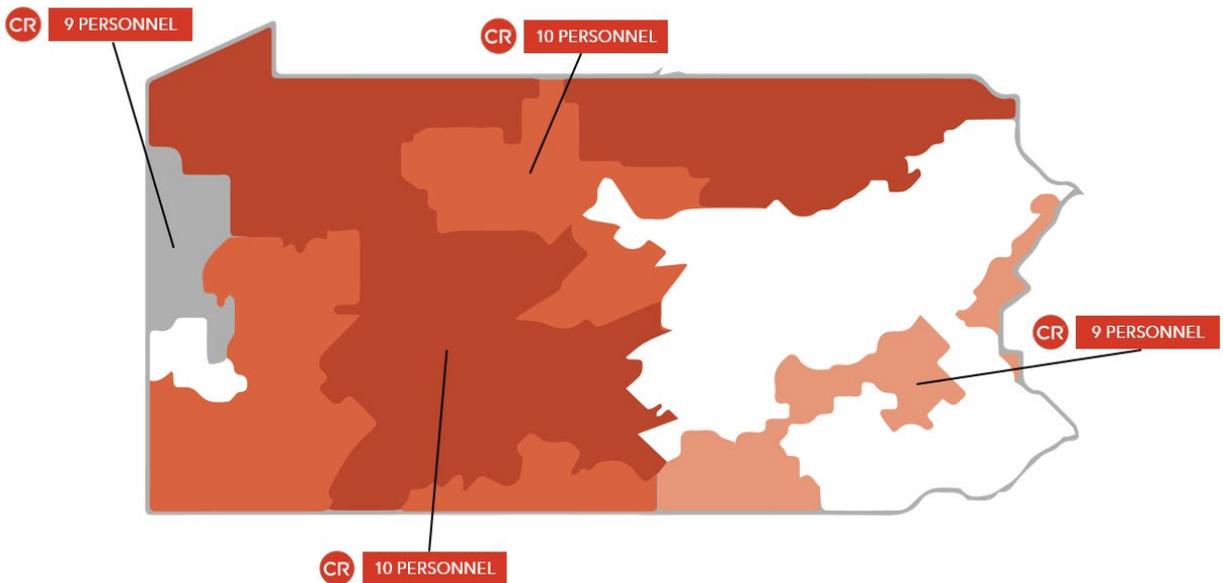
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## Program / Market Descriptions and Scope of Work

### Market Segments Overview

CLEAResult understands that the Companies need additional support for managed accounts within the Large Commercial and Industrial (LCI) and Small Commercial and Industrial (SCI) sectors with a focus on projects with peak demand savings to meet your goals. Based on our analysis of your market, we will provide improved outreach and project support through our Energy Advisor model. We will provide your customers with customized support to help them overcome their specific barriers to participation, and our team of specialized outreach staff and engineers will assist your customers through measure identification through energy assessments, education, cost-benefit analysis, understanding of environmental impact reductions, measurement and verification (M&V), and incentives to address cost barriers. To ensure better alignment with program resources and customers, we will assign outreach staff by region as represented in Figure 2 below. Within this section, we provide an overview of how we will provide the requested services in Pennsylvania.

Figure 2. Key Personnel Map



### Scope of Work

#### Engaging, Contacting, and Meeting with FirstEnergy Customers

Whether virtual or in-person, a key part of the participation experience for most C&I customers is the personalized, one-to-one support they receive from CLEAResult's team of Energy Advisors. The unique feature of our C&I Energy Advisor strategy is that wherever a customer begins their journey, they have access to skilled, personalized support from our team.



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A hallmark of our successes has been the close collaboration of CLEAR result staff with our clients' managed account teams in providing a trusted advisor for their largest or most sensitive customers. Together, we develop a clear understanding of customer needs, which our team then aligns with the appropriate technical expertise and financial incentives to bring projects to fruition.

As we re-engage in Phase IV, we will equip our combined outreach team with the appropriate tools and training, as well as the collateral they need to inform customers about program offerings and provide a clear path for participation. We will utilize our market analytics team to identify customers with the greatest savings potential, and we will match customers with the appropriate technical experts and incentives required to deliver successful outcomes. Our comprehensive approach to marketing and outreach will ensure that the Companies' customers and key stakeholders are well-informed of the program benefits and prepared for a successful participation experience.

**Identifying New Projects:** We will take a two-pronged, high-level "art and science" approach to identifying new projects. 1) Science: We will conduct a comprehensive analysis that segments accounts into initiatives that batches customers in similar industries. We will estimate percent savings potential and likely available measures for upgrades. Customer initiative segments may include, but will not be limited to, healthcare, general manufacturing, and specialty subsegments including warehousing, waste-water treatment, and public and municipal organizations. We will also look to build initiatives around specific likely measure opportunities such as compressed air, solar, vacuum systems, CHP, etc. 2) Art: We will use a proactive communications strategy. We will research and make program introduction calls and work to identify any recently completed and/or projects in process. We will set up on-site customer meetings with CLEAR result account managers and engineers with specific subject matter expertise to visit the customer's location to confirm, identify, and motivate additional projects. We will enroll as a program ally in the Companies' existing programs to facilitate project submission and tracking via the program's already established submission system. Our program coordinators will ensure that project applications are submitted in good order and all project documentation is complete.

## Outreach Staff

We have strategically located our staff regionally in FirstEnergy's PA territory. Please see Figure 2 in our [Market Segments Overview](#) section to see our staff count and proposed coverage area.

## Non-residential Customer Analysis

CLEAR result will conduct a comprehensive analysis and develop an Outreach Strategy and Engagement Plan for the managed accounts. The plan will segment accounts into initiatives that batch customers in similar industries and make estimates of potential percent of participation, likely available measures for upgrades, and estimated percent of kW savings based on current customer usage. We will provide an estimate of total savings to potentially be achieved by 5/31/26. Customer initiative segments may include, but are not limited to, healthcare, general manufacturing, and specialty subsegments including warehousing, waste-water treatment, public and municipal commercial organizations, agriculture, datacenters,



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school and educational organizations, and where applicable, measure specific opportunities such as compressed air, renewable solar, vacuum systems, and CHP projects. We will present an Outreach Strategy and Engagement Plan that includes a list of all potential target customers to FirstEnergy for approval and have accounts assigned by FirstEnergy to CLEARresult to completely own the outreach and engagement relationship going forward until end of SOW period.

## Outreach Strategy and Engagement Plan

### Established FirstEnergy Relationships

CLEARresult does not implement a “one size fits all” communication approach, but instead employs customized outreach and education strategies. We will target and personalize strategies and tactics, where applicable, to the following audiences:

- FirstEnergy PA program personnel and existing program implementers
- Prospective C&I customers
- Company employees, particularly National Accounts and Customer Support teams, External Affairs managers, and business unit teams
- Any already established outreach and call center teams

### Identifying Projects

Through active account management with your larger or specific managed accounts, Energy Advisors work with customers to identify both prescriptive and custom measures that will help customers meet their specific goals and achieve greater efficiency over time as an iterative process and deliver peak demand savings to the program. To ease the program participation process, we will offer customers and program allies application assistance through the already established program application systems and procedures. Our approach also includes:

- Using trained account management staff to educate and provide ongoing support to customers and their contractors to educate them on program opportunities to help them become (or continue being) active participants.
- Local technical staff to help program allies and customers prioritize projects and focus program resources on the most cost-effective energy savings opportunities. We have found that a partnership approach is extremely effective in working with customers to produce significant energy savings and high levels of customer satisfaction.
- A suite of technical services to streamline program participation, including technology-specific calculators to identify energy savings and corresponding incentive levels for measures.
- Unmatched technical support for the program that includes in-house engineers and evaluation specialists who regularly communicate newly approved energy efficiency measures across our more than 85 C&I programs.



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## Engineering and Technical Support

Specifically for the services requested, CLEAResult will provide ongoing engineering and technical support to assist in creating and completing eligible projects. These tasks include:

- Developing energy efficiency project calculations and project plans.
- Reviewing project designs for maximized peak demand savings
- Advising customers on the best technology and approaches to maximize incentives that drive the highest levels of savings.

Additionally, CLEAResult will leverage our larger engineering team of over 170 industry-leading engineers across North America to provide building assessments and auditing, measurement and verification of custom projects, billing analysis, and technical guidance on over 25 areas of subject matter expertise. Our team expertly identifies and recommends cost effective opportunities to save energy and/or reduce emissions, designs localized solutions, and trains customers and trade allies. We support client programs in residential, C&I, institutional, and agriculture sectors, providing hands-on guidance and oversight for prescriptive and custom projects across our portfolios.

## Engineering Services

<ul style="list-style-type: none"> <li>▪ Building assessment and auditing</li> <li>▪ Measurement and Verification of custom projects</li> <li>▪ Utility evaluation support</li> <li>▪ Utility bill analysis</li> <li>▪ Development and maintenance of technical tools and resources</li> <li>▪ Author work papers for new measure methodologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing QA/QC standards and protocols</li> <li>▪ Delivery of technical training</li> <li>▪ Prescriptive project processing</li> <li>▪ Ownership of savings calculations in CLEAResult tracking platforms</li> <li>▪ Technical guidance for regulatory or customer needs</li> </ul>
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## Subject Matter Experts from 25+ Energy and/or Emission Focus Areas

<ul style="list-style-type: none"> <li>▪ HVAC systems</li> <li>▪ Lighting system design and analysis</li> <li>▪ Refrigeration</li> <li>▪ Operational enhancement for industrial facilities</li> <li>▪ Wastewater treatment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data centers, oil and gas fields</li> <li>▪ Building modeling</li> <li>▪ Demand response</li> <li>▪ Field safety</li> <li>▪ Retrocommissioning</li> <li>▪ Residential smart home technology, and more</li> </ul>
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## Ongoing Customer Engagement

We provide an integrated customer engagement plan that will achieve quick results. Our outreach approach seeks projects that deliver peak demand savings within the remaining Phase IV timeframe. Our technical staff understands the barriers and motivators of C&I customers and uses a high-touch approach to help customers overcome financial, technical, and operational challenges to identify, develop, and complete projects. The C&I work we currently deliver in the Mid-Atlantic region has allowed us to establish strong relationships across the service territory. CLEAResult will provide Energy Advisor services to all managed accounts, including training, contractor support, technical support, and application assistance.



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## Scheduling Educational Workshops, Webinars, and Training Sessions

Through our engagement with your managed accounts, CLEARResult will educate your customers on the benefits of Building Operator Training and assist with their enrollment in the program. When applicable, we will also recommend other available workshops, webinars, and training sessions that would be beneficial to your customers.

## Additional Funding and Finance Sources

CLEARResult will leverage our team of experts across the Mid-Atlantic region to funnel our knowledge of other funding and financing mechanisms to the local PA team. As part of our customer engagement process, we will educate customers on the opportunity to weave those other mechanisms into the project financing plan to deliver highly cost-effective projects with high probabilities of moving forward.

## Achieving Savings Goals

As a longtime partner of FirstEnergy, CLEARResult fully understands the task at hand. Our goal is to help you achieve yours. As discussed in our plan, we will quickly establish a start-up team of familiar faces that will get right to work engaging the customers most critical to our collective success. We will work to quickly bring on the additional required staff to fully implement the outreach plan as described. With an initial focus on recently completed and/or projects already underway, we will work to deliver savings early toward the first milestone. Once past that initial focus, we will turn our attention to identifying and developing additional projects for customers to implement. We will fully leverage our subject matter expertise to identify high-yield, cost-effective projects that can be completed within the timeframe remaining in Phase IV, ultimately leading to the achievement of the overall demand savings goal.

## Program Implementation

### Comprehensive Customer Base Analyses

CLEARResult will conduct a comprehensive analysis and develop an Outreach Strategy and Engagement Plan for the managed accounts. The plan will segment accounts into initiatives that batch customers in similar industries and make estimates of potential percent participation, likely available measures for upgrades, and estimated percent of kW savings based on current customer usage. We will provide an estimate of total savings to potentially be achieved by 5/15/2025, 12/15/2025, and 5/31/26.

Customer initiative segments may include, but are not limited to, healthcare, general manufacturing, and specialty subsegments including warehousing, waste-water treatment, public and municipal commercial organizations, agriculture, datacenters, school and educational organizations, and where applicable, measure specific opportunities such as compressed air, renewable solar, vacuum systems, CHP projects, etc. We will present an Outreach Strategy and Engagement Plan, including list of all potential target customers to FirstEnergy for approval and have accounts assigned by FirstEnergy to CLEARResult to



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completely own the outreach and engagement relationship going forward until end of the scope of work (SOW) period.

## Outreach Strategy and Engagement Plan

CLEAResult will present the Outreach Strategy and Engagement Plan, including list of all potential target customers to FirstEnergy for approval, along with estimates of kW(pk) demand reduction achievable. We will also provide outreach resources to implement the Outreach and Engagement Plan. We describe additional details in the previous sections above.



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## Program Launch Responsibilities

### Start-Up

#### Start-Up Plan

Traditionally, the start-up period is one of the highest risk times of a contract. As the current successful contractor for the Potomac Edison EmPOWER MD C&I Portfolio, the CLEARResult team has the existing resources, staff, systems, program processes, and materials previously approved by FirstEnergy that will avoid the risk, cost, and hassle associated with the need for a quick start-up. We will draw on our years of experience shared with FirstEnergy, and recent success in hiring a large number of staff in Maryland, to ensure a seamless and quick launch.

For the Marketing, Outreach and Technical Program Services for C&I programs, CLEARResult understands that the program start-up period sets the tone for the entire engagement and is critical to the Companies' program performance. Accordingly, we bring rich start-up capabilities mobilized by a dedicated start-up team delivering launch experiences that expedite start-up time and minimize costs and process errors commonly associated with starting new initiatives.

#### Transition

The following are some of the existing elements that will prevent inconvenience to your program participants and save you time and cost during program transition because of the established relationship between the Companies and CLEARResult:

- **Contracting.** CLEARResult has cooperatively negotiated and agreed to language with FirstEnergy's legal department regarding many contract terms and conditions including indemnity, indemnity of subcontractors, invoicing, and stoppage of work.
- **Demonstrated ROI.** Continuing our established partnership will bolster your position as a leader in energy efficiency program design and implementation by reducing program participant costs, improving return on investment, and improving the environmental and economic vitality of Pennsylvania.
- **Existing Program Processes and Rules.** Working collaboratively with FirstEnergy in Maryland throughout Phases IV and V, and quickly transitioning to a delivery model based more heavily on an Energy Advisor approach in Phase VI, program processes have been agreed upon, implemented internally, and communicated externally to program participants. With FirstEnergy's approval, this groundwork will transition into Pennsylvania, incorporating minor updates and coordination with current implementers, and minimizing customer confusion. CLEARResult is familiar with FirstEnergy's legal review procedures, marketing approvals, and reporting structure, which will all play a valuable role in transitioning into Pennsylvania. With our mature infrastructure, staff expertise, industry networks, and momentum in the marketplace, we will continue to build upon the trust developed between FirstEnergy implementation staff and program partners.

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- **Successful Data Management.** Our data management system and reporting protocols are in place and approved by FirstEnergy. With a tailored system configuration in place, we will reduce significant risk and costs during the start-up period.
- **Brand Expertise.** We recognize that these are FirstEnergy’s programs, and FirstEnergy has specific guidelines program vendors must follow. With an approved library of program materials already developed, FirstEnergy knows and trusts that CLEARResult understands FirstEnergy’s brand and how to represent it appropriately.

## Expanded Program Start-Up

Our start-up managers use a robust and customized governance process engaging the program team and the main stakeholders from the beginning. Our start-up standards ensure efficient program deployment, quality of services delivered as soon as we begin work and, ultimately, satisfaction of our utility clients and their customers.

Figure 3. CLEARResult Program Start-up Strategies

### 1. KICK-OFF

Our team and launch process kicks-off the critical first 8-12 weeks of start-up effort to ensure our new programs are off to a good start. Launch manager presents proposed plan and timeline with key milestones, roles, & program requirements.

### 2. PLAN

We finalize processes, measures, rules, and design preferences; guided by a focus on delivering excellent customer experience, keeping participation simple, and starting with proven models.

### 3. BUILD

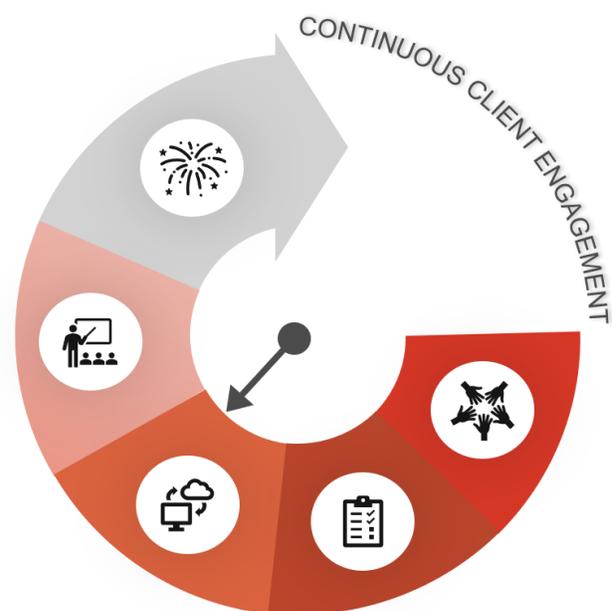
We develop data management system for secure transfer, tracking, and reporting of program and participant data; and recruit talented and qualified staff, partners, and assets to execute programs.

### 4. TEST & TRAIN

We test systems to verify program requirements. Trainings for program staff are tailored to achieve relevant orientation, health and safety, and program specific knowledge transfer.

### 5. LAUNCH

Our team launches the new programs ensuring stable operations and continuous quality through a retrospective lessons learned session followed by a 60-day post-launch review.



The dedicated start-up team consists of the local program director, a start-up manager, the designated program manager, subject matter experts, and stakeholders from each applicable department across CLEARResult. We will leverage this team’s collective experience and best practices gained from across similar services we implement to quickly launch services for the Companies.

The dedicated start-up manager will manage the process from contract award to service launch. Drawing from our experience, the start-up manager will develop a comprehensive project plan with a program-specific schedule and a breakdown of tasks and assignments. The



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plan includes an exhaustive list of key checkpoints and milestones required to support deployment. The start-up manager is responsible for ensuring that we engage the appropriate company stakeholders to complete each task on time and in collaboration with the Companies, as appropriate.

The start-up team will work with the local program management team to maintain continuity of vision and plans as the start-up period moves forward. Additionally, the start-up manager provides progress updates throughout each stage of the process to confirm we meet our goals and launch the effort as planned.

## Launch Coordination Meetings and Kickoff Meetings

CLEARResult will host a scope of work (SOW) kickoff meeting with the Companies' staff within 15 days of the contract award. During the kickoff meeting, we will review the start-up plan, draft work plan, and outreach plan for each customer segment. Building upon an existing and vast library of materials, our launch of the services will ensure new marketing materials and concepts are ready for launch on day one.

Attendees will ask and answer any questions, clarify expectations, and confirm process and reporting protocols. The kickoff meeting will also include a presentation of our Work Plan to discuss program data, customer and program ally relationships, and projects in process. We suggest using weekly start-up meetings with the Companies to ensure continued understanding of responsibilities and to inform the Steering Committee of progress. During the start-up period, we will perform all activities necessary to launch the services.

## Launch Meetings

We will hold the necessary launch meetings with the Companies' internal and back-office teams so that all teams are informed of start-up and launch process:

- **Start-up Meetings.** We will meet with the Companies, your consultants, and your current implementers as needed to continue progress on start-up.
- **Steering Committee Meetings.** We will update the Companies' management on start-up and launch activities throughout the start-up phase.
- **Reporting Meetings.** We will work with your program manager so we meet your tracking and reporting needs.

## Start-Up/Transition Team

### Vendor Tracking System & Data Integration

Our IT team will facilitate the re-initialization of our internal tracking system and work with the local program management and operations team to develop our activity reporting mechanisms. If necessary, our data exchange process can be automated to ease program reporting and simplify program administration. Because CLEARResult is familiar with these programs today, we can provide seamless support to projects in process and ensure high levels of customer retention and satisfaction during and after the transition period. As a current registered CSP in Pennsylvania and a previous implementer, we can quickly ramp up and



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support all aspects of marketing, outreach, and technical support tracking and any necessary reporting for these services.

## Code of Conduct

All CLEAR result employees receive Business Ethics and Anti-Corruption training as part of our onboarding with renewals performed annually. As a current vendor for the Companies, we already uphold these internal policies when delivering programs on your behalf. We will continue to apply these same standards while supporting the Companies in Pennsylvania. As a consultant that provides demand-side management program implementation services, we typically do not serve as an energy efficiency program ally or other business. Therefore, our team exclusively uses confidential information to serve the Companies' customers and will never sell or market CLEAR result products or services to your customers.

## Program Ally

CLEAR result has National Accounts and Design Build departments that work on behalf of facility owners and operators to manage energy efficiency incentive applications as part of their scope of services. These departments operate independently of the vendor functions.

## Ownership, Sharing, and Retention of Data

CLEAR result will continue to effectively manage program projects while maintaining data accuracy and retention. As a current vendor for the Companies, we have previously completed the IT ASP checklist to determine that we meet your IT standards for data security and protection policies. We understand and respect the sensitive nature of client and customer data and ensure our systems can meet the services' IT security requirements. CLEAR result will maintain, archive, and transfer all required data in our system in accordance with EM&V requirements for the services and the Companies.



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## Program Operations and Implementation

### General Administration and Operations

We will successfully administer the program using:

- Experienced team members who draw on regional and national best practices
- Open communication supported by detailed plans and reports
- Face-to-face meetings
- A partnership approach with the Companies
- A targeted and effective marketing and outreach approach
- Use of our digital platform and the Companies' tracking tools to provide transparency in tracking marketing, outreach, and technical support service activity
- A robust QA/QC process that ensures program quality customer support and favorable evaluation results
- An avenue to provide feedback on new opportunities and direction for the requested services

We will work with your internal and back-office teams as well as your current C&I vendors throughout the remainder of Phase IV. We are excited to expand our work with the Companies in Pennsylvania for your C&I programs.

### Work Plan

CLEAResult will develop a comprehensive draft work plan. Our Work Plan will provide a general roadmap for successful delivery of the services. In our plan, we outline the overall framework for implementation functions that consider the overall client goals, program logic, delivery approach, quality initiatives, and performance metrics required to gauge success. We have provided a draft of our Work Plan including key personnel and key staff resumes in Appendix 1. Through proactive coordination and familiarity with the Companies, we will quickly develop the necessary systems and procedures needed to conduct outreach and technical support to customers. We are strategically located throughout Pennsylvania to better support the entire service territory. Core elements of the work plan will include:

- Program descriptions with an overview of marketing, outreach and technical services, and other service activities
- Start-up plan with timelines and milestones
- Program metrics defined as key performance indicators (KPIs), including quantitative (e.g., kWh savings, customer participation, impressions, contact center metrics) and qualitative (e.g., customer satisfaction, customer equity) considerations
- Marketing plan with overall approaches and target market information related to customer segmentation and demographics
- Program concept and logic, including a discussion of the continuous improvement process, how the design will overcome barriers to achieve goals and objectives, and an explanation for why the concept will succeed
- QA/QC plan, data management and reporting protocols, and a meeting schedule



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- Administrative requirements, including a subcontractor plan and staffing resource plan, outlining the necessary support services and process flows based on systems proven to maximize efficiency

We will update the work plan during our annual planning process using a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the existing services. We also review planning assumptions based on experience gained in the field, and update participation and savings assumptions and budgets. We will analyze the data and use it to develop a revised delivery strategy for moving forward that incorporates learnings, customer and program ally feedback, and changes in the market.

As time is of the essence, we will also continue to incorporate feedback loops to enable the Companies and our team to make informed changes to the plan during delivery. This planning may include modifying our assumptions about marketing or the effectiveness of incentives and making course corrections.

## Program Management and Coordination Meetings

### Program Meetings

CLEAResult will leverage our experience supporting the Companies, as well as working with local teams to participate in and support regularly scheduled meetings. When necessary, we will include representation from our partners. These meetings are essential to review and refine contact issues, marketing, promotions, program reports and updates, regulatory issues, and any other relevant delivery service highlights. Additionally, CLEAResult will continue to provide the Companies with status reports and KPIs to help inform them of activities on the ground.

Our meeting schedule supports ongoing and regular sharing of data and provides another opportunity for the Companies and CLEAResult to identify any needed marketing, outreach, or technical support design adjustments. To support open communication in areas such as goal tracking and lead generation enhancements, we recommend that our teams hold the regularly scheduled meetings summarized in Table 2.

Table 2. Program Meeting Schedule

Meeting Type	Metrics
Bi-Weekly Meetings	<ul style="list-style-type: none"> <li>• Scheduled with the Companies’ program management team(s)</li> <li>• Use pipeline meetings to review projects in process, progress to goals, issues and challenges, and formal reporting</li> <li>• Provide program updates and discuss contract or regulatory issues</li> <li>• Discuss marketing efforts and results</li> <li>• Discuss program changes</li> <li>• Obtain any necessary approvals</li> </ul>



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Meeting Type	Metrics
Monthly Meetings	<ul style="list-style-type: none"> <li>Scheduled with the Companies’ program management team(s) and may include current C&amp;I vendors</li> <li>Review progress and any challenges</li> <li>Discuss program changes</li> <li>Obtain any necessary approvals</li> <li>Review pipeline of projects, progress toward goal and forecast</li> <li>Ongoing review of marketing campaigns and tactics</li> </ul>
Ad Hoc Meetings	<ul style="list-style-type: none"> <li>Either in group, one-on-one at the Companies’ offices, in other regional areas and/or virtually as needed</li> <li>Review status reports, deliverables and other materials</li> <li>Discuss suggested program modifications</li> <li>Solicit additional program input</li> </ul>
Quarterly Business Review Meetings	<ul style="list-style-type: none"> <li>Scheduled with the Companies’ program management team</li> <li>Held quarterly</li> <li>Review progress against goals</li> <li>Review performance against KPIs</li> <li>Discuss lessons learned</li> <li>Decide on any needed course corrections</li> <li>Revise Work Plan as needed in consultation with the Companies</li> </ul>

### Pipeline Meetings/Reports

CLEAResult will participate in regularly scheduled pipeline meetings/teleconferences with the Companies’ to discuss program and marketing activities, issues and challenges, specifics concerning larger projects, current and forecasted progress toward savings targets and any other relevant issues. We will also meet with the Companies monthly to review monthly progress report and incorporate any feedback from the Companies to the outreach plan.

### Ad Hoc Meetings

CLEAResult will attend meetings with the Companies, Companies’ EM&V Vendor, Statewide Evaluator (“SWE”) or the Commission, or other areas and locations as required. We will provide status reports, deliverables, or other materials as needed for these meetings.

## Reports

### Management Status Reports (Monthly)

The Companies will continue to benefit from the reporting capabilities and solutions provided by CLEAResult. We will ensure that all monthly marketing, outreach, technical support activities



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and other essential data are maintained and reported to meet the needs of the Companies' C&I services.

## Monthly Advertising and Marketing Reports

We will provide the required monthly advertising and marketing reports as part of our monthly reporting.

## Market Assessment and Characterization Activities

On a quarterly basis, CLEAResult will collect, compile, and assess information on the characteristics and current status of markets affected by the current and past programs for purpose of evaluation and to define markets that may be potential target(s) of modified, enhanced, new or existing programs. We will also determine if findings from the information collected and analyzed warrants changes to Outreach Strategy and Engagement Plan. Please see our broader Scope of Work section beginning on page 5 for additional details and descriptions.

## Program Documentation

### Shared File System

CLEAResult understands that the Companies are seeking a shared file system. We will make use of Microsoft SharePoint when file sharing is required. We host the files on a secure S3 cloud site that meets all the required data storage and SOC 2 compliance.

### Program Documentation Types

#### Program Manual

CLEAResult understands that we will be responsible for the development of a marketing, outreach and technical support manual listing all services requested in this RFP and other pertinent related service delivery information.

#### Incentive Tracking

CLEAResult understands that we will support the Companies and their current C&I vendors with maintaining a running record of incentive levels, by program, by measure, for entirety of contract.

#### Bonus Initiative Tracking

CLEAResult understands that we will support the Companies and their current C&I vendors with maintaining a running record of all bonuses offered, incentive or administrative, by program and measure as applicable for the entirety of the contract.

#### Retention & Documentation of Approved Marketing Documents



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CLEAR result will coordinate and collaborate with the program implementation vendor and FirstEnergy on the use and distribution of marketing materials as needed in support of the program. If CLEAR result creates marketing documents during this engagement, we will follow the process described in this RFP.

## Customer Service

### Vendor Call Center Services

CLEAR result will continue to use our internal Integrated Customer Services (ICS) contact center team, which supports FirstEnergy's Potomac Edison C&I programs in Maryland, to provide exceptional customer service to the Companies' Pennsylvania-based C&I customers. CLEAR result call center staff are familiar with the C&I program requirements and can quickly guide Pennsylvania customers to local answers and resources. Combining our knowledge of energy efficiency and customer service, and our historical experience working on similar programs, our ICS team will continue to field customer/program ally telephone calls, troubleshoot, provide status updates, and cross-promote the Companies other programs (when available).

We use a cloud-based contact center solution to manage each phone call or email, and call recording technology. Through ACD with skills-based routing, we will direct contractors to support specialists with the appropriate skills, eliminating unnecessary transfers and reducing call times. Voice Over IP will provide flexibility to quickly start up support and provide ongoing redundancies to ensure calls are always answered.

Each interaction will be recorded and stored securely by our phone software vendor, who meets the stringent data security requirements for SOC 2 Type 2. We will provide the Companies with a copy of any call recording by downloading it into a SFTP site for retrieval.

We can assist contractors in English and Spanish. When a bilingual specialist is not available or when another language is needed, our contact center team will leverage Language Services Associates (LSA). A certified, woman-owned business located in Pennsylvania. LSA has access to more than 200 languages, including Spanish, Portuguese, German, Arabic, Mandarin, Cantonese, Vietnamese, and French.

We will also provide contractor support outside of a phone call to better assist an individual for whom a phone conversation would not be ideal. Alternative forms of communication will include email, chat, and text. In addition, customer-facing online portals and web pages will be designed to facilitate participation by all consumers. These digital tools will increase independent accessibility through simple navigation and supportive Americans with Disabilities Act (ADA) features such as read-aloud capability and text translation.

Contact center services are offered Monday through Friday, from 8:00 am – 5:00 pm EST. Calls received outside our normal business hours will be directed to our voice messaging system and will be returned within one business day of receipt. CLEAR result observes all major holidays and is closed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day,

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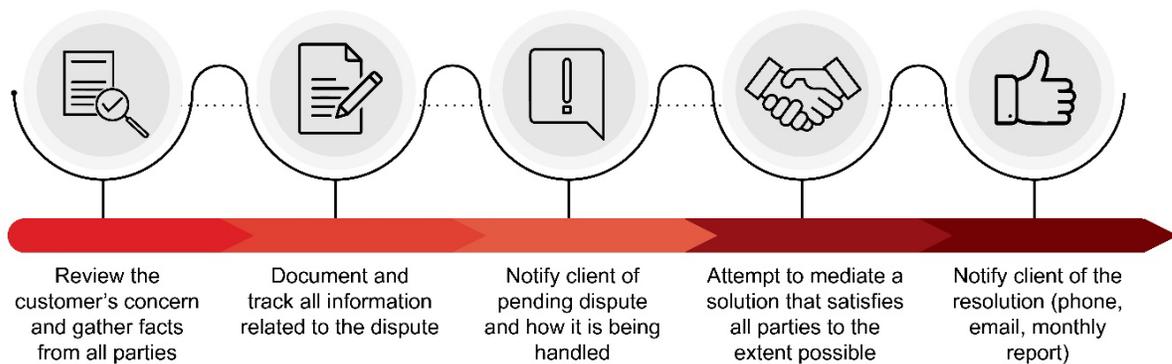
Friday after Thanksgiving, Christmas Eve, and Christmas Day. We will also be closed the Friday before, or the Monday after, if a holiday falls on a weekend. We are happy to offer extended hours of operation for an additional charge.

## Dispute Resolution

We have procedures in place for ensuring complaints and disputes are resolved to the customer's satisfaction. While we do not anticipate many disputes or conflicts arising, our team's program management experience equips us with the training and skills needed to handle challenging customer situations. CLEAResult staff will receive program-specific training on the process for escalating any customer disputes or conflicts appropriately. Figure 4 depicts the primary stages of our dispute and conflict resolution process.

We typically share escalations with an appropriate client contact immediately or within 24 hours so we can mutually advise and implement a remedy. If our established practice does not align with the Companies' needs, CLEAResult will follow an escalation process that honors the Companies' existing protocols.

Figure 4. Dispute Resolution Process



## Communication Protocols

We will establish communication protocols with PIMs that provide timely updates and ongoing engagement between our teams. We provide each PIM with specific and complete contact information (email, office and mobile phone numbers, and alternative numbers) to facilitate communications. In addition, our program manager uses a proactive process to respond to any issues or inquiries as they arise. Our program manager and team members will be accessible to the Companies and your customers each business day from 8 a.m. to 6 p.m. We commit to providing responses to all inquiries within one business day or sooner given the urgency of the inquiry.

We log all inquiries onto our IT platform. Proper documentation allows us to maintain a history of our efforts to appropriately respond to and resolve inquiries. The documentation includes a description of the inquiry, the date when it was received from the customer or their



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representative, and the resolution date. We will use the customer or program ally's preferred communication method, which may include calls, email, direct mail or in-person visits.

We anticipate that the Companies' personnel will provide all communications to regulatory agencies or bodies. We will participate as needed solely as the Companies' agent and under your direction. We will provide information and reports to the Companies in an expeditious manner so you can provide regulatory communications and comply with data requests.

## Contract / Subcontractor Management

CLEAResult proposes a strong leadership team dedicated to the services, supplemented by our talent acquisition process and proven procedures to hire additional, local staff to support the program. As the previous vendor for C&I application processing, we can quickly expand on our pool of qualified internal staff, as well as recruit new team members who can successfully support all aspects of the program. We use multiple marketing strategies to find qualified candidates. Our campaigns reach approximately 9,000 energy efficiency professionals every quarter, in all 50 states. We maintain a candidate database and applicant tracking system of more than 35,000 previous applicants. This database is searchable by keyword, and we index candidates by position and location for easy retrieval.

Our pre-hire talent assessment processes ensure that new candidates are a good fit, and our Talent Center supports internal opportunities as well, creating a very efficient talent acquisition process. Using this approach to staffing, we will fill any open positions within start-up period. While we are ramping up newly hired staff, the proposed leadership and start-up staff will continue to support the services to ensure continuity.

### Managing Subcontractors

When applicable, we have processes in place to actively manage subcontractors, providing a tight management structure with frequent communication and clear lines of authority. We take the responsibility for fully managing the details and leading our team. We welcome interaction between our subcontractors' senior managers and our clients, but we know that we ultimately have the responsibility of meeting your customer experience and energy savings goals within the prescribed budget. Another important component of subcontractor management is the extensive training we provide for CLEAResult and subcontractor program staff. This ensures complete understanding of the responsibilities of each team member, of the Companies' complete portfolios, and reiterates the need for seamless teamwork.

Specifically in support of marketing, outreach, and technical program services, CLEAResult has engaged The JPI Group (JPI) for field team recruitment and support. JPI is a woman- and minority-owned firm with a proven track record of workforce development and innovative pipeline strategies. Their team of workforce planning experts combine technology and people to drive program success on time and within budget. The strong relationships they have built give them ready access to a diverse pool of qualified professionals. JPI has five federal certifications, and over 20 from states across the nation validating the commitment to excellence our clients have experienced through our previous partnership.



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Optionally, should the needs of the program services change, we are committed to finding additional diverse partners. While not formal partners for this opportunity, we have identified Energy Sciences and CAMI Energy to support outreach and engineering for any needed additional capacity. Energy Sciences supports specialized energy services within the C&I sector which provides energy savings and sustainability by digging deeper into the operations of businesses, leveraging strategic planning, and developing sustainable practices. CAMI Energy is a diverse, minority-owned engineering consulting firm specializing in energy sustainability. They are dedicated to providing clients with innovative solutions for energy efficiency, carbon reduction strategies, and environmental sustainability.

While not budgeted nor included as part of this proposal, CLEAResult is open to discussing with FirstEnergy if adding additional scope and dollars to include EGIA for HVAC midstream work makes sense.

### Administrative Responsibilities for Contractors Hired by the Company

Contractors hired by the Companies will follow the processes we have in place for other program allies. If the Companies hires contractors directly (e.g., installation crew of street lighting or direct install work), we will assume administrative responsibility of accepting applications (through our portal), evaluating applications, processing applications, collecting required program information, reporting savings (kWh and kW) and providing the Companies with reporting on the direct install services of the hired contractors. We understand that the Companies will, in turn, allow CLEAResult to claim savings (kWh and kW).

## Program Data and File Collection Requirements

CLEAResult will be responsible for capturing all data needed to monitor, assess, and evaluate performance, report on our activities, and improve the design and delivery of the services requested. The Companies will have access to the data through our data management system.

## Energy Efficiency Implementation Support (“EEIS”) Responsibilities

### Invoicing

We will continue to invoice for program costs monthly. Invoices are due according to the payment terms agreed upon and payable upon receipt by the Companies.

### General

We understand the Companies’ vision for invoicing is a paperless, automated procure-to-pay process and oblige to the objective of 100 percent adoption of electronic presentment and payment. As the Companies’ previous vendor in Pennsylvania and current vendor in Maryland, we are enrolled in the Coupa Supplier Portal and are familiar with the technology and processes to submit invoicing through this system. However, we are prepared to use the portal of choice by the Companies and will be happy to discuss in detail any necessary requirements.



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The Companies can be assured that CLEAResult will help support the electronic payment process initiative and realize the benefits from improved accuracy and productivity through electronic data exchange with the Companies.

### Program Management Invoices

We will invoice for program costs monthly. Invoices will be due and payable according to the payment terms agreed upon in our contract with the Companies. Our invoices will include a fixed fee for administrative work performed within a given month and a variable amount based on mutually agreed upon performance metrics. We will also deduct any agreed-upon holdbacks from invoices and track the holdback in the approved format.

### Rebate Invoices

CLEAResult will coordinate and collaborate with the Companies' current C&I vendors to support this process as needed.

### Program Performance Invoices

We will adhere to the following program performance invoices as described in the RFP:

- Vendor will submit one invoice for Program Performance at the same frequency and in conjunction with the rebate invoices.
- If applicable, Companies shall provide realization rates to the vendor for use in calculating Program Performance amounts.

CLEAResult proposes to keep our current arrangement of the Companies' process to pay all Program Performance invoices in accordance with the Companies' standard payment terms of two percent discount at 10 days or Net at 45 days.

### Rebate Check Batch Process

We will coordinate and collaborate with the Companies' current C&I vendors to support this process as needed.

### Accruals

We will coordinate and collaborate with the Companies' current C&I vendors to support this process as needed.

### Budgeting

We will coordinate and collaborate with the Companies' current C&I vendors to support this process as needed.

### Escheatment Process

We will coordinate and collaborate with the Companies' current C&I vendors to support this process as needed.



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## Program Target and Performance

### Milestone Targets

As a current partner with FirstEnergy, CLEAR result fully understands Exhibit A and the Companies' goals and expectations of kW (pk) demand savings targets. As requested, we will conduct targeted marketing, outreach, and technical support services to achieve these outcomes. Please see our separately uploaded Exceptions Document for additional details.

### Performance Holdback Provision

As a current partner with FirstEnergy, CLEAR result fully understands Exhibit A and the Companies' goals and expectations of kW (pk) demand savings targets. As requested, we will conduct targeted marketing, outreach and technical support services to achieve these outcomes. Please see our separately uploaded Exceptions Document that delineates CLEAR result's requested exception to the 5/15/2025 Milestone Total.



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## Contract Payments

As an established vendor to the Companies, we have an already established electronic payment process between the Company and CLEARResult. CLEARResult proposes contract payment terms as noted in below sections specifically:

- Contract Period: Effective Date – June 1, 2024 – May 31, 2026
- Program Implementation Period: June 1, 2024 – May 31, 2026
- Invoice Processing and Reporting: June 1, 2024 – August 31, 2026\*

\*90-day period added for processing final invoices, address open program-related issues, and finalize reporting only.

### Contract Administration Payments: Program Start-Up

CLEARResult understands and agrees that for the initial program start-up period of **one month**, the Companies will pay no more than **20 percent** of the total contract amount for program start-up costs.

### Contract Administration Payments: Program Management and Marketing

CLEARResult priced the program according to the RFP requirements, 50 percent performance and 50 percent fixed fee, but we would like to propose a 40 percent performance and 60 percent fixed fee structure. We have included a separate pricing template for this proposed structure, separately uploaded to Coupa titled: *"CLEARResult\_PBS\_EE Program - Exception 60 Fixed-40 At Risk"*.

Administration pricing for each service, program management and marketing, is priced independently and presented as set monthly pricing for the contractual period. Marketing, defined as advertising, promotion, education, and communication of the Companies' EE programs to the Companies' customers, which includes the sponsoring of outreach/marketing events, design and purchasing of the Companies' branded promotional items and design and implementation of program website, does not include cost of labor. As such, on the Pricing Sheet, the Marketing Fixed Monthly Fee for each subprogram and Total Proposal spend for Marketing only includes direct marketing expenses without labor. Marketing Labor is incorporated in the Program Management Fixed Monthly Fee and total Program Management Fee.

We further acknowledge that:

- The Companies reserves the right to reduce or eliminate marketing payments
- The Companies will continually evaluate all contracted program performance, and should the Companies determines that a specific program is over or underperforming, or in the event that a program target has been achieved, the Companies may deem it



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necessary to stop all marketing efforts for either a specific program or all programs for the remainder of the contract

## Program Performance Payments

For the performance payments, CLEARResult priced it at 50 percent of total contract amount, but again CLEARResult would respectfully propose that the Companies supports a 40 percent of the total contract amount in program performance payments over the entire contract period. For programs with a pay per peak kW component (reference *CLEARResult\_PBS\_EE Program.xlsx*, separately uploaded in original excel file, per FirstEnergy's instructions), program performance payments will be paid to CLEARResult monthly and will be based on reported retail-level peak kW savings adjusted for realization rates (capped at a 100 percent realization rate). We understand the Companies will evaluate CLEARResult's progress toward the peak kW targets as identified in RFP, and that if CLEARResult achieves 100 percent of any contractual program peak kW savings target in any Operating Company, and one of the following criteria is met, at its discretion, the Companies may reduce the program performance rate to between \$0.00 per peak kW and the program performance rate included in the contract. If the program performance rate is to be modified by the Companies, CLEARResult will be notified in writing and a change will take effect with the next invoicing cycle or date provided by the Companies.

- Peak kW target has been exceeded by 130 percent
- Vendor achieves 100 percent of the total, overall contractual retail-level peak kW reduction goals for the total program

We acknowledge that the Companies reserve the right to suspend the program if the portfolio targets are reached prior to the end of the plan period.

We further acknowledge that applications for projects submitted by the Companies for assets owned by the Company are exempt from the program performance MWh rates. These applications are to be paid at a program performance MWh rate not to exceed \$10 per MWh. MWhs delivered from Company submitted applications will NOT count towards vendor's contracted MWh targets.

## Program Ally / Trade Ally Bonus

CLEARResult acknowledges that we are exempt from participating in any program ally or trade ally bonus programs that the Companies may implement during the term of this RFP, Scope of Work.

## Contract Suspension or Cancellation

Please see our Exceptions Document we have submitted with this proposal uploaded to Coupa.



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## Program Exit and Transition Plans

We will develop a Closeout Plan that meets the Companies’ exit and transition plan requirements in the RFP. The plan will define the tasks, timelines, and deliverables required to close out the phase and either transition the services to another entity or move CLEARResult into program implementation for the portfolio’s next phase.

The plan will include a comprehensive list of materials that we provide to support the services and will include provisions for sharing and transferring relevant program data with the Companies or your designees.

We use a standardized “Project Close Down Procedure” to help project managers organize, implement, and accomplish the steps necessary to conclude a project. Table 3 includes a “sample” of the detailed description of the sequence of events, including the amount of time needed to terminate project activities adequately. We will modify these procedures if we transition operations to another contractor or if the Companies opt to transition CLEARResult in as program implementer for the portfolio’s next phase.

The sample plan includes deliverables for 90-, 60-, 45-, 30-, 15-, and 0-10 day milestones through program closeout beginning 90 days ahead of the end of the plan period.

Table 3. Sample Project Close-Out Plan

Days Prior to Project End	Activities
90 days	<p><b>Critical Events</b> – We will create an outline of critical events that the program manager will finalize, based on the specific requirements of local conditions and contractual requirements. Once established, our centralized operations team will monitor the critical events to maintain the schedule and to provide guidance and assistance where necessary.</p> <p><b>Human Resources</b> – Our program manager will review and become familiar with all aspects of the separation policy and ensure all staff member evaluations have been updated and all staff member files are complete. Our program manager will notify the human resources department 90 days prior to the termination of the project.</p> <p><b>Inventory</b> – Our program manager will inventory all project-specific allocated materials, office supplies, office equipment, furniture, computer equipment and software. Our centralized operations team will receive the list. Operations will supply the CLEARResult regional lead with an inventory list for possible reallocation or disposal determination with the group. Operations will supply the accounting department with the complete inventory list. Accounting will verify the list with inventory records and inform operations of any discrepancies.</p> <p><b>Facility</b> – Operations will arrange for written notification to the property owner in accordance with the terms of the lease and assist in the process of getting the deposit returned.</p>



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Days Prior to Project End	Activities
60 days	<p><b>Contract</b> – We will work with the Companies to review any surviving provisions and collaborate with the program team on how to prioritize and deliver on them.</p> <p><b>Inventory</b> – The program manager will notify the IT department of specifics on the inventoried computer equipment and software allocated to the project. IT will direct the allocation of hardware and software based on the overall needs of the company and the availability of resources. The program manager will record all asset/property tag numbers, and as each item is disposed of, record where it goes. Operations will notify accounting of all hardware and software transactions so accurate records can be maintained.</p> <p>The program manager will become familiar with and adhere to procedures for shipping equipment and supplies and the procedures for backing up and shutting down any computer systems. If the regional lead cannot reallocate or dispose of the inventoried materials, operations will be included in the process. Accounting will identify items that have value or no value, determine book value for resale, or remaining depreciation. Operations will notify other regional leads of reallocation opportunities, contact other groups to determine needs, and arrange for material shipment.</p> <p><b>Reporting</b> – The program manager will prepare a summary report of all performance activities and achievements with supporting data and submit it to the Companies.</p> <p><b>Accounting</b> – Operations will coordinate with the accounting department to cut any checks needed for final payments. Operations will also notify accounting to stop automatic payments on the appropriate dates. Additionally, operations will coordinate with accounting to ensure we receive accurate and timely information from the project and that we complete all accounting functions on schedule.</p> <p><b>Vendors</b> – The program manager will contact the local utility and service companies to identify the discontinuation of service notice periods required by the individual companies. Actual disconnect requests should be delayed until the end of the stated notice period or, if none is stated, 10 days prior to the termination of the project.</p>
45 days	<p><b>Contract</b> – We will work with the Companies to provide an update on and resolve any surviving contract provisions.</p> <p><b>Customer Communication</b> – Our program team will notify customers of project termination. They will define and submit all final reports, return customer information and program material, and meet all customer needs (based on contractual obligations) before the project terminates. Operations will monitor and record activities.</p> <p>The program manager and regional lead will be responsible for customer satisfaction upon project completion. Either the regional lead or the project manager will conduct the customer exit interview, at the regional lead’s discretion.</p> <p><b>Vendors</b> – The program manager will close out all local accounts and notify vendors of the forwarding address. The program manager will also fill out and return a change of address card to the local post office.</p>
30 days	<p><b>Contract</b> – We will work with the Companies to provide an update on and resolve any surviving contract provisions.</p>



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Days Prior to Project End	Activities
	<p><b>Customer Communications and Records</b> – The program manager will identify all program and/or customer data we are required to maintain for the Companies. The program manager will come to an agreement with the Companies about how long and in what format the records are to be stored. The program manager will formalize and verify this agreement in writing. The program manager will arrange to have the information shipped and stored. The program manager and/or regional lead will provide direction on local storage options. Operations will create a procedure to accommodate the long-term storage and subsequent disposal of customer data.</p> <p><b>Facility</b> – The program manager will prepare the building to be turned back to the property owner in accordance with the terms of the lease. This could include removal of telephone systems and cleaning the premises.</p>
15 days	<p><b>Contract</b> – We will work with the Companies to provide an update on and resolve any surviving contract provisions.</p> <p><b>Data Transfer</b> – We will prepare and hand off open applications/projects in process, program materials such as marketing collateral and application files, and make final reports to the Companies.</p> <p><b>Inventory</b> – The program manager will ship all remaining supplies and equipment. The program manager will ship staff member information, files, handbooks and manager’s guides to the human resources department and ship customer maintenance information and all other sensitive materials to the regional lead.</p>
10 – 0 days	<p><b>Contract</b> – Confirm with the Companies that all surviving contract provisions have been resolved.</p> <p><b>Vendor</b> – If the Companies or participating program allies have not been scheduled for disconnection from our systems, the program manager will schedule disconnection and arrange for final payment. The program manager will forward the project close down checklist to operations. This list will include the date each activity was completed and the name of the staff member who completed the task.</p>



*Met-Ed • Penelec • Penn Power • West Penn Power*

## Request for Proposal

# Marketing, Outreach and Technical Program Services for FirstEnergy PA Utilities Act 129 Phase IV Commercial & Industrial Energy Solutions for Business Programs and Energy Management Programs

Proposed Period of Performance:  
June 1, 2024 through May 31, 2026

April 12, 2024

# Request for Proposal

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**Attachments:**

Attachment A: Tier II Subcontracting Guideline

Attachment B: Price Breakdown Sheet

Attachment C: FirstEnergy Security Requirements for External System & Service Providers

Attachment D: Application Service Provider (ASP) Evaluation Questionnaire

## 1. Glossary

Act 129 (of 2008)	Effective November 14, 2008, imposed new requirements on Pennsylvania's EDCs in the areas of energy efficiency and conservation, smart meters, procurement and alternative energy sources. Act 129 requires an EDC with at least 100,000 customers to adopt and implement a Plan, approved by the Commission, to reduce energy demand and consumption within its service territory.
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASP	Application Service Provider
Back Office	EE Implementation Support (EEIS or Back Office) is the FE group responsible for administrative support, back office processing, contract administration, invoice processing, operational analytics, budgets and financial forecasts, and facilitating the document approval process
C&I	Commercial and Industrial
Central Portfolio Tracking System	Current third-party tracking system used by the Companies to collect information related to Energy Efficiency & Conservation project details including, but not limited to, project applications, savings, expenses and technical details of projects in various stages of the project life cycle
Commission	Pennsylvania Public Utility Commission (PA PUC)
Companies	Collectively refers to FirstEnergy's Pennsylvania Operating Companies: Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company
CRM	Customer Relationship Management
CSP	Conservation Service Provider - Vendor who provides Energy Efficiency Program Management
Direct Install	A component of the Plan where qualifying customers are provided an on-site audit and initial energy-saving measures prior to applying for other approved energy-saving measures.

DSM	Demand Side Management
EDC	Electric Distribution Company
EE	Energy Efficiency
EE&C	Energy Efficiency and Conservation
EE&C Plan	In accordance with Act 129 and the Commission’s Phase IV Implementation Order, issued on June 18, 2020 at Docket No. M-2020-3015228, FirstEnergy developed this Energy Efficiency and Conservation Plan for the period June 1, 2021 through May 31, 2026.
EE&C Team	FirstEnergy's Energy Efficiency plan development team
EEIS	EE Implementation Support (EEIS or Back Office) is the FE group responsible for administrative support, back office processing, contract administration, invoice processing, operational analytics, budgets and financial forecasts, and facilitating the document approval process
EEPDR	Energy Efficiency Peak Demand Reduction
EESR	FE's Energy Efficiency Status Report – monthly management report used to track MWh savings, costs and budgets
Electronic Invoice Presentment System	Portal used by vendors to electronically submit invoices to FE.
EM&V or M&V	Evaluation, Measurement and Verification
Evaluated	Confirmation of retail-level energy savings
FERC	Federal Energy Regulatory Commission
FileZilla	FE's Software platform used to securely transfer data between the Companies, Vendors, EM&V Third Party Evaluator, and other agents

FirstEnergy (FE)	FirstEnergy, the holding company of Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Jersey Central Power & Light, Monongahela Power and The Potomac Edison Company
FTE	Full Time Employee
G/E/NP	Governmental/Educational/Non-Profit - the sector which includes federal, state and local government or municipalities/school districts/ hospitals/institutions of higher learning and non-profit entities
Go live	The point when vendor's tracking system is fully operational and they are capable of collecting and sending application data to the Companies
IT	Information Technology
LC&I or LCI	Large Commercial & Industrial
Letter of Attestation (LOA)	Letter signed by Customer attesting to the fact that an energy efficiency project was completed on a specific date at a specific location with an active FirstEnergy account
Marketing Payment	Fixed monthly payment agreed upon for the marketing of the programs defined in this RFP
Met-Ed	Metropolitan Edison Company, one of FirstEnergy's Pennsylvania operating companies
Milestone Date(s)	Contract target date(s) for delivery of specified number of MWh savings
NOP	Normally Occurring Projects
Operating Company(ies)	FirstEnergy's Pennsylvania Operating Companies include: Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company
Operational	Vendor is able to comply with all the requirements of the Scope of Work
OWASP	Open Web Application Security Project

PA PUC	Pennsylvania Public Utility Commission
PA TRC	Pennsylvania Total Resource Cost (2021)
PA TRM	Pennsylvania Technical Reference Manual (2021)
PDR	Peak Demand Reduction
Penelec	Pennsylvania Electric Company, one of FirstEnergy's Pennsylvania operating companies
Penn Power	Pennsylvania Power Company, one of FirstEnergy's Pennsylvania operating companies
Performance MWh Rate	Rate per MWh at which the Companies will pay the vendor for MWhs achieved, as defined in contract
Phase I	The period June 1, 2010 through May 31, 2013
Phase II Implementation Order	Commission's August 3, 2012 Order at Docket Nos. M-2012-2289411 and M-2008-2069887
Phase II Period	The period June 1, 2013 through May 31, 2016
Phase II Plans	Plans submitted to comply with the 2012 Implementation Order, which were approved by the Commission.
Phase III Implementation Order	Commission's June 19, 2015 Order at Docket No. M-2014-2424864
Phase III Period	The period June 1, 2016 through May 31, 2021
Phase III Plans	Plans submitted to comply with the Phase III Implementation Order, which were approved by the Commission and are currently being implemented.
Phase IV Implementation Order	In accordance with Act 129 and the Commission's Phase IV Implementation Order, issued on June 18, 2020 at Docket No. M-2020-3015228
Phase IV Period	June 1, 2021 through May 31, 2026 - In accordance with Act 129 and the Commission's Phase IV Implementation Order, issued on June 18, 2020 at Docket No. M-2020-3015228.

Phase IV Plan	In accordance with Act 129 and the Commission's Phase IV Implementation Order, issued on June 18, 2020 at Docket No. M-2020-3015228, FirstEnergy developed this Energy Efficiency and Conservation Plan for the period June 1, 2021 through May 31, 2026.
PIM	Program Implementation Manager is the Companies' internally dedicated employee for the particular Program(s) referenced in this RFP
PITD	Plan Inception to Date
PJM	A Regional Transmission Organization (RTO) that coordinates the movement of wholesale electricity in all or part of FirstEnergy service territory plus other states
pk	Peak
PM	Project Management
Program Ally	Groups that educate or promote energy efficiency, provide consulting/guidance/expertise, funding sources, point of sale discounts, and any other group that may influence energy decisions of potential EE program participants.
Program Implementation Manager (PIM)	Companies' internally dedicated employee for the particular Program(s) referenced in this RFP
Program Launch	Date when vendor's Website and Application Portal is operational and able to accept Customer Applications, and Call Center is ready to accept Customer Calls
Program Management Payment	Fixed monthly payment agreed upon for the management of the programs defined in this RFP
Program Performance Payment	Payment to Vendor based on Reported MWh savings adjusted for Realization Rate(s).
Program Tracking System	Vendor's tracking system used to collect data and manage the Companies' Programs
PTD	Program to Date
PUC	Pennsylvania Public Utility Commission
QA/QC	Quality Assurance and Quality Control

Real Time Data	Data that reflects status at the current date and time
Realization Rate	A ratio which aligns the reported savings data with the results, as determined by the EM&V process. Realization Rate(s) are the result of analysis performed by the Companies' evaluation team.
Retail-Level Savings	Energy savings reported at the level of measure implementation without application of Realization Rate or adjustment for transmission or distribution line losses.
RFP	Request for Proposal
SC&I or SCI	Small Commercial & Industrial
SFTP	Secure File Transfer Protocol
Supplier Portal	Companies' electronic invoicing presentment system
SWE	Statewide Evaluator
SWOT	Strengths, Weakness, Opportunities, & Threats
T&R	Tracking and Reporting
Trade Ally	Typically contractors, skilled tradesmen, and electrical-mechanical service providers who deliver energy efficient products and expertise directly to residents and C&I businesses.
Transition Plan	Defined process for the period of time when the execution of the programs is transferred from the incumbent vendor to a new vendor
TRM	Technical Reference Manual
Utility Close Date	Date field created for each qualified application that lists anticipated date Vendor will submit application to the Companies for approval to be closed and incentive paid to customer
Vendor	The successful bidder contracted to provide the service identified in this RFP
West Penn	West Penn Power Company, one of FirstEnergy's Pennsylvania operating companies

Work Plan	Project plan developed by vendor to accomplish all tasks and goals identified in this scope of work and those tasks and goals appended in final Purchase Order/Contract
XML -- eXtensible Markup Language (XML)	A markup language that defines a set of rules for encoding documents in a format that is both human- and machine-readable. It is used to describe data in a standard and flexible way to create information and electronically share structured data via the Internet. And allows for definition of data elements, the order in which they occur, and how they should be processed.
XML Interface	An open-source technology for definition and implementation of internet applications, which enforces a specification-oriented approach.
XML Schema	A description of a type of XML document, typically expressed in terms of constraints on the structure and content of documents of that type, above and beyond the basic syntactical constraints imposed by XML itself.

## 2. Plan Overview

### 2.1. Introduction

FirstEnergy Corp. (“FirstEnergy”), through its Energy Efficiency plan development team (“EE&C Team”), has coordinated energy efficiency and conservation (“EE&C”) development efforts across its four Pennsylvania operating companies: Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”) Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (collectively “Companies”), to meet statutory goals, achieve cost efficiencies and offer a consistent and effective set of EE&C programs to their customers. In accordance with Act 129 and the Commission’s Phase IV Implementation Order, issued on June 18, 2020 at Docket No. M-2020-3015228 (“Phase IV Implementation Order”), FirstEnergy developed this Energy Efficiency and Conservation Plan (“Phase IV Plan” or “EE&C Plan”) for the period June 1, 2021 through May 31, 2026 (“Phase IV Period”). As detailed below, the Companies’ Phase IV Plan is based on both the 2021 Pennsylvania Total Resource Cost (“PA TRC”) test and the 2021 Technical Reference Manual (“PA TRM”) and is designed to meet all requirements as set forth in the Phase IV Implementation Order.

### 2.2. Historic Background

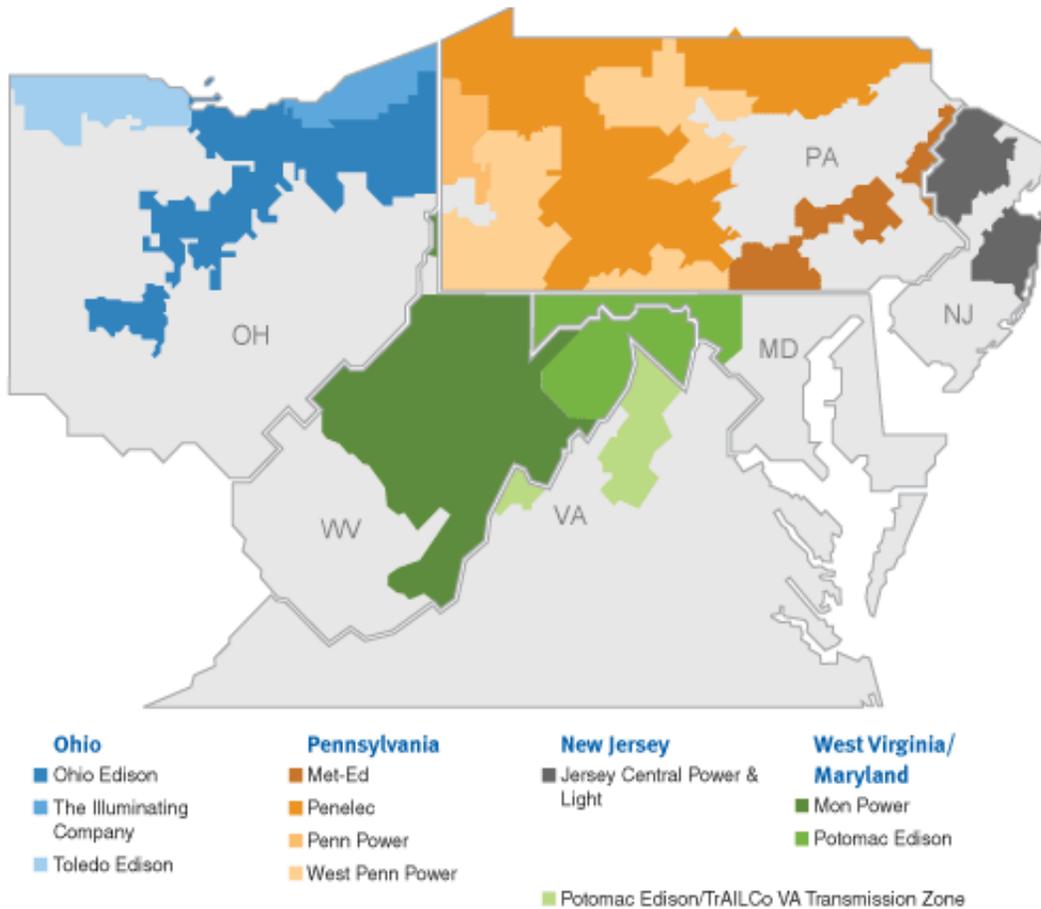
On October 15, 2008, then Governor Rendell signed Act 129 of 2008, (“Act 129”) into law. Act 129 imposed new requirements on Pennsylvania’s Electric Distribution Companies (“EDCs”) in the areas of energy efficiency and conservation, smart meters, procurement, and alternative energy sources. Among other things, Act 129 required every EDC with at least 100,000 customers to adopt and implement a plan, approved by the Commission, to reduce energy demand and consumption within its service territory during the period June 1, 2010 through May 31, 2013 (“Phase I”).

Act 129 also authorized the Commission to evaluate whether it was cost beneficial to continue the EE&C program beyond Phase I. The Commission concluded in its August 3, 2012 Order at Docket Nos. M-2012-2289411 and M-2008-2069887 (“Phase II Implementation Order”) that further energy efficiency programs would be cost effective and established Phase II of the EE&C program, requiring EDCs to adopt and implement cost effective plans to reduce energy consumption throughout the Commonwealth for the period June 1, 2013 through May 31, 2016 (“Phase II Period”). The Companies submitted plans to comply with the 2012 Implementation Order, which were approved by the Commission (“Phase II Plans”).

In accordance with Act 129, the Commission determined in its June 19, 2015 Order at Docket Nos. M-2014-2424864 (“Phase III Implementation Order”) that further energy efficiency and demand reduction programs would be cost effective and established Phase III of the EE&C program, requiring EDCs to adopt and implement cost-effective plans to reduce energy consumption and demand throughout the Commonwealth for the period June 1, 2016 through May 31, 2021 (“Phase III Period”). The Companies submitted plans to comply with the Phase III Implementation Order, which were approved by the Commission and are currently being implemented (“Phase III Plans”).

The Commission concluded in the Phase IV Implementation Order that additional energy efficiency programs would be cost effective and established Phase IV of the EE&C program, requiring EDCs to adopt and implement cost-effective plans to reduce energy consumption and demand throughout the Commonwealth. Pursuant to the Phase IV Implementation Order, the Companies submit this Phase IV EE&C Plan.

### 3. Company Overview



FirstEnergy (NYSE: FE) is a diversified energy company dedicated to safety, reliability, and operational excellence. Headquartered in Akron, Ohio, FE includes one of the nation's largest investor-owned electric systems, more than 24,000 miles of transmission lines that connect the Midwest and Mid-Atlantic regions, and a diverse generating fleet with a total capacity of nearly 3,580 megawatts.

FE's 10 regulated distribution companies serve 6 million customers in the Midwest and Mid-Atlantic regions. Stretching from the Ohio-Indiana border to the New Jersey shore, the Companies operate a vast infrastructure of more than 269,000 miles of distribution lines and are dedicated to providing customers with safe, reliable and responsive service.

### 3.1. Supplier Diversity

FirstEnergy (FE) is committed to ensuring that Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, HUBZone Small Business, Small Disadvantaged Business and Women-Owned Small Business will have an equitable opportunity to compete for subcontracts. FE looks to its Tier I suppliers (large, majority-owned company awarded an FE contract) to make every effort to use diverse suppliers for subcontracting purposes whenever possible. FE's Supplier Diversity Program provides opportunities in a competitive environment for diverse businesses. As a large Tier I supplier to FE, we look to you to partner with us and share similar values regarding the utilization of diverse businesses, especially when fulfilling our contract requirements. A Tier II Supplier is a diverse business subcontracted to by the Tier I Supplier. If a Tier II Supplier is used, FE requests that the Tier I Supplier report this spend by completing and submitting a spreadsheet on a quarterly basis to our Supplier Diversity team.

As part of this RFP, FE is asking all vendors to state their plan for considering diverse subcontractors. The decision to use diverse subcontractors will be weighed during the evaluation process. See *Attachment A Tier II Subcontracting Guideline*.

## 4. RFP Schedule

April 12, 2024	Issue RFP
April 19, 2024	Bidder Submit Questions/Request Clarifications
April 26, 2024	Proposals Due by Close of Business
May 3, 2024	Contract Award
May 17, 2024	Program Readiness

The above schedule is subject to change based on the regulatory process and FE's requirements.

The Respondent is required to return one (1) electronic version of its Proposal and other required documents to the FE E-Sourcing system no later than close of business EST April 26, 2024.

DESIGNATED FIRSTENERGY CONTACT for this RFP:

Ed Packer  
Corporate Services Supply Chain  
Telephone: 330-384-4645  
Email: [epacker@firstenergycorp.com](mailto:epacker@firstenergycorp.com)

## 5. Program / Market Descriptions and Scope of Work

### 5.1. Market Segments

The Phase IV Plan was developed based on experience gained over the past three Act 129 Phases, factoring in performance to date of not only the Company's programs, but also those of the affiliate and non-affiliate utilities, and taking under advisement feedback and suggestions received from the Company's energy efficiency consultants, vendors, contractors, and interested stakeholders.

The Commercial & Industrial program designs presented in the Phase IV Plan cover two market segments:

- ***Small Commercial and Industrial (SCI): customers residing on eligible rate schedules that have an up to demand of 400 kW***
- ***Large Commercial and Industrial (LCI): customers residing on eligible rate schedules that have a demand > 400 kW***

The official name of the Commercial and Industrial sector programs is C&I Energy Solutions for Business Program – Small and C&I Energy Solutions for Business Program – Large.

Governmental customers (which include federal, state, and local government or municipalities/school districts/institutions of higher learning and non-profit entities) that reside on eligible SCI & LCI rate schedules may participate in the Small or Large C&I Energy Solutions for Business Programs.

Customers residing on Government & Institutional Tariff Rate Schedules may participate in the Small or Large C&I Energy Solutions for Business Programs.

Program details and Tables listing of all FirstEnergy PA Utilities PA Act 129 Phase IV Commercial and Industrial Programs, sub-programs and measures may be referenced in Phase IV Plan.

The program management and implementation services for bid in this RFP are for the specific sectors are defined in Section 5.2: Scope of Work, Clarifications and Exceptions.

## 5.2. Scope of Work, Clarifications and Exceptions

### 5.2.1. Scope of Work

Outlined in this RFP is the Scope of Work for promote awareness of energy efficiency programs, their benefits and assist FirstEnergy PA non-residential customers in submission of applications to FirstEnergy's C&I ESB program. Specifically, FirstEnergy (PA) has a need to identify and close kW(pk) savings from energy efficiency projects in each of its four PA operating companies to meet regulated goals and has been limited in its success to secure a pipeline of Prescriptive, Custom and Energy Management kW(pk) Energy Efficiency project savings.

The Scope of Work for bid in this RFP include the following:

Vendor to define and implement plan to, engage, contact, and meet with FirstEnergy PA Utilities C&I customers via dedicated energy engineers/consultants/account managers. Responsibilities include engagement of FirstEnergy PA Utilities non-residential customers to provide technical assistance and engineering support to assist customers in identifying opportunities to install energy efficient measures/projects and to provide fluent process to make application to any FirstEnergy PA Utilities C&I PA Act 129 Energy Efficiency Program. Dedicated staff will be assigned and responsible for geographic regions within FirstEnergy PA Utilities jurisdiction.

Vendor will be responsible to assign dedicated outreach staff of FTE's to a minimum of 4 geographical regions, with a maximum of 8 geographical regions. Staff count and proposed coverage area are to be presented to FirstEnergy in bid submission.

Vendor will analyze FirstEnergy PA Utilities non-residential customer list to develop an outreach and engagement strategy that provides a specific implementation plan and estimated assumed savings from various defined actions within the plan.

The strategy is to focus primarily on FirstEnergy PA Utilities managed accounts and projects with kW(pk) savings.

Vendor will provide the program with skilled outreach and technical resources to implement the outreach strategy and engagement plan to:

- Establish a relationship with the current FirstEnergy PA Utilities program personnel and CSP's charged with Implementing FirstEnergy PA Act 129 Phase IV C&I ESB Programs

Establish relationship with FirstEnergy PA Utilities account teams: Customer Support, External Affairs and National Accounts

- Identify energy efficiency projects that the customer will submit as an application to the program.

- Provide on-going Engineering and technical support to assist in creating and completing eligible projects; may include application of whole building energy modeling tools that can model buildings for both operational and capital improvements.
- Ongoing customer engagement to track energy usage and performance, assist with planning energy efficiency projects, and interact with facility personnel to adopt energy efficiency strategies and behaviors
- Assist in scheduling of attendance of customer personnel to attend educational workshops, webinars, and group/individual training sessions (e.g., Building Operations Training)
- Recommendation of additional funding sources and financing options

Vendor is expected to achieve kW(pk) goals by engaging customers, offering educational and consultative services regarding the eligibility and application of energy efficient measures at no cost to the customer.

Vendor is expected to achieve kW(pk) goals by promotion of programs outlined in this scope of work by developing and fostering partnerships with program allies, building owners, developers, architects, engineering firms and contractors by providing a mix of energy consultative technical, financial opportunity awareness and educational assistance to help influence adoption of energy efficient measures and implementation of energy efficiency projects.

Vendor will be expected to identify energy savings and demand reduction measures/opportunities to customers that may exist outside the scope of work of this RFP. Vendor will provide information and instruction to customers, regarding participation in Energy Efficiency and Conservation programs offered by the Company and instructions on participating in other programs, for identified energy savings measures/opportunities.

## 5.2.2. Clarifications

### 5.2.2.1. Conservation Service Providers (CSP)

#### PA CSP Registration:

Vendor must be a registered CSP in PA.

Website: <https://www.puc.pa.gov/filing-resources/issues-laws-regulations/act-129/conservation-service-providers/>

### 5.2.2.2. Contract

#### Contract Targets:

Vendor is expected to deliver to program nonresidential applications that achieve kW(pk) targets as defined in Section 8. Program Target and Performance of this RFP

#### Language Conflict:

Should a conflict arise between language in this RFP Scope of Work and the Energy Efficiency and Conservation Plan as filed with the Commission November 30, 2020, the filed language of the plan shall supersede language in this RFP Scope of Work.

#### Contract Award Contingency:

Note that a contract award for any service is contingent upon Commission approval of the implementation and cost recovery of the specific program or measure related to such service and will not be effective until after the Commission issues a Final Order in the Companies' Energy Efficiency & Conservation Plan proceedings.

#### Commission Approval of Contract:

Note that contract award for any service described in this RFP Scope of Work is contingent upon Commission approval of the Vendor contract. Vendor shall assume all risk regarding expenses associated for initiating work prior to FirstEnergy receiving Commission approval of signed contract for services included in this document.

#### Application Service Provider Checklist (ASP Checklist):

Vendor will be required to complete FE's IT ASP Checklist (unless a current version is already on file) to determine if vendor meets FE's IT standards for data security and

protection policies. Reference Section 6.2.2.2. Ownership, Sharing, and Retention of Data.

#### PJM Capacity Rights:

All Energy Efficiency Resource Capacity Rights generated by the Companies' Energy Efficiency and Peak Demand Reduction Programs shall remain the property of the Companies to aggregate into the PJM capacity market.

PA customers who have existing contracts with third party demand response service providers that were executed before June 1, 2021 (i.e., the start of Phase IV of Act 129 EE&C), have the option of retaining the PJM capacity rights associated with EE&C projects when participating in FirstEnergy PA Act 129 energy efficiency and peak demand reduction programs.

Vendor is prohibited from claiming such Capacity Rights.

Vendor shall not disclose any information collected for, or provided by the Companies', to third parties unless written authorization is provided to Vendor by the Companies'. Reference Section 6.2.2.2. Ownership, Sharing, and Retention of Data.

Capacity Rights refer to the demand reduction associated with any energy efficiency measure for which energy efficiency or peak demand reduction program incentives were provided by the Companies'.

#### Licensing and Registration:

Vendor and all subcontractors utilized by Vendor shall maintain all required licenses and registrations required by the Company, Commission or State of Pennsylvania.

### 5.2.2.3. Program Implementation

Vendor will conduct a comprehensive analysis of FirstEnergy C&I customer base and develop an Outreach Strategy and Engagement Plan for the accounts that will include, but not limited to:

The plan will segment accounts into initiatives that batch customers in similar industries and provide estimates of potential percentage (%) of participation, likely available measures for upgrades, and estimated percentage (%) of achievable kW(pk) savings based on current customer usage.

An estimate of total savings to potentially be achieved by dates 5/31/2025, 5/15/2025, and 5/31/2026 will be estimated based on the assumptions above and estimated FTE hours needed to reach the potential of the list that FirstEnergy desires to capture.

Customer Initiative segments may include, but are not limited to, healthcare, general manufacturing and specialty subsegments, warehousing, waste-water treatment, public and municipal commercial organizations, agriculture, datacenters, school and educational organizations, and where applicable, measure specific opportunities such as compressed air, solar, vacuum systems, and CHP projects.

Vendor will present Outreach Strategy and Engagement Plan, including list of all potential target customers to FirstEnergy for approval, along with estimates of kW(pk) demand reduction achievable.

Register as Program Ally with current FirstEnergy CSP's PA Act 129 Energy Efficiency programs.

Vendor to provide outreach resources to implement the Outreach Strategy and Engagement Plan the includes, but not limited to:

Research customer contacts and make program introduction calls

Identify via phone conversations recently completed and / or in process projects

Coordinate customer meetings with outreach staff and/or Engineers to visit customer location to confirm, identify and/or motivate additional projects:

Vendor will provide Account Managers and Engineers with specific subject matter expertise relevant to the customers' business and energy savings opportunities.

Vendor will enroll as a Program Ally in FirstEnergy's program(s) to facilitate project submission and tracking via the program's already established submission

system.

Vendor will work on FirstEnergy's customers' behalf to ensure all project documentation is submitted to complete the application process.

Vendor will provide Program Coordinators to submit projects in good order via the already established FirstEnergy PA Utilities program process.

Vendor will provide on-going Engineering and technical support to assist in creating and completing eligible projects. Tasks include:

- Develop energy efficiency project calculations and project plans.
- Review project designs
- Advise customers on the best technology and approaches for savings.

Vendor will be responsible to develop any marketing materials necessary to supplement current FirstEnergy PA Utilities CSP's marketing materials to successfully implement the Outreach Strategy and Engagement Plan.

[PJM Capacity Rights Disclaimer:](#)

The following disclaimer language shall be utilized:

**Customer Literature Marketing:**

By participating in energy efficiency and peak demand reduction programs, customers agree to allow their utility to retain ownership of all Capacity Rights which refers to the demand reduction associated with any energy efficiency or peak demand reduction measures for which incentives were provided by the Company. PA customers who have existing contracts with third party demand response service providers that were executed before June 1, 2021 (i.e., the start of Phase IV of Act 129 EE&C), have the option of retaining the PJM capacity rights associated with EE&C projects when participating in FirstEnergy PA Act 129 energy efficiency and peak demand reduction programs.

## 6. Program Launch Responsibilities

### 6.1. Start-Up

Vendor shall be responsible for the start-up of the program.

#### 6.1.1. Start-Up Plan

Vendor shall be responsible for delivering a Program Start-Up plan, which shall be part of the Work Plan Gantt chart that outlines all steps necessary to launch the program to ensure that all processes are operational and running smoothly. Each step of the Gantt chart includes tasks, duration (start/completion dates), all responsible parties/persons for task completion, and percentage completion towards goal for all tasks related to program operation.

Example Gantt chart categories would include, but are not limited to:

- Program Design and Operations
- FE Energy Efficiency Implementation Support (“EEIS”) Process Integration
- Information Technology (“IT”) Requirements
- Outreach Strategy and Engagement Plan
- Required Marketing and Outreach Materials
- FE Assigned Account Management
- Customer Service / Call Center Activity
- Trade Ally/Program Ally Engagement
- Code of Conduct (if applicable is due at Kickoff Meeting) See Section 6.2.2. Code of Conduct
- Vendor Staffing and geographical assignment of staff
- Organizational chart (As related to Scope of Work under this RFP)

The Program Start-Up plan, Outreach Strategy and Engagement Plan & Code of Conduct (if applicable) will be prepared and presented by the Vendor at the Kickoff Meeting.

#### 6.1.2. Launch Coordination Meetings

All travel expenses related to meetings shall be considered part of the contract price. The Vendor shall not be paid separately for travel.

#### 6.1.3. Kickoff Meeting

Within 15 calendar days following contract award, the Companies and the Vendor will meet to discuss all aspects of the Scope of Work under this RFP. The meeting will include the Vendor’s project manager as well as any other key staff as deemed necessary.

The Kickoff Meeting will cover a thorough review of the Program Start-Up plan (Gantt chart), Code of Conduct Plan (if required), Outreach Strategy and Engagement Plan and development of required Program Work Plan.

Vendor shall prepare and submit a draft Work Plan (see Section 7.2. *Work Plan*) within 15 business days following the Kickoff Meeting.

Vendor shall submit a summary report/revised Program Start-Up Gantt chart by email within five (5) business days of the Kickoff Meeting.

#### 6.1.4. Start-Up Meetings

During program start-up, Vendor shall meet with the Companies as necessary and appropriate until all processes are operational and running smoothly. Vendor is responsible for updating the Program Start-Up Gantt chart as progress is achieved.

#### 6.1.5. Steering Committee Meetings

Vendor is required to provide an update to FE Management on program launch activities throughout the Start-Up Phase. This can be via teleconference or other mutually agreed upon method. These meetings will be held regularly throughout the Start-Up Phase.

## 6.2. Start-Up

Vendor shall assemble a team dedicated primarily to supporting the launch, implementation, and execution of the Outreach Strategy and Engagement Plan and comply with Section 6.2.2. *Code of Conduct*. Vendor shall supply the Companies with a staffing breakdown for this team.

### 6.2.1. Vendor Tracking System & Data Integration

During the startup period, Vendor will work with FirstEnergy to clearly define and quantify KPIs to measure the success of the outreach plan to include both quantitative and qualitative metrics related to client satisfaction, program pipeline growth, and other relevant factors that is to be captured in Vendor Tracking System.

Vendor will be responsible for developing monthly, along with Ad-Hoc, reports of defined data captured in Vendor Tracking System.

### 6.2.2. Code of Conduct

Under Commission rules, the Companies are not permitted to release the private and confidential information of customers. During Vendor performing its contracted duties for the Companies, the Companies may provide confidential information to Vendor. In addition, customers may provide directly to Vendor confidential information necessary to implement the Companies' EE programs.

Therefore, the Vendor must isolate its role from the rest of its subsidiaries and affiliates' business to prevent the potential transfer of confidential information from Vendor to its other businesses. Accordingly, Vendor shall develop and have in place, before the Kickoff Meeting, a detailed plan demonstrating that its data, systems, employees and/or subcontractors, marketing efforts, and other key areas are separated from the rest of their current businesses. This plan should address at least the following areas:

- Competitive Intelligence
- Data Sharing
- The Companies' systems integration
- Marketing
- Resource sharing - Personnel

Vendor's personnel shall adhere to this Code of Conduct when handling the Companies' customer and contractor information, to prevent information sharing across business functions within Vendor and/or its subsidiaries and affiliates. All employees working in Companies' Vendor capacity must sign an acknowledgment affirming this strict standard.

The Companies shall not be a marketing conduit for Vendor and/or its subsidiaries and affiliates to create business outside of the scope of the Companies' EE Vendor capacity. Vendor and/or its subsidiaries and affiliates shall not market other businesses and services to the Companies' customers whose information Vendor may have received

while executing its duties as a Vendor. However, nothing contained herein shall limit the ability of Vendor and/or its subsidiaries and affiliates to obtain information about potential customers by other means and/or to market to those potential customers so long as the marketing does not occur while Vendor is executing its role as an FE EE Vendor.

Vendor and its subsidiaries and affiliates shall assume liability for the disclosure of the Companies' and/or its customers' confidential information as defined in the Terms and Conditions of the Agreement between the Companies and Vendor.

The Companies will consider it a breach of their Agreement if Vendor does not take the necessary precautions to restrict all flows of data, information, marketing, or other potential conflict. The Companies or other parties, including state or federal regulatory agencies, may require a third-party audit of Vendor for the Code of Conduct standards at any time at Vendor's expense. Vendor must acknowledge the audit request within three (3) business days.

#### 6.2.2.1. Program Ally

Vendor's subsidiaries and/or affiliates may act as a Program Ally as long as the Program Ally functions are separated from the Vendor functions.

#### 6.2.2.2. Ownership, Sharing, and Retention of Data

Vendor shall use secure systems and processes that are in accordance with FE's IT standards for protections in the collection, processing, storage, and retrieval of information that is customer-specific or could provide an unfair competitive advantage to an entity delivering services outside of the programs.

Vendor will be required to complete FE's Application Service Provider (ASP) Evaluation Questionnaire (unless a current version is already on file with FE and vendor has not since changed their security protocols) to determine if vendor meets FE's IT standards for data security and protection policies. Customer data will not be released to the vendor until FE's IT confirms vendor meets FE's data protection requirements. See *Attachment D Application Service Provider (ASP) Evaluation Questionnaire*.

All customer data provided to Vendor by the Companies or through the execution of the program is the property of the Companies. This data may not be shared with any outside parties or Vendor's subsidiaries and/or affiliates without the Companies' consent.

A signed customer release form is required before Vendor may release any proprietary customer information to any party other than the Companies. Such proprietary customer information includes, but is not limited to, usage data, account numbers or project specific information.

## 7. Program Operations and Implementation

### 7.1. General Administration and Operations

Vendor shall develop their own management and operational systems. This includes but is not limited to:

- General project management, including the preparation and submission of plans and reports to the Companies
- Contract management
- Project forecasting (application submittals and resulting energy and demand savings)
- Marketing and Program Advertising
- Support as required for program evaluation and audits managed by the Companies and/or Commission (or its designee)

### 7.2. Work Plan

Vendor is responsible for developing a Work Plan for the Start-Up and continued administration of the program. Once the contract is signed, Vendor will have until the Kickoff Meeting to develop the Program Start-Up section of the Work Plan. Vendor will be required to submit the remaining Work Plan within 15 calendar days following the Kickoff Meeting.

The Plan shall include, at a minimum:

- Start-Up Plan in the form of a Gantt Chart
- Vendor to have E-Blasts written, approved by the Companies and sent by end of business on 6/1/2024 announcing initiative
- Vendor to have Marketing Materials written, approved by the Companies and sent by end of business on 6/1/2024
- Plan for executing Program responsibilities including general administration
- Organizational Chart with the reporting office location(s) and number of staff to be assigned by geographical area.
- Description of a plan for use of any subcontractors (Companies reserve the right to approve or disapprove any selected subcontractors) and a listing of any that have been identified or partnered with for this proposal
- Overview of development and implementation of advertising and marketing plans, including CAN-SPAM Act (Do Not Contact) compliance.
- Dispute Resolution Process
- Coordination meetings with the Companies, including regularly scheduled program meetings and ad hoc meetings
- Any other areas deemed appropriate

Immediately following contract award and Kickoff Meeting, Companies and Vendor shall work together to modify the Work Plan submitted by Vendor to develop systems and procedures needed to operate the program.

Work Plan shall be submitted to the Companies for approval prior to the start of work. The Work Plan shall include a schedule with milestones/times for deliverables and parties responsible.

Companies may approve the Work Plan fully, partially, or disapprove entirely. Vendor is not authorized and shall not perform work specified in the Work Plan that has not been approved by the Companies. Vendor may proceed with work in the Work Plan that has been approved. Vendor shall submit a revised Work Plan within five (5) business days of any disapproval or request for modification.

After approval of the Work Plan, Vendor must perform all tasks as outlined in the Work Plan in accordance with this Scope of Work. Any variances to the Work Plan shall be discussed with the Companies and shall be submitted in writing as a modification to the Work Plan to be approved by the Companies.

#### 7.2.1. Program Management and Coordination Meetings

##### 7.2.1.1. Program Meetings

Vendor shall participate in regularly scheduled quarterly meetings/teleconferences with the Companies. Program meetings/conferences will cover at a minimum: contract issues, marketing, promotions and communications guidelines, program reporting, regulatory issues, program updates, customer issues/complaints and any other issue considered relevant to the Commission, the Companies and the Vendor. The Companies anticipate monthly meetings/teleconferences with the EM&V team and may expand the meetings/teleconference to include the Commission, or third parties as appropriate.

##### 7.2.1.2. Pipeline Meetings/Reports

Vendor shall participate in regularly scheduled meetings/teleconferences with the Companies' Program Implementation Managers (PIMs) to discuss program and marketing activities, issues and challenges, specifics concerning larger projects, current and forecasted progress toward savings targets and any other relevant issues.

Vendor will meet with the Companies monthly to review monthly progress report and incorporate any feedback from the Companies to the outreach plan.

##### 7.2.1.3. Ad Hoc Meetings

During the course of this contract, Vendor shall attend meetings with the Companies, Companies' EM&V Vendor, Statewide Evaluator ("SWE") or the

Commission, or other areas and locations as required. These may be informal meetings or formal presentations to the Companies, Commission, Stakeholders, or customers. Vendor shall provide status reports, deliverables or other materials as needed for these meetings.

## 7.2.2. Reports

### 7.2.2.1. Management Status Reports (Monthly)

Vendor will be expected to provide a monthly summary report of program performance, activities, issues, forecasts, special and/or large project listings, etc. that will be reviewed at schedule monthly and quarterly meetings.

The report shall provide reporting based upon program applications submitted to date (PTD) vs upcoming milestone targets and will include recent check batch period (typically the 15th to 15th) pipeline actives.

Vendor will provide a written monthly progress report to the Companies highlighting key achievements, challenges, and recommended adjustments.

The Companies will review and approve the monthly report or return to Vendor with questions and possible request for revision. Vendor shall revise.

### 7.2.2.2. Monthly Advertising and Marketing Reports

Vendor is responsible for providing an update related to all Advertising, Marketing and Outreach Activity. This report is to be included in the monthly Management Status Report described in Section 7.2.2.1. Management Status Reports (Monthly).

#### Market Assessment and Characterization Activities

On a quarterly basis, Vendor shall collect, compile and assess information on the characteristics and current status of markets affected by the current and past FE EE&C programs for purpose of evaluation and to define markets that may be potential target(s) of modified, enhanced, new or existing programs. This should include market penetration and information on changes, or expected changes, in markets, technology, pricing and possible recommendations to program design and management strategies to increase energy efficiency program awareness and participation. Vendor shall use this information, along with the information obtained through other relevant evaluations, to recommend changes or enhancements to programs and provide updates on market conditions, which shall include a SWOT (strengths, weakness, opportunities, & threats) marketing analysis by operating company, by customer sector, that shall be presented during regularly scheduled quarterly Vendor meetings.

Vendor shall be responsible for determining if findings from information collected and analyzed warrant changes to Outreach Strategy and Engagement Plan. Vendor shall be responsible for assembling all information collected, and presented quarterly, in an annual report that provides insight into market conditions, analytics of program performance and forward-looking recommendations.

## 7.3. Program Documentation

### 7.3.1. Shared File System

Vendor will be responsible for creating a shared file system that may be accessed by Vendor and FirstEnergy PA program personnel that will be log on and password protected.

Vendor shall propose a shared file system as part of the response to this RFP.

Vendor will be responsible to maintain program documents and files in an “up to date: state” on a shared file system.

Vendor will be required to develop, publish, and maintain a documentation system for programs files and documents.

Program directories for documents and files will include, but not limited to:

- All process related documents to programs
- Program Guidance Documents
- Program Allies
- Marketing Materials
- Customer Facing Documents
- FirstEnergy Corporate Communication and Legal approvals for all Customer facing website, marketing, and form documents.
- Contract and Milestones
- Program Forms
- Trainings
- Do Not Contact List
- Vendor Do Not Use List
- Incentive Tables
- Customer Participation
  - Trainings
  - Webinars
  - Outreach Events
  - Applications submitted
    - By Program
    - By Operating Company

Vendor will continually work with FirstEnergy PA Utilities to define and refine directory structure, along with the files and documents stored on the shared file system.

### 7.3.2. Program Documentation Types

#### 7.3.2.1. Program Manual

Vendor will be responsible for development of a program manual listing all programs offered, program eligibility guidelines, incentive structures and other pertinent related program information.

Vendor will propose a format for a program manual to FirstEnergy PA Utilities in response to this RFP.

Vendor and FirstEnergy PA Utilities will work together to refine and define program manual within first 30 days of Program Launch.

Vendor will have completed Program Manual within 60 business days of Program Launch.

Vendor and FirstEnergy PA Utilities will work together to update the program manual, as needed, on a quarterly basis.

Vendor will be responsible to maintain update to date Program Manual(s) on Shared File System.

#### 7.3.2.2. Incentive Tracking

Vendor will be responsible to maintain a running record of incentive levels, by program, by measure for entirety of contract.

Record will indicate date incentive offered, changed, or cancelled.

#### 7.3.2.3. Bonus Initiative Tracking

Vendor will be responsible to maintain a running record of all bonuses offered, incentive or administrative, by program and measure as applicable for entirety of contract.

Record will indicate date bonus incentive offered, changed, or cancelled dates.

#### 7.3.2.4. Retention & Documentation of Approved Marketing Documents

Final approved marketing documents shall be retained by Vendor with “in use” date maintained for each document version. These documents may include, but are NOT limited to:

- Website
- e-blasts
- Case studies
- Advertising/Promotional materials and giveaways
- Any outside facing marketing pieces
- Marketing Events (Cup of Joe/workshops) i.e. PPT’s used

Vendor shall also retain approval emails from Corporate Communications, dates approved by Corporate Communications and “in use dates” for approved materials.

Vendor on a quarterly basis will transfer all approved materials, along with documented approvals from FE Corporate Communications, outlined above to the Companies in both hardcopy and electronic copy; a schedule of the transfer of materials will be discussed and communicated at time of program start-up.

## 7.4. Customer Service

### 7.4.1. Vendor Call Center Services

Vendor shall use its own or contract with a Call Center. Call Center shall field customer telephone calls, process enrollments, schedule appointments, respond to electronic inquiries and provide technical consultation associated with the program as applicable. Vendor’s Call Center must have general knowledge of other FE EE&C programs and be able to direct calls to other vendors. Call Center statistics should be provided at request of PIM or with monthly/quarterly reporting.

### 7.4.2. Dispute Resolution

Vendor shall develop procedures to deal with complaints from customers, stakeholders, other utilities, subcontractors, and Program Allies, concerning performance of its responsibilities. The Companies shall assist in the development of the procedures.

Vendor shall participate fully, promptly and in good faith in dispute resolution processes, and shall retain records supporting avoidance and expeditious resolution of complaints, including records of all communications related to any complaints.

## 7.5. Communication Protocols

Vendor and the PIM shall establish expectations of personal communication protocols among the teams, including but not limited to topics such as returning customer, retailer, and Program Ally inquiries as well as the Companies' inquiries. Ideally, all inquiries shall be responded to within one (1) business day or sooner, but in unique circumstances, Vendor shall respond within a reasonable time period.

All communications (emails, phone calls, etc.) with customers, retailers and Program Allies shall be logged in a Vendor tracking system. Vendor will coordinate with the Companies to ensure that tracking system functionality meets communication requirements and time frames. No one method of communications shall be used to the exclusion of any other means. Email, while an effective initial means of communications, may not be the best method in all circumstances. If any communication is ineffective, personal visits or other measures will be employed.

All regulatory communications will be performed by the Companies' personnel. Any participation in regulatory or stakeholder processes will be as the Companies' agent, and under the Companies' direction. Certain regulatory communications and data requests are subject to strict timelines against which Vendor will use best efforts to provide reasonable information and responses to the Companies.

## 7.6. Contract / Subcontractor Management

Vendor is fully responsible for the performance of any subcontracted work.

Vendor shall solicit, select, contract, and oversee employees and subcontractors performing work outlined in this Scope of Work, and develop methods for managing the performance and compensation of program implementers (subcontractors). This shall be consistent with Companies' Code of Conduct policies. Vendors may request this document from FE. Refer to Section 4 for designated FE contact.

Vendor shall maintain the administrative capability to effectively manage these resources and ensure the completion of each task and subtask. Vendor shall develop and implement procedures to assign, monitor, review and approve completed work, and to ensure subcontractors are compensated in a timely manner.

Vendor and all subcontractors shall maintain all required licenses and registrations as required by the Companies, Commission and/or state.

In the event contractors are hired directly by the Companies, the Companies may have the Vendor assume administration responsibility of accepting applications, evaluation of applications, processing applications, collecting required program information, reporting

savings (kWh and kW) and providing Companies with reporting on the direct install services of the hired contractors. Companies will in turn allow Vendor to claim savings (kWh and kW) as part of their contractual obligation to Companies.

## 7.7. Program Data and File Collection Requirements

Vendor will be responsible to capture all data needed to monitor, assess, and evaluate program performance, report on its activities, and improve the design and delivery of the programs.

Vendor will be responsible to provide access to their tracking and reporting system/database to FE personnel for specific purpose of accessing and downloading vendor prepared reports to be used for reconciling energy and demand savings for programs defined as part of this Scope of Work.

## 7.8. Energy Efficiency Implementation Support (“EEIS”) Responsibilities

FE’s EEIS group is responsible for administrative support, back office processing, contract administration, invoice processing, operational analytics, budgets, and financial forecasts. See *Appendix A EEIS Back Office Responsibilities*.

## 8. Program Target and Performance

The purpose of this section is to provide a mechanism to promote a steady pace to achieve and coincidental peak demand (kW(pk)) reduction targets as outlined in Section 8.1, Exhibit A below.

If, at any time, the Companies identify deficiencies in performance, Vendor will be given 30 days to develop a plan to be approved by the Companies to achieve contracted savings and demand reduction target(s).

### 8.1. Milestone Targets

Vendor shall deliver the program and subprogram targets, by defined milestones, at the Retail-Level, and demand, unless otherwise dictated by the Companies in writing.

Companies will assess progress towards milestone targets by evaluation of Retail-Level kW(pk) reduction, adjusted for realization rates.

Program Milestone Targets, kW (pk), may be altered at the Companies' discretion depending on numerous factors, including but not limited to, altered regulatory mandates, timing of the Plan approval by Commission, etc.

Vendor shall not exceed the 100% total contract target unless authorized by the Companies in writing.

Exhibit A: Retail Level kW (pk) Targets:

Operating Company		5/15/2025 (PY17)	12/15/2025 (PY18)	5/15/2026 (PY18)
		kW(pk)	kW(pk)	kW(pk)
<b>Met - Ed</b>				
	LCI	9,820	14,730	19,640
	SCI	1,091	1,637	2,182
<b>Penelec</b>				
	LCI	11,174	16,762	22,349
	SCI	1,242	1,862	2,483
<b>Penn Power</b>				
	LCI	2,809	4,214	5,618
	SCI	312	468	624
<b>West Penn Power</b>				
	LCI	11,296	16,945	22,593
	SCI	1,255	1,883	2,510
<b>Milestone Total</b>		<b>39,000</b>	<b>58,500</b>	<b>78,000</b>

### 8.2. Performance Holdback Provision

Performance Holdback Provision is a mechanism put in place when milestone targets, kW (pk) by Operating Company and in total, as specified in Exhibit A are not achieved. If any

contractual milestone is not achieved, the holdback percentage is calculated based upon the largest percentage deficit, rounded up to the nearest whole number, of the Operating Company milestone per Exhibit A. The largest percentage deficit is used to calculate the holdback dollars and is rounded up to the nearest whole percentage and applied to the invoices for that Operating Company. Holdback percentages are applied to all invoices, excluding incentive invoices, for the duration of the next milestone period, in the Operating Company where the milestone was not achieved.

If a milestone is not achieved:

- The holdback percentage will be calculated using the methodology above.
- If the next contractual milestone target is achieved, the prior-period holdback dollars will be released.
- If the next contractual milestone target is not achieved, the prior-period holdback dollars will be held until the end of the contract.
- If vendor has achieved 100% of the contractual milestone savings targets, by Operating Company, by the end of the contract, all holdback dollars will be released.

If vendor has not achieved 100% of the contracted milestone savings targets, by Operating Company, by the end of the contract, or in the event the vendor is no longer under contract, vendor forfeits all holdback dollars that have accumulated.

## 9. Contract Payments

Contract Period: June 1, 2024 - May 31, 2026

Program Implementation Period: June 1, 2024 - May 31, 2026

Invoice Processing and Reporting: June 1, 2024 - August 31, 2026 \*

\* 90-day period added for processing final invoices, address open program-related issues, and finalize reporting only.

### 9.1 Contract Administration Payments: Program Start-Up

For the initial program start-up period of one (1) month, Companies will pay no more than twenty (20%) percent of the total contract amount for Program Start-up costs.

### 9.2 Contract Administration Payments: Program Management and Marketing

After the initial Program Start-up month(s), Companies will pay Vendor no more than thirty (30 %) percent of the total contract amount in fixed monthly fees over the remaining months of the contract. Administration pricing for each service, Program Management and Marketing, shall be priced independently and presented as set monthly pricing for the contractual period.

Marketing shall be defined as advertising, promotion, education and communication of FE EE programs to FE customers, which includes the sponsoring of outreach/marketing events, design and purchasing of Company branded promotional items and design and implementation of program website. Marketing expenses shall not include cost of labor.

Companies reserve the right to reduce or eliminate marketing payments. Companies will continually evaluate all contracted program performance and should the Companies determine that a specific program is overperforming or underperforming, or in the event that a program target has been achieved, the Companies may deem it necessary to stop all marketing efforts for either a specific program or all programs for the remainder of the contract.

### 9.3 Program Performance Payments

Companies will pay Vendor a minimum of fifty (50%) percent the total contract amount in program performance payments over the entire Contract Period. For programs with a pay per kW(pk) component (see *Attachment B Price Breakdown Sheet*), program performance

payments will be paid to the Vendor monthly and will be based on reported retail-level kW (pk) savings adjusted for realization rates (capped at a 100% realization rate).

The Companies will evaluate the Vendor's progress toward the kW(pk) targets identified in Exhibit A. If Vendor achieves 100% of any contractual kW (pk) target in any Operating Company, and one of the following criteria is met, at its discretion, the Companies may reduce the program performance rate to between \$0.00 per kW (pk) MWh and the program performance rate included in the contract. If the program performance rate is to be modified by the Companies, Vendor will be notified in writing and a change will take effect with the next invoicing cycle or date provided by the Companies.

- kW(pk)Target has been exceeded by 130%
- Vendor achieves 100% of the total, overall contractual Retail-Level kW(pk) reduction goals for the total program

Companies reserve the right to suspend the program if the portfolio targets are reached prior to the end of the Program Implementation Period.

Applications for projects submitted by the Companies for assets owned by the Companies, are exempt from the Program Performance MWh Rates. These applications are to be paid at a Program Performance MWh Rate not to exceed \$10 per MWh. MWh's delivered from Company-submitted applications will NOT count towards vendor's contracted MWh targets.

#### 9.4 Program Ally / Trade Ally Bonus

Vendor will be exempt from participating in any Program Ally or Trade Ally Bonus programs that the Companies may implement during the term of this RFP, Scope of Work

#### 9.5 Contract Suspension or Cancellation

Companies reserve the right to suspend work or eliminate payments or cancel contract. should Companies determine contracted program performance targets have been achieved or program budgets cannot sustain contracted effort or should the Companies determine that vendor is underperforming.

## 10. Program Exit and Transition Plans

Vendor shall complete, within 90 calendar days after the end of the program implementation period, whether by expiration or termination, with no additional fixed costs, all end of plan processing requirements necessary. This would include but is not limited to the following:

- Process all remaining contract-period applications
- Finalize and issue all contract-period customer rebates
- Provide all final administration and rebate invoicing

Vendor shall, within 15 calendar days after the end of the program implementation period, whether by expiration or termination, turn over to the Companies or their designees as directed and applicable, including but not limited to the following:

- Open applications not eligible during this program implementation period
- Program implementation-generated documents, marketing materials and application files
- Reports and other relevant materials

Should Vendor utilize a third-party CRM & PM system, the Companies shall retain the rights to all intellectual property and customization developed for the CRM & PM system used to run the programs free of licensing. Vendor shall work to transfer, in an easy-to-use format such as Excel, all customized modules to the Companies or their designee to allow for continued program operation at no additional cost to the Companies.

Vendor shall meet with the Companies and the Vendor for the subsequent Plan, to provide a summary of all ongoing outreach activities with description of activities, next steps, contact information, including commitments to outside companies and other groups involved in the outreach activities. Vendor will provide electronic versions of outreach materials, Program Ally lists and materials, annual plans and all content generated as property of the program. Vendor commits to providing and facilitating the necessary data extraction and mapping and commits to support this transfer of information for 90 calendar days, or for a time period at the discretion of the Companies, after the end of the Plan Period. In addition, the Vendor must submit upon contract completion a complete list of customer payments, payment dates, check numbers, dates cashed. All outstanding checks not cleared and cancelled after 180 days is the responsibility of the vendor for resubmission of new checks for customer payment at no additional cost to the Companies. Vendor will be responsible to address uncashed incentive checks and address as deemed appropriately by the state in which the uncashed incentive rebate is to be paid; Ref Appendix A: Energy Efficiency Implementation Support (EEIS) Responsibilities Details.

Unless otherwise instructed by the Companies, Vendor shall transfer, in an easy-to-use format such as Excel, all customer records to the Companies as indicated in Section 6.2.2.2 *Ownership, Sharing, and Retention of Data*.

Vendor shall complete, within 60 calendar days after the last day of the Program Implementation Period, with no additional fixed costs, a summary report of their performance, activities, achievements, and summarized data for the completed Plan and submit to the Companies.

This report would include the following sections but is not limited to the following:

**Program Performance:**

- Customer participation by Program
- MWhs & kW (pk) delivered by Program
- Summary of Program Performance Payment, Program Management Payment, and Marketing Payment dollars invoiced
- Summary of incentive dollars approved and paid by Program and sector
- Summary of Program Realization Rates by Program on Yearly, or Quarterly, basis
- Status of Program Performance towards kW(pk) milestone target
- Listing of all bonus programs dates and timelines, participation and payouts, customers, and program allies
- Impact of bonus programs by sector and Program Ally
- Summary of issues / roadblocks encountered and how they were resolved

**Customer / Program Ally Contact Information:**

- Listing (Excel Format) of Customer / Program Ally contact information: Name / Telephone / Cellular / Email / Address
- Listing of Registered Program Ally's: Name / Telephone / Cellular / Email / Address / Type of work (Lighting / HVAC / Direct Install)
- Listing (Excel Format) of participating Customer contact information: Name / Telephone / Cellular / Email / Address

**Customer Participation:**

- Listing, in an appendix, of all C&I program participants
- Listing, in an appendix, of all Governmental program participants.
- Summary of Program Ally participation, include a list of participants by applications submitted, and by MWh delivered (these can be vastly different)

**Program Marketing:**

- Summary of all marketing and outreach activities with an overview of what worked, what did not work, and a Market penetration rate
- Listing, in an appendix, of all workshop/seminar participants
- Electronic copies of all marketing materials, customer facing documents, website

**Program Complaints / Fraudulent Activities:**

- Summary of all complaints that were levied during the phase and how they were handled
- Summary of any fraudulent activity during the phase and the resolution

**Data Access Contact & Process:**

- List contact(s) and associated process that FE is to follow to request data, or access, from Vendor's database

## 11. RFP Checklist

Exceptions to any items included in this RFP should be submitted in writing and included with vendor's proposal. Items in this RFP not taken exception to in writing shall become part of the resulting contract.

Vendor shall submit a Start-Up Plan (reference Section 6.1.1.) and Work Plan (reference Section 7.2.) with their bid proposal. These Plans shall include, at a minimum:

- Organization chart and description of management roles and responsibilities; including resumes
- Identification of single point of contact coordinating Vendor Start-Up Plan activities and tasks
- Gantt chart with descriptions, dates, party responsibilities, and suggested program launch milestone Plan to detail specific marketing/communications strategy; including launch of promotional strategies, creation of a website and establishment of a toll-free number for customers and for the Companies to use for transfer calls it receives related to the program
- Plan to develop electronic payment between the Companies and the Vendor
- Plan to facilitate or support program tracking systems and reporting
- Plan to ensure all other preparations needed are completed before the program is launched
- Plans to use subcontractors to achieve Program goals, including subcontractor diversity plan
- Example of Quarterly Program Application Forecast
- Example List of Utility Contacts and successful utility programs run
- Experience related to managing similar programs as listed in Section 5 of this document
- References from similar programs previously managed

## Appendix A: Energy Efficiency Implementation Support (EEIS) Responsibilities Details

### Invoicing

#### General

- FE will provide a list of personnel and backup personnel responsible for the invoicing processes
- Vendor will be responsible for submitting invoices via FE's Electronic Invoice Presentment System
- Invoices shall be in accordance with the rates and terms of the contract and shall include all required backup documentation
- Vendor shall issue an email notification to the Company's personnel and backup personnel indicating that invoices were issued for review and processing. Invoices and back up documentation are sent through a secure FTP site or FE's Electronic Invoice Presentment System. Customer data is not permitted to be sent through email.
- All invoices shall include:
  1. Vendor Letterhead/Logo
  2. Vendor name and remittance address
  3. Operating Company
  4. Invoice Number
  5. Invoice Date
  6. PO Number and PO Line Number
  7. Invoice Period for services provided
  8. Total Amount Due:
    - A. If applicable, participant/measure quantities shall match backup documentation
    - B. Calculation of amount due shall be in accordance with contract rates and terms
  9. If applicable, ensure that the agreed upon monthly holdback is deducted from the monthly invoice and most recent accounting template that will be provided by the Company.
  10. Backup documentation
  11. If payment terms are included in the invoice, ensure that they coincide with the contract terms
- All invoicing data, along with required backup documentation, shall be kept by the Vendor for at least six (6) years from the end of the contract period and made available to the Commission and the Company or their designees upon request.

#### Program Management / Marketing Invoices

- By the 15th of each month, Vendor shall submit an invoice(s) for Program Management and Marketing
- The Company shall process and pay all Program Management and Marketing invoices in accordance with FE's standard payment terms of 2% discount at 25 days or Net at 60 days

#### Rebate Invoices

- Vendor shall submit an invoice(s) for rebates per the defined schedule provided by the Company.

- Payment terms for Rebate invoices shall be “pay immediately”. Company shall process all rebate invoices within five (5) business days from date received provided all required backup documentation is included.

#### Program Performance Invoices

- Vendor shall submit an invoice(s) for Program Performance at the same frequency and in conjunction with the Rebate invoices.
- If applicable, Company shall provide Realization Rates to Vendor for use in calculating Program Performance amounts on the invoice templates.
- Company shall process and pay all Program Performance invoices in accordance with FE’s standard payment terms of 2% discount at 25 days or Net at 60 days.

#### Rebate Process

##### Rebate Check Batch Process – C&I

- Vendor is responsible for screening customer applications for eligibility and ensuring that applications received include all required backup documentation, such as signed applications, W-9s, cut sheets, invoices, letters of attestation and any other backup documentation the Company deems necessary.
- A rebate batch file shall be prepared per the defined schedule provided by the Company. If the schedule needs to be adjusted for Company business purposes, Vendor will be notified.
- When the customer application process is complete and prior to Vendor issuing customer rebate payments, a rebate batch file and preliminary invoice shall be submitted to the Company for auditing and approval.
- The Company will design the rebate batch file format in conjunction with Vendor. The file shall contain completed C&I application information including but not limited to:
  1. Customer Name
  2. Customer Account Number
  3. Project Number
  4. Rebate Amount
  5. Program Performance Payment associated with the rebate
  6. Program/Sub-Program Name
  7. kWh/MWh Savings
  8. Payment Recipient Information
  9. Rate Codes
  10. Sector Detail
  11. Pre-approval date
  12. Other fields as required by the Company to complete an audit
- After a rebate batch file has been submitted to the Company for review, no adjustments shall be made to energy savings or rebates without written approval from an FE Program Manager and dedicated EEIS staff member. Vendor is responsible for ensuring there are no duplicate customer rebates invoiced.

- Company will have access to the Vendor data repository in order to verify all required customer documentation has been received and meets program guidelines. A unique login should be supplied to individuals who need access to the system for review.
- Company will review/approve rebates contained in the rebate batch file. If an issue with the rebate batch file or supporting documentation is found, EEIS will ask Vendor to review the issue and take necessary steps to make corrections. If necessary, Vendor must submit an updated rebate batch file and a new preliminary invoice. If a rebate(s) must be removed for any reason, Vendor will remove the rebate(s) in question and submit an updated rebate batch file, a new preliminary invoice, and a summary of rebates that were removed.
- Upon approval of a rebate batch file, Vendor will be notified that customer rebate checks can be issued, and invoice(s) submitted to the Company.
- Vendor may upload energy savings to the Company Tracking & Reporting system only after a rebate batch is approved.

#### Rebate Process – Residential

- Vendor is responsible for screening customer applications for eligibility and ensuring that applications received include all required backup documentation.
- All rebates must be paid to the customer within 30 days of submitted rebate application.
- Rebates are to be pre-funded by the Vendor in order to meet deadline and reimbursed from the Company.
- A rebate invoice and backup documentation shall be prepared per the defined schedule provided by the Company. If the schedule needs to be adjusted for Company business purposes, Vendor will be notified.
- Company will design the rebate backup format in conjunction with Vendor. The file shall contain completed customer application information including but not limited to:
  1. Customer Name
  2. Customer Account Number
  3. Rebate Amount
  4. kWh/MWh Savings
  5. Payment Recipient Information
  6. Rate Codes
  7. Program/Sub-Program Name
  8. Other fields as required by the Company to complete an audit

#### Accruals

- If applicable, Vendor shall be responsible for submitting monthly accruals for the value of all materials and services received through the current month (including prior periods) and not yet invoiced. Accrual amounts shall be itemized to the same level required for invoicing. Accrual data shall include all pertinent backup documentation, calculations, and any other information to support the accrual amounts.
- If applicable, an accrual template will be provided to the Vendor by the Company
- Monthly accruals will be due to the Company no later than four (4) business days prior to the end of the month. An email reminder will be sent to the Vendor at least one week in advance of the due date.

## Budgeting

- FE requires each business unit to provide an annual budget and quarterly forecast updates for financial management purposes
- Vendor shall be notified, at a minimum, quarterly to provide the Company with their projected spending for Program Management, Marketing, Program Performance and Rebates for the period beginning with the subsequent month through the remainder of that calendar year
- Forecasts for future years will also be requested as needed
- Budget/Forecast amounts shall be itemized by month and by program
- Frequency of forecast updates can change at any time for the Company's business purposes

## Escheatment Process

Vendor shall be responsible for the escheatment process, if applicable.