

## ENERGY SAVINGS PURCHASE AGREEMENT

This AGREEMENT is entered into between \_\_\_\_\_, (**Owner**) and the Eugene Water & Electric Board (**EWEB**). In consideration of the following terms and conditions, Owner agrees to sell, and EWEB agrees to purchase, the electrical energy savings from Owner's energy conservation project as follows:

- 1. Purpose of EWEB's Energy Management Program:** EWEB is committed to ensuring an adequate energy supply for all EWEB customers and has identified certain Energy Conservation Measures (ECMs) that are projected to use energy more efficiently, thereby benefitting all EWEB customers. The Bonneville Power Administration (BPA) provides financial incentives for regionally cost-effective ECMs and may partially fund the EWEB Energy Smart Services Program developed by EWEB for EWEB's non-residential customers.
- 2. Program Eligibility:** Owner acknowledges and agrees that EWEB is not obligated to make an incentive payment or provide funding to the Owner for any materials and labor to install ECMs if such work was initiated prior to EWEB and Owner signing this Agreement. Owner acknowledges and agrees that signing this Agreement does not obligate EWEB to provide a loan, incentive payment, or other funding to the Owner for any ECMs not specifically described in Exhibit 1 that the Owner may choose to install at some future date.
- 3. Payment by EWEB to Owner:** Payment by EWEB to Owner for the projected electrical energy savings shall be made as follows:
  - a. The parties agree that EWEB is not required to make any expenditures of money or resources under this agreement except from revenues derived from EWEB's ownership and operation of its electric utility properties.
  - b. Payments by EWEB to Owner are based upon estimated electrical energy savings and not actual savings. The parties acknowledge that the actual savings may not match the energy savings estimates. EWEB makes no guarantees as to what actual savings may occur.
  - c. Before construction by Owner, EWEB hereby authorizes payment as described in the Offer attached hereto as Exhibit 2. The Offer is based upon the estimated annual kWhs of electrical energy savings of Owner's project. After construction, Owner agrees to furnish EWEB complete final construction invoices or cost documentation, which represent the actual construction costs of Owner's project. Final payment to Owner for the purchase of the electrical energy savings shall be based on the invoices or documentation submitted to EWEB and computed according to EWEB Energy Smart Services Program Procedures in effect as of the date of the Offer attached as Exhibit 2. Payment shall be made to Owner or Owner's payment designee by EWEB upon satisfactory completion of the projects as determined by EWEB. The payment authorized by this agreement may be in form of one or a combination of the following:
    - 1) The amount of \$ \_\_\_\_\_ as a cash incentive.
    - 2) Payment may also include a low- or zero-interest loan. If all or part of the payment will be in the form of a loan, Owner and EWEB will enter into an Energy Saving Agreement (ESA) covering the terms and amount of the loan.
  - d. Owner may authorize and direct EWEB to deliver payment to a payment designee by written notice to EWEB before project completion.
- 4. Construction of Project by Owner:** EWEB has provided a brief description of recommended ECMs. Owner has selected ECMs that Owner deems suitable for Owner's business needs as the Owner's Project. ECMs included in the **Project** are described in Exhibit 1 as is the Facility Location, Project Life, Estimated Project Cost, and Project Completion Date. Should Owner proceed with installation of the Project, Owner thereby agrees to:
  - a. *Project Design and Installation.* Owner agrees to design, purchase, and supervise the installation of the Project that will reduce and manage electrical energy consumption at its facilities. Owner shall obtain required permits and comply with all federal, state or local laws, regulations and ordinances related to the Project. Owner agrees to investigate and comply with any applicable environmental requirements including, but not limited to, indoor air quality requirements and State Historic Preservation requirements pertaining or otherwise related to the Project. The Owner acknowledges that certain ECMs may adversely affect power quality. Owner agrees to assume responsibility for identifying and installing equipment to mitigate negative impacts on Owner's power quality associated with Owner's Project and ensures the Owner's standards for power quality are attained.
  - b. *Project Schedule and Completion.* Owner agrees to complete installation of the ECMs and submit all final invoices or documentation of actual Project costs to EWEB within 60 days of the Project Completion Date

listed in Exhibit 1 to this agreement. If installation of Owner's Project is not completed within this time period, any loan, funding, or incentive offer made by EWEB shall expire unless extended in writing by EWEB. When Owner's Project is complete, Owner shall notify EWEB in a timely manner. EWEB may, at its option, inspect any or all ECMs and related installation work or request Owner's certification of completed Project. Owner agrees to provide EWEB access to the areas in its facility affected by the installed ECMs. If the installation of the ECMs is unacceptable to EWEB, EWEB shall notify Owner of the deficiencies and suggested corrections. Owner agrees to correct any deficiencies in a timely manner before final funding or incentive disbursement.

- c. *Relationship of the Parties.* EWEB's relationship to Owner is limited solely to the acquisition of the estimated electrical energy savings from Owner's Project by providing funding for Owner's use in completing the Project. Owner agrees to assume full responsibility for all aspects of the Project. Owner agrees to supervise installation and to assure EWEB that Owner's Project is completed in a workmanlike manner, which includes but is not limited to, ensuring Project performance that neither materially adversely affects the realization of expected energy savings nor adversely affects human health and safety. EWEB's role with Owner and Owner's contractors is limited to confirmation that Owner has completed the Project according to the ECM description(s) in Exhibit 1, including any amendment. EWEB's confirmation is for its own use and shall not be relied upon by Owner. Owner shall be responsible to make its own confirmation that the Owner's Project meets any particular requirements.

**5. Operation, Replacement and Maintenance of ECMs:** Owner agrees to continue operation of the ECMs over the projected Project Life stated in Exhibit 1. If, after installation of the Project is complete, any of the Project equipment fails, Owner agrees to install replacement equipment that is equally energy efficient. In addition, Owner agrees to operate and to perform all manufacturers' recommended maintenance for all equipment related to Owner's project. Where appropriate, Owner agrees to train staff to operate and to perform such maintenance. Owner agrees to use all reasonable measures to assure maximum energy savings are attained after installation of the ECMs.

**6. IRS Reporting:** EWEB may, from time to time, be required to report any net interest or other benefits offered by EWEB to Owner under this agreement. Owner agrees to furnish EWEB its employer tax identification number and any other information requested by the Internal Revenue Service relating to Owner's Project. EWEB makes no determination hereunder as to the reporting and taxability of the net interest or other benefits received by Owner from EWEB.

**7. Confidentiality and Public Information:** Subject to law, EWEB shall treat as confidential information designated as 'Proprietary Information' by Owner. Exclusive of such designated Proprietary Information, EWEB shall have the right to publicly disseminate information relating to any energy analysis completed by or paid for by EWEB and ECMs described in Exhibit 1. Owner acknowledges that under the Energy Smart Services Program, EWEB may wish to collect and compile certain data on Owner's Project for purposes of evaluation and preparing case studies. Owner agrees to allow EWEB access to its facilities and to monitor the use of electricity in its facilities and authorizes the release of any current and future utility records required for EWEB staff to conduct analysis and follow-up evaluation tasks.

**8. Indemnification:** Owner shall indemnify, hold harmless and defend EWEB, its Board, officers and agents from any and all claims, demands, liabilities, suits or actions for any resulting property damage, bodily injury or death arising out of or which in the future may result, directly or indirectly, from EWEB's energy analysis and any subsequent installation and operation of the ECMs and suggested energy conservation practices specified by EWEB's staff or a professional subcontractor, subcontractors' employees and subcontractors' agents. Submission of design plans and specifications to EWEB and inspections by EWEB shall in no way imply any responsibility on the part of EWEB for the design or installation of Owner's Project.

**9. Continuation as EWEB Customer:** Owner agrees to continue to purchase from EWEB at least half of the annual electrical energy (kWh) purchased on electric meters serving the building at the Project Location listed on Exhibit 1. Purchase from EWEB shall be on an appropriate retail rate schedule or power sales contract, excluding a retail wheeling or electricity transport rate schedule, and shall continue throughout the ECM Project Life stated in Exhibit 1.

**10. Termination and Repayment:** If Owner fails to comply with the terms of this agreement, EWEB may terminate this agreement by giving written notice to Owner. Owner shall have thirty (30) days from the date of the notice within which to comply with any items of noncompliance. If Owner fails to correct the noncompliance, EWEB may elect to terminate this agreement. With 30 days notice to EWEB, Owner may terminate this agreement. Upon termination by either party, Owner shall repay to EWEB a portion of payments made by EWEB for energy savings as follows:



**Project Location** (Facility street address):

**Project Description:**

The following ECMs, as described in EWEB Energy Smart Analysis Report Dated \_\_\_\_\_:  
HVAC Upgrade

**Project Life:**

**Estimated Project Cost:** \$

**Project Completion Date:**

SAMPLE