

ATTACHMENT 2

SCOPE OF WORK

- 1.0 All Work shall be accomplished in accordance with the 2009 Residential Standard Offer Program and/or the 2009 Hard to Reach Standard Offer Program, this Scope of Work, including the Detailed Scope of Work, attached hereto and incorporated herein for all purposes.
- 2.0 Owner will not withhold from any amounts payable under this Contract for federal, state, local or other taxes. It is the responsibility of the Contractor to pay or withhold, as may be appropriate, all such taxes that shall be required pursuant to any law or governmental regulation or ruling.
- 3.0 The Contractor shall not use CenterPoint Energy, Inc.'s corporate name, trademark, trade name, logo, identity or any affiliation for any reason, including soliciting customers for participation in its project, without CenterPoint Energy, Inc.'s prior written consent.

Detailed Scope of Work

COMPLIANCE WITH SOP MANUAL

By executing this Agreement, Project Sponsor acknowledges that it received a copy of the SOP Manual prior to submission of its Project Application. Project Sponsor represents and affirms that its participation in the SOP has at all times been in compliance with the procedures and conditions set forth in the SOP Manual and that any failure to comply therewith may be treated as a breach of this Agreement notwithstanding the fact that such failure occurred prior to the execution of this Agreement. Project Sponsor also acknowledges that it meets or exceeds all of the qualifications required to participate in the SOP as described in the SOP Manual and that failure to meet the qualifications therein may be treated as a breach of this Agreement.

Procedures or conditions set forth in the SOP Manual may only be waived or modified by written agreement of the parties. Any such agreement shall be attached hereto and incorporated herein for all purposes.

HOST CUSTOMER AGREEMENT AND CUSTOMER ACKNOWLEDGMENT

Project Sponsor will be solely responsible for entering into a Host Customer Agreement(s) with the Host Customer(s) as appropriate for implementation of the Project. Before any marketing activities are begun at a Project Site, the Project Sponsor shall submit a copy of its proposed Host Customer Agreement template to CenterPoint Energy, Inc. for approval. The approved Host Customer Agreement must be executed by the Host Customer prior to Project Sponsor beginning installation of Measures at the Project Site. Copies of the executed Host Customer Agreement(s) must be submitted to CenterPoint Energy, Inc. with Project Sponsor's implementation invoice(s). CenterPoint Energy, Inc. will not award incentive payments without proper completion of the Host Customer Agreement as provided for in the Contract Documents. To the extent possible, Host Customer Agreements will be kept confidential.

Project Sponsor agrees to disclose to Host Customer any potential adverse environmental or health effects associated with the Measures to be installed at the Project Site. Project Sponsor further agrees to include in the Host Customer Agreement all consumer protection provisions and disclosures contained in Article XII of this Agreement as well as the following provisions:

- (a) Host Customer agrees, upon three (3) days' prior oral notice, to provide CenterPoint Energy, Inc. and the independent measurement and verification expert selected by the Public Utility Commission of Texas (PUCT) with full and complete access to the Project Site for any purpose related to the SOP. The right of access will be subject to Host Customer's reasonable access requirements and, unless otherwise agreed, must occur within the normal business hours of the Host Customer.
- (b) Host Customer acknowledges that any view, inspection, or acceptance by CenterPoint Energy, Inc. of the Project Site or of the design, construction, installation, operation or maintenance of the Measures is solely for the information of CenterPoint Energy, Inc. and that, in performing any such inspection or review or in accepting the Measures, CenterPoint Energy, Inc. makes no representation or warranty whatsoever as to the economic or technical Feasibility, capability, safety or reliability of the Measures,

their installation by Project Sponsor or their compatibility with the Host Customer's facilities.

- (c) Host Customer acknowledges that Project Sponsor is an independent contractor with respect to CenterPoint Energy, Inc. and the SOP and that Project Sponsor is not authorized to make representations or incur obligations on behalf of CenterPoint Energy, Inc. Host Customer further acknowledges that CenterPoint Energy, Inc. is not a party to the Host Customer Agreement and that Project Sponsor is solely responsible for performance thereunder.
- (d) Host Customer agrees to provide CenterPoint Energy, Inc. with access to Host Customer's utility bills, project documentation, contractor invoices, and technical and cost information directly related to the Project.

Project Sponsor must obtain a certification from each Host Customer indicating that the Measures contracted for were installed at the Project Site. The certification should be in the form of the Customer Acknowledgment set forth in the SOP manual. The Customer Acknowledgment / Host Agreement should be submitted to CenterPoint Energy, Inc. with the Project Implementation Report described in below. If a Host Customer refuses to sign the Customer Acknowledgment, Project Sponsor may request, at Project Sponsor's expense, that CenterPoint Energy, Inc. perform an inspection of the Project Site. Final payment of incentives will not be made unless and until a Customer Acknowledgment or inspection has been completed in accordance with the terms of the Contract Documents.

PROJECT IMPLEMENTATION

Project Sponsor agrees on and after the Effective Date to use all reasonable efforts to implement the Project without undue delay and otherwise in accordance with the terms of the Contract Documents. Measures shall be designed, constructed and installed in a good and workmanlike manner only with materials and equipment of appropriate quality, and, in any event, in accordance with Prudent Electrical Practices. To the extent of any conflict between this Agreement and other Contract Documents, the terms of this Agreement shall prevail.

Project Sponsors treating multiple Project Sites must complete and submit invoices to CenterPoint Energy, Inc. on or before the 10th of each month on a monthly basis.

If the Project involves multiple Project Sites, the Project Sponsor must complete sufficient Measure installations, and invoices to comply with the following milestone schedule:

Measure installations accounting for 50% of the budget reservation shall be completed by June 10, 2009, with installations accounting for 80% of the budget reservation completed by September 10, 2009.

Within 30 days of completing installation of Measures at each Project Site, Project Sponsor shall so notify CenterPoint Energy, Inc. by submitting a report documenting the Measures actually installed at the Project Site (the "Project Implementation Report"). Within thirty (30) days of receipt of the Project Implementation Report, CenterPoint Energy, Inc. shall complete an inspection of at least 10% of the Measure installations at the Project Site. This inspection shall be used to determine whether the Measures were installed and are capable of performing their intended function of producing Energy Savings and Peak Demand Savings. If CenterPoint

Energy, Inc. reasonably determines that the Measures at the Project Site(s) have been installed, tested and inspected to the extent required by CenterPoint Energy, Inc. and found to be capable of providing Peak Demand Savings and/or Energy Savings in material compliance with the Contract Documents, the Project Implementation Report will be approved as submitted. The Estimated Savings attributable to the Measures documented in the approved Project Implementation Report will be used for purposes of calculating the Installment Payment as specified in the Compensation Schedule.

If CenterPoint Energy, Inc. determines that the Measures installed at the Project Site(s) are not capable of providing Peak Demand Savings and/or Energy Savings in material compliance with the Contract Documents, a reduction of Estimated Savings will be required for purposes of calculating the Incentive Payment as specified in the Compensation Schedule, Attachment 1. The Estimated Savings attributable to the Measures documented in the Project Implementation Report will be reduced by the percentage of Measures that failed to pass inspection. This adjustment may also be expressed as follows:

$$ES = (PMES / IMES) * PIRES$$

- ES = the amount of Estimated Savings to be used for calculation of the Implementation Payment in the Compensation Schedule, Attachment 1
- PMES = the amount of Estimated Savings attributable to Measures that passed Inspection
- IMES = the amount of Estimated Savings attributable to all Measures that were Inspected
- PIRES = the amount of Estimated Savings attributable to all Measures documented in the Project Implementation Report.

Within thirty (30) days of the conclusion of the Performance Period, the Project Sponsor shall submit a report to CenterPoint Energy, Inc. documenting the Measured Peak Demand Savings and/or Measured Energy Savings for the Performance Period (the "Performance Report"). If the Performance Report is deficient, CenterPoint Energy, Inc. will provide written notice of the deficiency to the Project Sponsor, which notice shall revise the Performance Report to correct the deficiency. The revised Performance Report shall be resubmitted to CenterPoint Energy, Inc. within the time period specified by CenterPoint Energy, Inc. in the notice of deficiency.

Any view, inspection, or acceptance by CenterPoint Energy, Inc. of any Project Site or of the design, construction, installation, operation and maintenance of the Measures is solely for the information of CenterPoint Energy, Inc. In performing any such inspection or review or in accepting the Measures, CenterPoint Energy, Inc. makes no representation or warranty whatsoever as to the economic or technical feasibility, capability, safety or reliability of the Measures, their installation by Project Sponsor or their compatibility with the Host Customer's Facilities.