

RESOLUTION R-17-44

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A GUARANTEED ENERGY SAVINGS PERFORMANCE CONTRACT DEFINED BY RSMO 8.231 BY SIGNING AN ENERGY SAVINGS PERFORMANCE CONTRACT AGREEMENT WITH NAVITAS FOR AN AMOUNT NOT TO EXCEED \$4,200,000.00

WHEREAS, the accomplishment of the work and services described in this Agreement is necessary and essential to reduce the energy consumption at various city owned properties and through these energy cost savings, fund these improvements; and

WHEREAS, the City desires to engage Navitas to bid and contract with qualified contractors to make these energy cost savings improvements described in this Agreement, and Navitas is willing to perform such services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI AS FOLLOWS:

THAT, the City Manager of the City of Gladstone, Missouri, is hereby authorized to enter into a contract with Navitas for work outlined in the contract for a total amount not to exceed \$4,200,000.00 to initiate a variety of energy cost savings improvements related to a guaranteed energy cost savings contract.

FURTHER, funds for such purpose will be financed through a new debt offering.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 25TH DAY OF SEPTEMBER 2017.



RD Mallams, Mayor

ATTEST:



Ruth E. Bocchino, City Clerk



Department of Parks, Recreation, & Cultural Arts
Memorandum

DATE: September 19, 2017

TO: Scott Wingerson, City Manager

FROM: Justin Merkey, Director of Parks, Recreation, and Cultural Arts

CC: Dominic Accurso, Interim Finance Director
Glen Whitten, Contract Administrator

RE: Energy Cost Savings Performance Contract Agreement

City Staff is recommending to take action to reduce energy consumption through the use of a Guaranteed Energy Savings Performance Contract. The first step was selecting Navitas as our partner to conduct an investment grade audit. Navitas was selected from an RFQ process on April 3, 2017, to conduct this investment grade audit. This helped staff identify potential opportunities for energy consumption reductions and facility improvements and helped us define the projects selected. This detailed development assisted in deciding where we can improve our efficiency in terms of energy savings and a positive payback while also improving our facility infrastructure. We are excited about the opportunities Navitas has identified. The City of Gladstone has been given the opportunity to select the projects that are in its best interest and Navitas has bid out these recommended projects to a list of complete and qualified contractors. Due to North Kansas City Schools not having funds to support the replacement of the HVAC dehumidification units of the Community Center's Natatorium, the project will not include the replacement of either of the pool dehumidification units. Thus, "option c" as presented to City Council during the study session on Monday, September 11th, 2017 is staff's recommended direction.

Staff is recommending to enter into a Guaranteed Energy Savings Performance Contract defined by RSMO 8.231 by signing an Energy Savings Performance Contract Agreement with Navitas. This will begin the implementation phase of an energy savings performance contract, with the City of Gladstone, for an amount not to exceed \$4,200,000

Should the City Council approve the implementation of these projects, the construction will be implemented over the next eight months and funded through through a new debt offering. Financial documents will be signed at the same time as the Energy Savings Performance Contract. Navitas has provided the City of Gladstone with a written guarantee of energy savings. If the program does not provide all of the savings presented, Navitas will make up the difference between the forecasted savings and the actual amount of energy savings.

Koby Kampschroeder of Navitas will be at Monday evening's City Council meeting should any questions arise in my absence. I would be happy to answer any questions you may have prior to Monday Night should you have any.

Complete the Application

Complete sections 1-8 in full. All fields are required unless otherwise noted. Include all required documentation listed below.

Your business must be a current Missouri customer of KCP&L to participate.

Incomplete final applications will delay approval and incentive payment.

Once You Are Done

Submit your completed application(s) along with required documentation one of three ways:

Email
businessrebates@kcpl.com

US Mail
KCP&L Business Rebates
PO Box 411008
Kansas City, MO 64141

Fax
(877) 491-2845

Need Help?

Call us at (866) 847-5228 or email businessrebates@kcpl.com.

KCP&L offers program offerings and corresponding rebates for Missouri customers receiving service in both KCP&L-MO and Greater Missouri Operations (GMO) service areas.

Eligibility is based upon the KCP&L service territory in which your facility resides and your rate schedule code. The rate code is a five-digit, alphanumeric code, stated on your KCP&L electric energy bill. Please note measure-specific eligibility per service area as indicated in Section 7 below.

- Rate schedule codes beginning with 1xxxx are eligible for KCP&L-MO rebates.
- Rate schedule codes beginning with MOxxx are eligible for GMO rebates.

Pre-approval Process

Once a completed application with required documentation is received, the KCP&L pre-approval review process can begin. This may involve a site inspection at the facility by a KCP&L program engineer. The review should take approximately two to four weeks to complete, but this timeline may change depending on the specifics of your project. The engineer will be able to give you a more accurate estimate once the review begins.

Please note that data logging or other measurement and verification techniques may be required to verify the kWh savings calculated in the pre-approval application.

Upon completion of the review, the program will issue a formal pre-approval notice that details the estimated rebate and electric savings for your project. After receiving the pre-approval notice, you may begin moving forward with the project.

Work cannot begin on your project and equipment cannot be purchased prior to receiving a formal pre-approval notice from KCP&L. If you begin work or purchase any equipment prior to receiving the pre-approval notice, your application may be ineligible.

Required Documentation

- Pre-approval application:** Verify that all fields on pages 2-4 are completed and that page 4 is signed by the KCP&L customer.
- IRS form W-9.**
- KCP&L electric bill:** Submit a copy of the facility's most recent KCP&L electric bill.
- Cut sheet/manufacture specification sheet:** Include a cut sheet or manufacturer specification sheet for all equipment being installed as part of the project.
- Electric savings calculations:** Using industry-accepted engineering algorithms or simulation models, calculate the annual electric savings by estimating the annual electric usage of both the existing and proposed equipment, based on the current operation of the facility. Include appropriate documentation of sources and any assumptions used in the calculations.
- Project proposal:** Provide your contractor's proposal for the project including total itemized installed cost per line item.
- Custom lighting applications:** Complete Custom lighting inventory worksheet. Worksheet must be completed with details on existing and proposed equipment and accompany all Custom lighting rebate applications.

NOTE: All project documentation must match information on the KCP&L customer's bill statement (for example: name, address, etc. or may cause delay in processing).

Recommended Documentation

We recommend that you provide any relevant energy data, drawings, trend logs or diagrams. Supplying this data with your application reduces review delays due to requests for additional documentation.

1 Building Type

This is a(n): Existing facility New construction

FACILITY TYPE

- | | | | | |
|--|---|--|---|---|
| <input type="checkbox"/> Check one | <input type="checkbox"/> Health, in-patient | <input type="checkbox"/> Industrial – 2 shift | <input checked="" type="checkbox"/> Public assembly | <input type="checkbox"/> School (Middle/High) |
| <input type="checkbox"/> College/University | <input type="checkbox"/> Health, out-patient | <input type="checkbox"/> Industrial – 3 shift | <input type="checkbox"/> Public order/Safety | <input type="checkbox"/> Warehouse |
| <input type="checkbox"/> Food sales/Grocery | <input type="checkbox"/> Hotel/Motel | <input type="checkbox"/> Industrial – 3 shift/weekends | <input type="checkbox"/> Religious/Worship | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Fast food restaurant | <input type="checkbox"/> Industrial (Light) | <input type="checkbox"/> Office (Small) | <input type="checkbox"/> Retail | |
| <input type="checkbox"/> Full-service restaurant | <input type="checkbox"/> Industrial – 1 shift | <input type="checkbox"/> Office (Medium/Large) | <input type="checkbox"/> School (Elementary) | |

2 Account Holder and Contact Information

ACCOUNT HOLDER

KCP&L account number at installation address : Rate code : Business/account holder name (as it appears on electric energy bill)
5617-41-4803, 7988-57-2465, 3863-19-3734 1MGSE, 1SGSE, 1MGAE : **City of Gladstone**

Tax identification number (FEIN)
44-6005624

Business classification
 Corporation Partnership Sole Proprietorship LLC
 Exempt (tax exempt, non-profit)

Applicant type
 Developer Owner Lessee Other: _____

Account holder contact name
Scott Wingerson

Contact email address
scottw@gladstone.mo.us

Contact phone number
(816) 423-4100

Contact mobile number

Contact mailing address
7010 North Holmes Street

City : State : ZIP
Gladstone MO 64188

3 Facility Information

LOCATION OF INSTALLATION

Facility name : Facility square footage
Gladstone CITY HALL 37,850

Installation address : City : State : ZIP
7010 North Holmes Street Gladstone MO 64188

4 Contractor or Distributor Information

INSTALLING CONTRACTOR OR DISTRIBUTOR

This project was self-installed. Please submit an in-house labor form for all self-installed projects.

Contractor or distributor business name
Navitas, LLC

Contractor or distributor contact name
Dan Morrison

Contact phone number
(913) 344-0044

Contact email address
dmorrison@navitas.us.com

Contractor business address
25501 West Valley Parkway

City : State : ZIP
Olathe KS 66061

5 Project Questionnaire

Block Bidding

Was this project a participant in the KCP&L Block Bidding RFQ offering **AND** selected as a winner of the reverse auction process?

Yes No

If 'Yes' and participation is confirmed by the program, specific Custom rebate details for your project will be applied based upon the preliminary award.

PROJECT DATES

Desired project start date (mm/yy)

11/17

Expected project completion date (mm/yy)

02/18

FACILITY DESCRIPTION

Describe the facility, such as typical uses, products manufactured, business hours, main uses of electricity, etc.

The community center is a public gathering facility that includes fitness and workout spaces, natatorium, city offices and other publicly available conference and meeting rooms

EXISTING HVAC SYSTEMS

Describe the existing equipment or systems that is being replaced or changed.

See attached existing HVAC equipment and systems description for Gladstone Community Center. Existing lighting system is included in Lighting Inventory Worksheet.

Is the existing equipment operational?

Yes No

If yes, what is its remaining useful life expectancy?

* _____ Years

PROJECT DESCRIPTION

Describe the proposed project and how it will save energy over the existing equipment or system.

See attached description of HVAC energy conservation measures that will replace existing equipment and systems. See Attachment A.

ELECTRIC SAVINGS CALCULATION ASSUMPTIONS

Provide an overview of calculations and assumptions used to generate electric savings calculations in the space below. Please submit all calculations and assumptions as an attachment to this application. *Technical support with electric savings calculation is available upon request.* Please contact the program for assistance at (866) 847-5228 or businessrebates@kcpl.com and find additional resources at kcpl.com/tradeally.

Is the Lighting Inventory Worksheet included? Yes No

ESTIMATED TOTAL PROJECT COST

Estimated total project cost (including materials and installation labor) **1,189,361**

PROJECT FUNDING DETAILS

Will this project receive any additional sources of funding? (Examples: PACE, leases, grants, contractor/manufacturer discounts, etc.)

Yes

No

Source and amount of additional funding:

TECHNICAL CONTACT INFORMATION

Technical contact name

Paul Jensen

Technical contact phone number

(913) 344-0028

Technical contact email address

Pjensen@navitas.us.com

Technical contact mobile number

6 Influence Questionnaire

INFORMATION ON THE ENERGY EFFICIENCY REBATE PROGRAM

Check all that apply

In which of the following ways does the program influence your decision to complete this project:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Requested rebate would reduce project payback period to acceptable range. | <input type="checkbox"/> The program review of energy savings calculations will create confidence in savings estimates. |
| <input type="checkbox"/> The program and requested rebate will generate interest or support from company decision makers. | <input type="checkbox"/> The program provides administrative support with completing the application. |
| <input type="checkbox"/> Requested rebate satisfies capital improvement planning requirements. | <input type="checkbox"/> The program would assist with coordination between project team members. |
| <input type="checkbox"/> The program will provide technical support with identifying opportunities and potential projects. | <input type="checkbox"/> Other (please explain): _____ |

7 Custom Rebates Summary

Custom rebates are calculated at a flat rate of \$0.07/kWh saved for lighting measures and \$0.10/kWh saved for non-lighting measures. Projects are eligible for a bonus based on the ratio of kWh saved divided by coincident peak kW reduced by the project. The coincident peak kW is the demand value that is normally recorded on the hottest summer afternoon of the year. The bonus structure is as follows:

| THRESHOLD | BONUS |
|------------------|------------------|
| 4500-3501 kWh/kW | \$0.02/kWh saved |
| 3500-3001 kWh/kW | \$0.03/kWh saved |
| < 3000 kWh/kW | \$0.04/kWh saved |

Please note:

- Cost and kWh for the baseline and cost and kWh for the proposed upgrade are required to perform pre-approval engineering review.
- The final incentive is calculated by post-installation measurement and verification.
- All project rebates will be capped at 50% of the total project costs (materials and labor) unless otherwise specified.
- Additional guidelines:
 - Customers may submit multiple rebate applications for different improvements or upgrades.
 - Projects involving multiple facilities may participate by submitting a separate application for each facility.
- Projects that have started or been completed prior to pre-approval are not eligible for a rebate.
- The program allows for a maximum rebate of \$500,000 each calendar year, which is determined on a per-customer and per-jurisdiction basis. The cap allows \$100,000 for custom rebates and \$400,000 for standard rebates per year. Additional funding can be negotiated above the \$500,000 cap. Final rebate amount determination will be based on actual installation as indicated by submitted project completion documents and invoices as required in the final application.

8 KCP&L Customer Signature

I hereby certify that:

1. The information contained in this application is accurate and complete.
2. All rules of this rebate application have been followed.
3. I have read and understand the stated KCP&L Business Energy Efficiency Rebates 2017 Custom Terms and Conditions in this document.

KCP&L customer signature



Print KCP&L customer name

Scott Wingerson

Date

11/6/17

KCP&L Business Energy Efficiency Rebates 2017 Custom Terms and Conditions

Program-Specific Terms and Conditions

Program Effective Dates

KCP&L energy efficiency incentives are offered until approved funds are exhausted or through December 31, 2018, whichever comes first. Program incentives and measures are subject to change or termination without notice at the sole discretion of KCP&L. The effective dates of the program and application submittal requirements are as follows:

Decisions to acquire and install energy efficiency measures must be made after April 1, 2016 in order to be eligible. Any energy-efficient equipment or services purchased or installed, contracted for, or work conducted prior to April 1, 2016, are not eligible for an incentive.

All 2016-2018 program projects must be completely installed and operational by December 31, 2018, and final documentation must be received by the program no later than January 31, 2019.

Program and Project Eligibility

All current KCP&L-MO and Greater Missouri Operations commercial rate classes are eligible for program offerings with the exception of the following:

- Opt-out/self-directed customers

Customers whose rate schedule codes are 1xxxx (ILGSE, IMGSE, etc.) are eligible for the KCP&L-MO rebates. Customers whose rate schedule code is MOxxx (MO720, MO940, etc.) are eligible for the Greater Missouri Operations (GMO) rebates. This program, approved by the Missouri Energy Efficiency Investment Act (MEEIA) took effect on April 1, 2016 for customers in KCP&L-MO and GMO services areas. This new program expanded the list of standard rebates and raised the project customer rebate cap to \$500,000 for all service classes.

(In general, KCP&L-MO program customers are located in the greater Kansas City area and GMO program-eligible customers are located in Liberty-north, Blue Springs, Lees Summit-east, Grandview and Belton-south. Please note, these are general delineations and you should look at your KCP&L statement for rate schedule confirmation).

Rebate Payment Limits

Rebate payment amounts are based on the final project costs approved by the program review process, and according to the appropriate incentive rate (noted below). The total rebate paid cannot exceed 50% of the total install cost, which is the total purchase price of equipment/product installed, including materials and external labor. Contractor labor costs can be considered in project costs. If self-installed, an In-House Labor Form must be completed as part of final validation.

The program allows for a maximum rebate of \$500,000 each calendar year, which is determined on a per-customer and per-jurisdiction basis. The cap allows \$100,000 for custom rebates and \$400,000 for standard rebates per year. For customers or rebates applications amounting to greater than \$500,000, a case-by-case exception process will be undertaken by KCP&L.

Please note: For replacement measures, the incremental measure cost is defined as the cost to purchase and install the energy-efficient equipment minus the cost to purchase and install similar equipment that would meet federal and local energy standards (but not qualify for an incentive under this program). For retrofit measures, the incremental measure cost is simply the cost to purchase and install the qualifying measures.

Application Review Process

The program reserves the right to request additional supporting documentation if necessary to ensure measure eligibility and verify existing system performance and baseline conditions. Applications must be completed before program review and project evaluation will occur, and are reviewed in the order in which complete applications are received.

Customer-provided documentation included with the application forms is the basis for determining potential electric savings, measure eligibility and estimated rebate. Rebate funds are reserved when the program determines that a project meets the program eligibility requirements. The applicant will be informed of any deficiencies resulting in project ineligibility, and will be given the opportunity to correct deficiencies if appropriate.

Program pre-approval is required for program participation.

Application Submittal

The application must be submitted within 30 days of project installation and is the applicant's method of notifying the program of project completion. Extension requests must be made prior to project completion deadline identified on the custom pre-approval notice per custom project extension guidelines. Projects that fail to submit final documentation within 90 days of pre-approval, or projects that do not request a formal project extension prior to the project completion deadline, are subject to cancellation. Applications and all required supporting documentation should be received by January 31, 2019 to be applicable for the 2016-2018 program cycle.

Examples of required documentation include, but are not limited to: dated invoices/receipts for the purchase and installation of equipment, product specification sheets, proof that the equipment is operational, manufacturer specifications, warranty information and IRS form W-9. The location or business name on the invoice must match the application information. The project invoice should provide sufficient detail to separate the project cost from the cost of other services such as repairs and building code compliance. All questions regarding application documentation requirements should be directed to the program implementer contact. The program reserves the right to request additional supporting documentation as deemed necessary, both prior to approval and after installation is completed, to ensure measure eligibility and verify that the expected energy savings will occur. All customer information will be held in confidence.

Inspections

Program reserves the right to inspect projects to verify compliance with the program rules the accuracy of project documentation. The customer must allow access to project documents and the facility where the measures were installed at all reasonable times and for a period of five years after receipt of incentive.

Requirements for Program Savings

Any customer receiving a program incentive may be contacted by a third-party evaluator to verify service/equipment installation or be asked to complete a participant survey. As a part of this process, program participants and trade allies agree to participate in required on-site verification and survey activities.

Disclaimer

The program makes no representation or warranty and assumes no liability with respect to quality, safety, performance, or other aspect of any design, system or appliance installed pursuant to the application, and expressly disclaims any such representation, warranty or liability. Participation in the program implies that the applicant and/or customer of KCP&L agrees to indemnify KCP&L, the program and its affiliates, subcontractors and employees against all loss, damage, expense, fees, costs and liability arising from any measures installed. The program does not guarantee the energy savings approved through the program and you may not make any warranties associated with the measures eligible for incentives under this program. Neither program endorses or guarantees any claims, promises, work or equipment made, performed or furnished by any contractors or equipment vendors that sell or install any energy efficiency measures.

KCP&L Business Energy Efficiency Rebates

2017 Custom Terms and Conditions

General Terms and Conditions

1. Incentives

a. Subject to these Terms and Conditions, Kansas City Power & Light Company ("KCP&L") or KCP&L Greater Missouri Operations Company ("GMOC") will pay incentives to eligible Customers (hereinafter "Customers") for the installation of electric savings measures identified as such in program materials issued by KCP&L or GMOC and other site-specific custom measures that are approved by KCP&L or GMOC.

b. Custom rebates will be capped at 50% of project costs unless otherwise specified.

2. Funds are limited and applications are processed on a first-come, first-served basis. Program is subject to change and may end without prior notice.

Customer eligibility

a. All non-residential electric customers in the KCP&L service territory or the GMOC service territory are eligible to participate in the Business Rebates Program available in their service territory.

b. By participating in a Business Rebates Program, customer agrees that KCP&L or GMOC obtains and/or retains ownership of all rights to existing and future emissions credits, renewable energy rights to existing and future emissions credits, renewable energy green tags, tradable renewable certificates and/or any and all other environmental benefits associated with the installation of the eligible equipment.

3. Pre-approval and Pre-Installation Inspection

KCP&L or GMOC is not bound to pay any incentives until it has performed a satisfactory pre-and post-installation verification of the installation unless KCP&L or GMOC has waived such post-installation verification requirement explicitly. If KCP&L or GMOC determines that the electric savings measures were not installed in a manner that is consistent with the purpose of achieving energy savings, or if the installation was not consistent with generally accepted good engineering practices, KCP&L or GMOC may require changes before making any payments. KCP&L or GMOC will not pay incentives until it has been verified that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training.

4. Post-Installation Verification

KCP&L or GMOC is not bound to pay any incentives until it has performed a satisfactory post-installation verification of the installation unless KCP&L or GMOC has waived such post-installation verification requirement explicitly. If KCP&L or GMOC determines that the electric savings measures were not installed in a manner that is consistent with the purpose of achieving energy savings, or if the installation was not consistent with generally accepted good engineering practices, KCP&L or GMOC may require changes before making any payments. KCP&L or GMOC will not pay incentives until it has been verified that the Customer has received, as appropriate, final drawings, operation and maintenance manuals, and operator training.

5. Customer Application and Analysis

a. In addition to completing an application, the Customer may be required by KCP&L or GMOC to provide an analysis of the demand and energy reduction potential of the proposed electric savings measures. In some cases, the analysis must be prepared by a professional engineer licensed in the state where the facility is located. Nameplate data may be required for electric savings measures having incentives based on peak demand.

b. KCP&L or GMOC may independently review the Customer's application and analysis to determine the energy saving and demand reduction potential. KCP&L or GMOC reserves the right to reject or modify any calculations, based on KCP&L's or GMOC's own analysis. Failure to submit this information in the time requested may result in a denial of the project.

c. KCP&L or GMOC will have final determination whether an application is eligible for Standard and/or Custom Program incentives based on each program's eligibility guidelines and project specifics.

6. Site-Specific Custom Measures

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

7. Incentive Amounts

a. Before pre-approving any incentive amounts requested by the Customer, KCP&L or GMOC reserves the right to adjust and/or negotiate the incentive amount.

b. Once an incentive amount is pre-approved, KCP&L or GMOC reserves the right to pay no more than the cost to the Customer of purchasing the electric savings measure, or the pre-approved incentive amount, whichever is less.

c. KCP&L or GMOC reserves the right to lower the incentive amount if the quantity and/or cost of energy savings measures actually installed by the Customer differ from the pre-approved project. Notwithstanding any other provision of these Terms and Conditions, KCP&L or GMOC reserves the right to seek a refund for some or all of the incentives paid if the measures were not installed or do not remain installed for a period of five (5) years or the end of the product life, whichever is less.

d. KCP&L or GMOC reserves the right to withhold payment or award the incentive in the form of a bill credit for customers in arrears.

e. KCP&L or GMOC reserves the right to withhold incentive payments for any Energy Savings Measures that do not carry the Underwriters Laboratory (UL) mark or with the written consent of KCP&L or GMOC, that of an equivalent independent testing laboratory. Please consult with Underwriters Laboratory for your product classification into the appropriate UL category of the UL Listing Mark or the UL Classification Mark. All lighting measures must be DesignLights Consortium™, ENERGY STAR® or Consortium for Energy Efficiency™ certified at the time of purchase. Products removed from approved qualified product lists must be installed within 90 days of purchase.

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

8. Cost of Project

Customer must provide all documentation necessary to establish final total project cost including but not limited to detailed copies of invoices (including all material, labor and discounts) required for the installation of energy saving measures. The invoices shall include a breakdown of all energy savings measures purchased for installation under this Agreement. Invoices should not include costs not associated with the implementation of energy saving measures. In addition, KCP&L or GMOC may request any other reasonable documentation or verification of the cost to the Customer of purchasing the energy savings measure. KCP&L or GMOC reserves the right at any time to require invoices from the contractor to determine the price paid by the contractor (including any discounts or incentives) for the energy savings measures. KCP&L or GMOC reserves the right to use the contractor's reasonable costs in order to determine the correct incentive amount.

9. Date of Incentive Payments

KCP&L or GMOC expects to pay the Incentive within sixty (60) days after all of the following conditions are met: (1) construction/renovation of Customer's facility is completed; (2) Customer has received an occupancy permit; (3) KCP&L has received all required documentation; and (4) KCP&L or GMOC has verified installation costs and satisfactory installation of the energy savings measures, all in accordance with the specifications.

10. Installation Service Costs Recognized

KCP&L or GMOC will recognize installation costs only to the extent that they are reasonable and actually incurred by the Customer.

11. Lighting Replacements

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

12. Contractor Shared Savings Arrangements

If custom energy savings measures are being installed by a contractor under a "shared savings" contract, KCP&L or GMOC reserves the right to determine the cost of purchasing and installing the energy savings measures based on the reasonable retail costs in purchasing the equipment and installing the energy savings measures.

13. Monitoring and Evaluation Follow-up Visits

a. KCP&L or GMOC reserves the right to make a reasonable number of follow-up visits to customer's Facility during the 24 months following the Actual Completion Date noted on this application. Such visit(s) will be at a time convenient to the Customer, made with advance notice given to the Customer by KCP&L or GMOC.

b. The purpose of the follow-up visit(s) is to provide KCP&L or GMOC with an opportunity to review the operation of the energy savings measures for program evaluation purposes. The follow-up visit(s) will have no impact on the incentive paid to the Customer for installing the energy savings measures.

14. Limited Scope of Review

KCP&L or GMOC is under no obligation to: (1) make follow-up visits; (2) review the operation of the energy savings measures, or (3) make any suggestions of any kind to the Customer.

The scope of review by KCP&L or GMOC of the design and installation of the energy savings measures is limited solely to determining whether program conditions have been met. It does not include any kind of safety review.

15. Changes in the Program

KCP&L or GMOC may change the program and the Terms and Conditions at any time without notice. Pre-approved applications, however, will be processed to completion under the Terms and Conditions in effect at the time of the pre-approval by KCP&L or GMOC.

Your energy efficiency investment is subject to the current rates, rules and regulations by the Missouri Public Service Commission ("Commission"). The Commission may alter its rules and regulations and/or change rates in the future. If this occurs, your energy efficiency investment is subject to those changes and you will be responsible for paying any future increases to electricity rates, charges or service fees.

from KCP&L Greater Missouri Operations Company

KCP&L Greater Missouri Operations Company's electricity rates, charges and service fees are determined by the Commission and are subject to change based upon the decision of the Commission. These future adjustments may positively or negatively impact any potential savings or the value of your energy efficiency investment.

Any future electricity rate projections which may be presented to you are not produced, analyzed or approved by KCP&L Greater Missouri Operations Company or the Commission. They are based on projections formulated by external third parties affiliated with KCP&L Greater Missouri Operations Company or the Commission.

16. Publicity of Customer Participation

KCP&L or GMOC may wish to publicize the Customer's participation in the program, the results, the amount of incentives paid to the Customer, and any other information that reasonably relates to the Customer's participation. In such instances, KCP&L or GMOC will secure a release from the Customer authorizing to make such information public.

17. Application Submittal Time Frame

All final applications and required supporting documentation must be submitted within 30 days of measure installation or by January 31, 2019, whichever comes first.

18. Installation Requirements

- a. All measures must be installed and operational prior to submittal of a final application at the address noted on the application.
- b. All measures must be installed in a property owned by the applicant, or the applicant has received permission from the property owner to install the equipment.
- c. All measure installations must be completed prior to the program period expiration date of December 31, 2018.

19. Limitation of Liability and Indemnification

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

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

20. No Warranties

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

21. Customer Must Pay All Taxes

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

22. Stop Approval Without Notice

KCP&L or GMOC reserves the right, for any reason, to stop approving energy savings measures at any time without notice for all or part of the program. In particular, KCP&L or GMOC is not obligated to approve any application for an incentive that may result in KCP&L or GMOC exceeding its program budget.

23. Limit of Incentive Payments

After an application is approved by KCP&L's or GMOC's authorized executive, the Customer will receive written notification of the pre-approved incentive amount and the date that the energy savings measures must be fully installed to qualify for incentive payments. Any energy savings measures installed prior to the issuance of KCP&L's or GMOC's written authorization of pre-approval will be deemed as an unauthorized installation, and KCP&L or GMOC will have no obligation to pay incentives for those energy savings measures. Regardless of pre-approval from KCP&L or GMOC, projects may be denied or incentives reduced upon receipt of final project cost and scope of work documentation.

24. Pre-approved Letter

After an application is approved by KCP&L's or GMOC's authorized executive, the Customer will receive written notification of the pre-approved incentive amount and the date that the energy savings measures must be fully installed to qualify for incentive payments. Any energy savings measures installed prior to the issuance of KCP&L's or GMOC's written authorization of pre-approval will be deemed as an unauthorized installation, and KCP&L or GMOC will have no obligation to pay incentives for those energy savings measures. Regardless of pre-approval from KCP&L or GMOC, projects may be denied or incentives reduced upon receipt of final project cost and scope of work documentation.

25. Vendor Selection

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

26. Removal of Equipment

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

27. Review of Specifications, Submittals and Drawings

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

28. Miscellaneous

- a. This Agreement is composed of the application and these Terms and Conditions. It is the entire agreement between the parties and supersedes all other communications and representations.
- b. Paragraph headings are for the convenience of the parties only and are not to be construed as part of this Agreement.
- c. The Customer acknowledges that the only individuals authorized to bind KCP&L or GMOC under this Agreement are the individual who signed this Agreement, or an officer of KCP&L or GMOC.
- d. If any provision of the Terms and Conditions is deemed invalid by any court or administrative body having jurisdiction, such ruling shall not invalidate any other provision, and the remaining Terms and Conditions shall remain in full force and effect in accordance with their terms.