



Texas-New Mexico Power Company
Low Income Weatherization
Program Manual

2026

Contents

1	Program Description	1
1.1	Program Management and Contacts.....	1
2	Program Eligibility Requirements.....	2
2.1	Agency Eligibility.....	2
2.2	Customer Eligibility.....	2
2.3	Home Eligibility.....	3
2.4	Eligible Measures	4
3	Responsibilities of Frontier Energy	5
4	Incentives.....	5
4.1	Assessment Incentive	5
4.2	Measure Incentives	6
4.3	Limits on Incentives.....	6
5	Program Application and Enrollment.....	6
6	Budget Allocation and Performance Milestones.....	7
7	Process Flow for Homes.....	8
7.1	Outreach and Assessment.....	8
7.2	Initial Submission	8
7.3	Contracting, Installation and Final Submission.....	8
7.4	Inspection.....	9
7.5	Reconciliation.....	9
8	Additional Program Details	9
8.1	Income Verification	9
8.2	NEAT Audits and Priority Lists	10
8.3	Checking for Previously Funded Measures.....	10
	Appendix A. Customer Income Certification	A-1
	Appendix B. 2026 Agency Participation Agreement.....	B-1

1 Program Description

The Texas-New Mexico Power Company (TNMP) Low Income Weatherization Program provides incentives for the installation of energy efficiency measures in the homes of low-income customers. The program is administered by Frontier Energy (Frontier); Frontier and non-profit agencies coordinate all work conducted on participants' homes. All measures are approved based on providing a cost-effective improvement in energy efficiency.

Under electric utility restructuring, funding for energy efficiency programs comes from the electric distribution companies, e.g. TNMP, and not from the retail electric providers, e.g., TXU, Reliant Energy, etc. TNMP funds various energy efficiency programs for residential customers including several Standard Offer Programs (SOP) and Market Transformation Programs (MTP).

This Program Manual covers only the TNMP Targeted Low-Income Weatherization Program, which targets income-qualified residents living in single- or multi-family residences. Single-family homes generally are defined as buildings with 4 or fewer separate domiciles, including duplexes, triplexes, and fourplexes.

ALL COMPLETED WORK MUST BE FULLY DOCUMENTED AND UPLOADED FOR FINAL REVIEW BY NOVEMBER 15, 2026, OR WITHIN 2 WEEKS OF WORK COMPLETION, WHICHEVER IS SOONER.

1.1 Program Management and Contacts

The program is coordinated by Frontier. Frontier's program contacts are as follows:

- **Sarah Matchett – Program Manager** – Reviews and determines the initial and final eligibility of all single-family homes and measures submitted to the program. He is the key contact and interface for Agencies who submit single-family homes to the program – smatchett@frontierenergy.com, (737) 313-3692.
- **Max Stepanik – Inspections Coordinator** – responsible for quality control via field inspections. He is the key contact and interface for inquiries related to home assessments and inspections – mstepanik@frontierenergy.com, (737) 667-5433.

Frontier works on behalf of TNMP to implement the Program. For questions regarding Frontier's relationship with TNMP and the Program, please contact **Dianne Mana-ay – Program Manager** at Dianne.Mana-Ay@tnmp.com, (214) 222-4189

2 Program Eligibility Requirements

2.1 Agency Eligibility

Agencies must be registered 501(c)(3) or 501(c)(4) entities, housing authorities or local government agencies. They must be able to identify eligible customers and validate income eligibility using the current forms published by the Public Utility Commission of Texas referenced in Appendix A at <https://www.puc.texas.gov/industry/electric/forms/>.

Agencies must have sufficient staff or manage contractors to perform assessments, the installation of measures, and data entry. In certain cases, where local Agencies are unable to coordinate qualifying work, Frontier may perform some or all the duties of an Agency to ensure eligible customers are served by the program.

Persons performing assessments must be certified or working under the direct supervision of an agency staff member with one of the approved certifications. As an option, agencies may subcontract with qualified firms to provide assessment services. In certain circumstances, such as when availability of certified assessors is limited, Frontier may allow an assessor to work under supervision of a certificate holder while certification is actively being pursued and achieved.

Acceptable certifications for those performing assessments are listed in the table below.

Certification Type	Certifying Organization
HERS Rater	Residential Energy Services Network (RESNET)
Energy Smart Contractor	RESNET
Building Analyst Professional	Building Performance Institute (BPI)
Building Envelope Professional	BPI
Infiltration and Duct Leakage Certification	BPI

Upon request, agencies will be required to produce documentation of certification for all who are performing assessments.

In limited cases, such as where qualified agencies cannot perform services within portions of TNMP's service area, Frontier may perform the agency role.

2.2 Customer Eligibility

To be eligible for the program, participants must be a TNMP electric distribution service customer, i.e. their ESID number on the electric bill must begin with "1040051." The ESID can be found on the customer's electric bill.

Eligible customers must meet at least one of the eligibility requirements as stated on the current version of the PUCT income verification forms referenced in Appendix A. Federal poverty guidelines are updated annually, usually in the first quarter of the year. Updated income verification forms will be provided to participating agencies, once the guidelines are updated.

Customers must agree to possibly having installed measures inspected via follow-up on-site inspections and/or surveys conducted by Frontier, the Texas Evaluation, Measurement and Verification team, the sponsoring utility, or third parties operating on their behalf. While rare, a single customer may be required to have multiple inspections from different parties.

Eligible customers must use electric air conditioning in their home. Projects for multi-family properties containing five or more dwelling units may reach TNMP to discuss multi-family sector options through this or a separate program.

2.3 Home Eligibility

Eligible homes include single-family homes, mobile homes, or multiplexes with up to four dwelling units that are individually metered. Multifamily units may be eligible with preapproval from TNMP. Eligible homes must have electric air conditioning and have one or more eligible measures available, based on the energy assessment conducted by the agency. Homes with space heaters and window units as their primary heating and cooling sources respectively must receive preapproval before working.

Homes that have participated in the program within the past 10 years are generally not eligible to participate in the current year; though exceptions to this rule are possible if new measures qualify or if existing equipment can be shown to be beyond its expected useful life. Agencies should contact Frontier for permission to serve these homes on a case-by-case basis.

Homes with any of the following conditions are not eligible for weatherization.

- Ambient CO reading above 9 ppm (in homes with gas heat or appliances)
- Black mold present
- Large area of holes in sheetrock, sheet rock missing in ceiling
- No air conditioning
- Non-working plumbing, e.g., toilets
- Red-tagged gas appliances
- Existence of knob-and-tube electrical wiring in the attic or other potential work areas
- Severe foundation problems, obvious structural damage
- Tarp on roof, obvious roof damage or water damaged sheetrock
- Unvented gas heater used for heating

Agencies should make every attempt to screen for and correct these conditions prior to scheduling an assessment. In some cases, necessary repairs can be arranged using other funding sources to make the home eligible before proceeding with weatherization work.

2.4 Eligible Measures

Only measures that have a Saving-to-Investment Ratio (SIR) of 1.0 or higher on the National Energy Audit Tool (NEAT), or eligible as a qualified measure on the Priority List, or have been pre-approved by Frontier, will be approved for installation. The measures that are included in the program, are listed below:

Measures that qualify based on the NEAT audit or Priority List:

- Attic and wall insulation, and/or attic encapsulation
- Replacement SEER2-rated air conditioners and heat pumps¹
- Light Emitting Diodes (LEDs)
- Air infiltration control measures
- Duct sealing, traditional method (single family homes only, provided customer education is provided)
- Water saving measures (in homes with electric water heaters only)
 - Low-flow faucet aerators
 - Low-flow showerheads
 - Water heater pipe wrap
- Solar screens (in homes with gas heat only)

Measures that automatically qualify based on pre-approval by Frontier:

- ENERGY STAR® connected thermostats (home must have a working central HVAC controlled by a non-qualifying thermostat)
 - If a smart thermostat is provided or incentivized through this program and the sponsoring utility offers a demand response program, Frontier may enroll the customer in that program. Customers may opt out at any time after enrollment.
- ENERGY STAR® air purifiers (must have a Smoke-Free Clean Air Delivery Rate (CADR) of at least 100 cubic feet per minute (cfm))

¹ To be eligible the home must have a working central HVAC system. Replacement central and mini-split air conditioners and heat pumps must be properly sized according to ASHRAE or ACCA Manual J standards. The new central air conditioning unit must have a minimum of 15.2 SEER2 and 9.8 EER2. Replacement central and mini-split heat pumps that are replacing central electric resistance heat must have a minimum 15.2 SEER2 and 7.5 HSPF2; there is no minimum EER2 requirement in this case.

- Tier 1 Advanced power strips (each APS must be installed to include one control device and at least 2 peripherals. Each installation must be designated as a Home Entertainment or Home Office system, with priority given to the Home Entertainment system configuration.)

New/additional measures may be considered/evaluated on a trial basis.

3 Responsibilities of Frontier Energy

As implementer for the Program, Frontier's responsibilities include the following:

- Assist in recruitment of non-profit agencies to participate in the program
- Provide on-line tools to manage installations and reporting
- Provide technical support to agency staff performing data entry in program database
- Provide updates of program requirements
- Make payments to participating agencies
- Conduct inspections of completed projects to verify installations
- Perform the agency role in limited cases

4 Incentives

4.1 Assessment Incentive

The table below lists incentives for assessments for 2026. The NEAT assessment incentive is only paid for NEAT audits that evaluate all program-supported measures, including central HVAC replacement.

Assessment Type	Incentive
Single-family NEAT with blower door and duct blaster	\$375
Single-family NEAT with Blower Door only	\$275
Single-family Priority List with Blower Door and Dust Blaster	\$275
Single-family Priority List with Blower Door only	\$175
Multi-family Priority List	\$100
Allowance for single-family homes > 30 miles from nearest Agency office	\$50
Home assessments resulting in ineligible status	\$75

In the event the customer does not disclose disqualifying conditions prior to the assessment, and the assessor determines during a site visit that the home is not eligible due to one or more of the disqualifying conditions listed in section 2.3 above, the agency is eligible for a \$75 payment. If this incentive is paid for a home that subsequently is repaired and becomes eligible, the \$75 will be deducted from any future assessment incentive payment for that home.

When conducting home assessments, all qualifying customers and homes should be offered all measures that automatically qualify based on pre-approval by Frontier, provided the home meets the requirements listed in the latest version of the Texas TRM (see <https://texasefficiency.com/trm-docs/>), the measures can be installed within the incentive limits, and the homeowner does not refuse the measures. These include ENERGY STAR® connected thermostats, Tier 1 advanced power strips, and ENERGY STAR® air purifiers.

4.2 Measure Incentives

The incentive for each measure is determined by the agency. Before any data is entered in the NEAT audit program, applicable Priority List, or in the TNMP program website “P3”, located at <https://tnmp.p3.enertrek.com>, costs for each measure must be provided by the agency. The incentive for each approved measure is calculated by multiplying the cost per measure by 1.08 to reflect the addition of 8% for the Admin incentive, e.g. for a measure that the agency determines costs \$100 (materials and labor) to install, an incentive of \$108 will be paid.

If qualifying measures using a NEAT audit, the same costs must be entered into NEAT. Agencies should NOT include the 8% agency Admin incentive: in other words the SIR calculation in NEAT does not include the 8% admin incentive.

4.3 Limits on Incentives

Maximum incentive limits apply to some measures:

- The incentive for installation of ENERGY STAR® General Service LEDs is limited to \$5 per bulb. Maximum 20 bulbs per home. Eligible LEDs must be offered and installed whenever other major measures, including ceiling insulation, air infiltration reduction, or HVAC upgrades, are also installed.
- Incentives provided for ENERGY STAR® connected thermostats may not exceed \$200 per thermostat, with no more than 1 per central HVAC system.
- Incentives provided for Tier 1 APS may not exceed \$45 per APS installed, with no more than 3 per home.
- Incentives provided for ENERGY STAR® air purifiers may not exceed \$70/purifier, with no more than 3 per home.

5 Program Application and Enrollment

All agencies must apply for enrollment in the program annually using P3 <https://tnmp.p3.enertrek.com/>. The enrollment application process consists of three steps:

- Registration, in which the user creates a P3 account associated with their email, selects a password, and completes the email validation.

- User (also called “market actor”) profile creation, in which the user provides basic information about their company/agency, including their federal tax ID, address, and company contact information.
- Program enrollment, in which the user selects one or more programs to enroll in for the coming year and provides all information and backup documentation required.

Returning users do not need to re-register on the platform each program year but must update pertinent information in their user profile and apply for enrollment. Complete enrollment instructions are provided to all interested parties during the program kickoff webinar. Users must submit their application for enrollment along with the following uploaded files:

- A signed Participation Agreement for the upcoming program year
- Form W9
- Current Certificate of Insurance
- All required certifications and/or equipment calibration certificates

Submitting an application for enrollment does not guarantee acceptance into the program. TNMP and the program implementer review all enrollment applications and select agencies for participation based on qualifications, past performance, likely future performance, and service area coverage.

All applicants for enrollment must provide a current certificate of insurance meeting the following minimum requirements: all statutorily required coverages, including Workers’ Compensation; Commercial General Liability at \$1 million each occurrence, general aggregate; Excess Umbrella (including Bodily Injury and Property Damage combined) at \$1 million. Insurance policies should name as additional insured: Frontier Energy, 1515 S Capital of Texas Hwy, Suite 107, Austin TX 78756, 512-372-8778.

6 Budget Allocation and Performance Milestones

Once accepted into the program, each enrolled agency is allocated a portion of the program budget along with milestones for completing work. These budget allocations may be updated based on agency performance throughout the program year.

Agencies generally are expected to have invoiced for:

- At least 25% of their budget allocation by May 1, and
- 75% by August 1.

Agencies that are not meeting these milestones may have their allocations reduced and/or reassigned to other agencies for the remainder of the program year.

7 Process Flow for Homes

Once enrolled, agencies are responsible for identifying eligible customers, homes, and measures, for completing all eligible measures, and for documenting all completed work within P3. The basic program process flow is as follows:

7.1 Outreach and Assessment

The agency conducts outreach to identify eligible homeowners and homes and conducts the NEAT assessment or Priority List to determine eligible measures.

7.2 Initial Submission

The agency enters proposed homes and measure data into P3, and uploads required documentation to establish eligibility and enable review by the program implementer. This initial submission consists of the following steps:

1. Entry of customer and premise information into P3.
2. Uploading the following documents into P3:
 - a. Documentation establishing customer income eligibility.
 - b. Documentation of NEAT audit results showing the SIR estimated cost of all proposed measures or a Priority List to qualify measures.
 - c. Other backup documentation defined by the implementer as necessary for review and approval of all proposed measures.
3. Updating the status of the project in P3 to Initial Submitted for review by the implementer.
 - a. Upon this status change, the user is required to fill out a table specifying each proposed measure and its associated cost.

Once initially submitted, the program implementer will review all uploaded materials and proposed measures, and either approve the proposed work as submitted, approve parts of the proposed work that qualify, or send the home back to the agency for additional information. The implementer will also initiate a pre-payment to the agency for the approved work.

7.3 Contracting, Installation and Final Submission

After the implementer has moved the home from Initial Submitted to Initial Approved status in P3, the agency is cleared to coordinate all approved work at the premise. When complete, the agency uploads the customer certification form, photographs, all other required measure documentation, including updated costs and measure information if necessary. The agency then moves the home to Final Submitted status in P3, enabling the implementer to conduct a final review of all work submitted.

7.4 Inspection

Prior to approving work, the implementer may select certain homes for onsite inspection, and may require callbacks/corrections if necessary before final approval.

7.5 Reconciliation

If there are changes between the prepayment and final amount approved, Frontier will reconcile the differences in payments on future projects.

8 Additional Program Details

8.1 Income Verification

Agencies shall have the customer fill out the appropriate income verification form found at <https://www.puc.texas.gov/industry/electric/forms/> and scrolling to the Energy Efficiency section. Once completed by the customer, the agency must upload the form and supporting documentation (if required) in the appropriate section of P3.

Some pathways to eligibility listed on the form require the agency to verify backup documentation supporting the customer's claim of income eligibility. Generally, such backup documentation is not required to be submitted to Frontier Energy/TNMP; in cases where submission is required, the agency must remove personally identifiable information (such as social security numbers, bank account numbers, etc.) before submitting it electronically.

Income documentation not submitted to P3 should be held by the agency for at least 24 months for potential audit by Frontier and/or the EMV team. The table below summarizes income verification submission and backup documentation requirements.

Category	Eligible by	Submit to Frontier/P3	Backup documentation - hold for 24 months - for potential audit by Frontier and/or EMV team
1a	Participation in qualifying program	PUCT form only	Redacted backup documentation - evidence of program participation by at least 1 HH member
1b	WAP agency qualification	PUCT form only	Backup documentation - WAP income docs
1c	Qualifying census tract or block	PUCT form + map	N/A
2	Total HH income < threshold level	PUCT form only	Redacted backup documentation - evidence of income from all HH members

For customer backup documentation that you hold:

DO NOT redact data that is necessary to support claims made on the PUCT form.

DO redact:

Names, addresses, and income or program data that are unrelated to claims made on the PUCT form
Social security numbers, passport or other federal ID numbers
Drivers' license numbers or other state ID numbers
Bank or other financial/investment account numbers
Other data not necessary to support claims made on the PUCT form

8.2 NEAT Audits and Priority Lists

Targeted low-income energy efficiency programs must comply with the same audit requirements that apply to federal weatherization programs. The audit software used by most federal programs is called the National Energy Audit Tool, or NEAT. This software is in the public domain and can be downloaded from the federal Oak Ridge National Laboratories.

Setup of the NEAT software for the TNMP program requires information about residential electric rates, correct weather files, and requires that the effective residential gas rate be set to \$0.000. Frontier makes NEAT setup files that meet these requirements available to participants before the beginning of the program year.

NEAT audits must be performed by a certified assessor. The NEAT audit requires a substantial amount of information about the building structure, envelope, and heating/cooling systems. A blower door test and a duct blaster test are required where appropriate.

Agencies are required to upload the results of the NEAT audit ("Recommended Measures Report") into the program database and then enter information from the NEAT audit into the database. Only measures that score an SIR of 1.0 or greater in the "Energy Savings Measure Economics" section of the NEAT-recommended measures report are eligible to be funded.

Utility-sponsored targeted low-income weatherization programs in Texas support the use of WAP and LIHEAP Priority Lists in lieu of NEAT audits as an option for weatherization agencies seeking to qualify measures in single-family homes. Such support is in compliance with guidance provided in the Texas Technical Reference Manual (TRM), which encourages support of Priority Lists as appropriate for different utilities' implementation processes.

Supplemental guidance and procedures are provided on the Priority List documentation for agencies who wish to utilize this method. Agencies wishing to utilize the Priority Lists, a copy can be made available from Frontier admin staff.

8.3 Checking for Previously Funded Measures

Agencies are advised to enter premise addresses into the P3 database prior to assessing the home to ensure that TNMP has not paid for weatherization measures in a prior program year. If one or more measures have been previously installed, check to ensure the estimated useful life (EUL) of each measure has fully elapsed before determining the measure is eligible for

installation in the current program year. Frontier can help you with this determination. Obtain complete information about the home before you create a project because once you save the customer and premise information it cannot be changed.

Appendix A. Customer Income Certification

Eligible customers are defined as residential customers who meet the income eligibility qualifications listed on the current version of the appropriate Public Utility Commission of Texas form. Agencies shall have the customer fill out the appropriate income verification form found at <https://www.puc.texas.gov/industry/electric/forms/> and scrolling to the Energy Efficiency section.

Appendix B. 2026 Agency Participation Agreement

PARTICIPATION AGREEMENT

TEXAS-NEW MEXICO POWER COMPANY (“UTILITY”) LOW INCOME WEATHERIZATION PROGRAM

ADMINISTERED BY FRONTIER ENERGY, INC.

PROGRAM YEAR 2026

1.0 This Participation Agreement is between Frontier Energy, Inc., hereinafter known as Frontier, and _____, hereinafter known as the Participant or Agency, who seeks to participate in the Targeted Low Income Weatherization Program.

Whereas Frontier has been engaged by Texas-New Mexico Power Company (“TNMP”, “Utility”), a Texas corporation, to deliver energy efficiency services to certain income-qualified electric distribution customers via the Targeted Low Income Weatherization Program (the “Program”); and

Whereas, Frontier desires to permit Participants to receive incentive payments for eligible energy efficiency measures and services installed or performed at eligible residential properties as described in the current Program Manual, and Participant desires access to such incentives:

2.0 Referenced Documents. All Work shall be accomplished in accordance with this Participation Agreement, the current Program Manual and any other program information or updates provided by Frontier to Participant via the program website, program-related documents and forms, or other communication from Frontier or Utility staff, and the current version of the Texas TRM.

3.0 Intellectual Property Rights. This Participation Agreement does not convey ownership or any intellectual property rights to work product that Frontier developed, in whole or in part, prior to this agreement.

4.0 Frontier Energy. Frontier Energy is solely responsible for directing Participants for all services required for the implementation of the Program in conformance with established guidelines and may, at its sole discretion, adjust any compensation requested to comply with the Program guidelines.

5.0 Liability. Notwithstanding any other provisions in this agreement to the contrary, the liability of Frontier with respect to this Participation Agreement shall not exceed the total price of this agreement, whether remedy is sought in contract, tort (including negligence), strict liability, warranty, indemnity or other legal theory. In no event shall Frontier be liable to Participant in contract, tort (including negligence), strict liability, warranty, indemnity or other legal theory for

any special, indirect, incidental, or consequential damages, such as but not limited to loss of anticipated profits or revenue, loss of use or non-operation, or increased expense of operation.

6.0 Term. The term of this Agreement shall end on December 31, 2026, unless extended per mutual written consent by Frontier and Participant. All Authorized Work shall be completed by November 15, 2026, unless a modified timetable is agreed to in writing by both parties.

7.0 Funding Allocation. Participant is awarded an initial allocation of \$ _____ to be used in the Program in the current year. This allocation shall cover all costs of determining participant eligibility, conducting assessments, installing eligible measures, and agency administrative incentives. The Agency is wholly responsible for managing its allocation to ensure it does not overspend during the program year. This allocation may be increased or decreased after periodic reviews of the agency's progress toward completing performance milestones are completed; changes to the agency's allocation will be communicated via email to the agency's contact listed in section 33.0. The current allocation will also be available to the agency within the P3 platform.

8.0 Performance Milestones. Participants must demonstrate they are on track to spend the funding allocated to them in a timely manner. Frontier will review Participant progress throughout the program year, and may increase or decrease a Participant's allocation depending on such progress. Agency performance toward meeting program milestones will be reviewed by TNMP on or about May 1 and August 1 each program year. Agencies generally are expected to have invoiced for at least 25% of their budget allocation by May 1 and 75% by August 1. Agencies that are behind these milestones may have their allocations reduced for the remainder of the program year. Frontier shall notify Participants of any changes to a Participant's allocation in writing to the Participant.

9.0 Customer Outreach and Eligibility Determination. Agency will utilize its own resources to identify eligible customers, and shall verify income eligibility using eligibility verification procedures outlined in the current PUCT income eligibility forms. Agency will verify that the customer premise is in the electric distribution service territory of Utility by obtaining the ESI ID number or meter ID number from the customer and inputting this number into the program database.

10.0 Assessments. For customers determined to be eligible using the procedures outlined in Section 9.0, Agency shall conduct an assessment using the National Energy Audit Tool (NEAT audit) or Priority List to determine the applicability and Savings-to-Investment (SIR) ratio for each eligible energy efficiency measure listed in the Program Manual, unless the measure is pre-approved by Frontier. This assessment will include a blower door and duct blaster test wherever applicable. As part of the assessment, the Agency is responsible for verifying that the health and safety of customers will not be impacted by the installation of any of the above measures. This may include, but is not limited to: conducting lead-safe renovation practices in accordance with US EPA regulations; and verifying pre- and post-installation carbon monoxide levels and pre- and post-installation ventilation rates.

11.0 Assessment Incentive. The incentive for conducting assessments is based on performance of the NEAT Audit (including pre- and post-installation blower door test and, if applicable, pre- and post-installation duct leakage measurement). Incentives, and any limits thereon, are as described in the current year's Program Manual.

12.0 **Determination of Measures to be Installed.** Agencies are permitted to utilize one of two options when determining eligible measures: NEAT audit or Priority List. The NEAT audit will be configured with measure cost, weather, and Utility rate data specific for the Program. The NEAT audit or Priority List will be used to determine which measures are eligible to be installed, up to the maximum per-home expenditure as stated in the current Program Manual. Agency shall input measure data from measures recommended by the NEAT audit into the program database. The program database will be used to calculate and track assessment incentives, measure installation costs and administrative payments.

13.0 **Submittal of Homes for Pre-Approval.** Agency shall submit homes for pre-approval via the program database. Submittals for pre-approval shall consist of all required project, customer, premise, and measure data and supporting documentation. Agency shall upload a copy of the Income Verification Form, a copy of the NEAT audit report or Priority List, and any additional documentation required to support the proposed measures via the program database before submitting a home for pre-approval.

14.0 **Payment.** For single-family homes, after pre-approval, Frontier shall provide prepayment for properly submitted work orders within thirty calendar days of initial approval, provided that Frontier has been reimbursed by the utility. Prepayments will reflect measure incentive amounts, but may withhold the 8% agency administration fee. Upon final submittal and approval of homes, pre-paid amounts will be reconciled against final incentives earned (including the agency administration fee), and the remainder paid to the agency. For multifamily heat pump retrofit projects, Frontier shall provide payment for completed and approved work within 30 calendar days of final approval, provided that Frontier has been reimbursed by the utility.

15.0 **Installation of Measures.** Agency shall perform and/or coordinate the installation activities, as well as any required post-installation services, such as installation verifications and the recycling or disposal of old appliances. All work shall be performed in a workmanlike manner, consistent with industry and TDHCA measure installation standards. Agency shall complete all required services and input updated measure installation data for each home included in a work order within forty-five (45) calendar days of work order submittal.

16.0 **Installation Reporting.** Agency shall update installation data and upload a copy of the Customer Certification Form using the Program database for each home as soon as measures are installed. For homes where the air infiltration measure is included, a post-installation manometer reading photo must be uploaded.

17.0 **Agency Administration Incentive.** The program database will include in the installation report the installation costs, using the updated measure installation data, plus the Agency's administration incentive, which is eight percent (8%) of the measure installation costs.

18.0 **Reconciliation of Work Order and Installation Report.** In consideration of satisfactory performance of the work as outlined above, Frontier will reconcile the total amount due on the installation report against the corresponding work order payment. Any amount over or under paid shall be credited against or added to the amount requested on the next work order submitted after this installation report, or in the case of work completed near the end of Agreement Term, within 30 days.

19.0 **On-Site Inspections.** Agency shall inform all customers that follow-up on-site inspections and/or surveys may be required by Frontier, the Texas Evaluation, Measurement and Verification team, the sponsoring utility, or third-parties operating on their behalf. While rare, a single customer may be required to have multiple inspections from different parties. These inspections are aimed at validating that all program process and requirements are fully met.

20.0 **Sales Taxes.** Participants are responsible for payment of all sales taxes. Applicable state and local sales tax should be added to the prices submitted for all measures and services.

21.0 **Independence of Participants.** Participant shall be fully responsible for its own acts and omissions in addition to the acts and omissions of its affiliates, directors, officers, employees, and subcontractors, and shall be specifically responsible for sufficient and competent supervision and inspection to assure compliance in every respect with Participation Agreement requirements. Frontier shall not be responsible for the payment of any sums to any of the Participant's subcontractors or suppliers.

22.0 **Standards, Codes, Laws and Regulations.** Participants shall comply with all applicable laws, rules, regulations, codes and standards of all federal, state, local and municipal Governmental Authority having jurisdiction over the Work covered by this Agreement.

23.0 **Background Checks.** Participants shall be responsible for conducting criminal background checks on all personnel who will be working in the home or on the property of any customer who is participating in the Program. Any records matching any assigned personnel to the Texas Department of Public Safety criminal history file, sex offender registration or other name- based files shall be reported immediately to Frontier.

24.0 **Insurance.** Participant represents and agrees that it and its subcontractors will carry and provide proof of all required insurance as stated in the Program Manual throughout the term of the Agreement.

25.0 **Termination for Cause.** If Participant fails to perform a material term or condition of this Agreement and fails to cure such default within 30 calendar days after receipt of written Notice of Default and Termination from Frontier, Frontier may declare this Agreement terminated, effective on the last day of said notice period ("Termination Date"). Participant shall be paid for all undisputed work performed prior to the Termination Date, which payment shall not be unreasonably withheld. Grounds for termination for cause include, but are not limited, to the following situations:

- the failure, refusal or inability of the Participant to perform any material aspect of the Authorized Work in accordance with this Participation Agreement (except as specified in Section 41.0, "Force Majeure"); or
- Participant has become insolvent, has exhibited a pattern of failure to pay its bills, or has had checks for payment of its bills returned from suppliers and subcontractors due to insufficient funds; or
- a court of law has enjoined Participant from performing the Authorized Work; or
- In Frontier's reasonable judgment, the Authorized Work will not be completed within the specified time and/or budget and Frontier has reasonably requested Participant to take steps

- necessary to accomplish the required progress and completion and/or cost containment, and Participant has failed to do so; or
- Participant has misused the corporate name, brand, or logo associated with Utility or Frontier.

26.0 **Termination for Convenience.** Notwithstanding anything to the contrary, Frontier reserves the right to terminate or suspend this contract at any time, for any reason. If, however, after consulting with Frontier, it is Participant's opinion that any of the Work is in a state such that interruption thereof would result in substantially increased costs upon resumption of the Work, Participant, with Frontier's written concurrence, may complete that portion of the Work.

Participant shall resume any of the Work so interrupted, suspended or delayed when directed to do so by Frontier, provided, however, that the schedule and the time for performance shall be revised by a period of time reasonably necessary to overcome the effect of the interruption, suspension or delay. Other provisions of this Agreement, such as the delivery dates and terms of payment, will also be adjusted if necessary and as appropriate. Participant shall make every reasonable effort to minimize any additional expense pursuant to this Section.

Participant may terminate the terms of this agreement without cause upon forty-five (45) days written notice to Frontier. Failure to provide such notice will maintain the agreement in full effect with all provisions included herein.

27.0 **Reporting.** Participant will provide data and required documentation, either by inputting or uploading required documents to the Program database, as specified in this Participation Agreement.

28.0 **Records and Audit.** Participant's records, correspondence, procedures and practices and any other supporting evidence relating to this Agreement (all of the foregoing hereinafter referred to as "Records") shall be open to inspection and subject to audit and/or reproduction, during normal working hours, by Frontier or its authorized representative to the extent necessary to adequately permit evaluation and verification of customer eligibility forms, income documentation, customer agreement, and other Program documentation. Frontier or its authorized representative shall have access to said Records from the effective date of this Agreement, for the duration of the Work and until three (3) years after the date of final payment by Frontier to Participant pursuant to this Agreement.

29.0 **Use of Name.** Participant may not use Utility's or Frontier's corporate name, trademark, trade name, logo, identity or any affiliation for any reason, including soliciting customers for participation in its project, without Utility's or Frontier's prior written consent.

30.0 **Publicity.** Information relating to this Agreement may be released for publication and/or advertising only with the prior written approval of Frontier. Participant is expressly prohibited from using Utility's or Frontier's name in any publication, advertising, or promotion without written approval Utility's and Frontier's prior written consent.

31.0 **Indemnity.** Participant agrees to indemnify, defend, and hold harmless, Frontier and Utility their officers, directors, employees, agents and independent contractors, and each of Utility's affiliates and each of their respective officers, directors, employees, agents and independent contractors from and against any and all liabilities resulting from third party claims for loss, damage, or injury to persons or property ("Liabilities") arising from the negligence or misconduct of Participant, its affiliates, directors, officers, employees, and subcontractors.

32.0 Infringement Protection. Participant represents to Frontier and Utility that the material prepared under this Agreement will not infringe on the copyright, patent, or license, or otherwise violate the proprietary rights, including trade secret rights, of any person or entity. Participant agrees to indemnify and hold Frontier and Utility, harmless from and against all liabilities, costs and damages arising out of such infringement, as well as claims of infringement. Participant further agrees to pay any judgment or reasonable settlement offer resulting from a suit, demand or claim, and pay any reasonable attorney's incentives incurred by Frontier or Utility in defense of such a suit.

33.0 Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

Frontier:

Name: Steve Wiese
Title: Director
Frontier Energy
1515 S Capital of Texas Hwy
Ste. 110
Austin, TX 78746-6544
swiese@frontierenergy.com

Participant:

Name: _____
Title: _____
Company: _____
Street Address 1: _____
Street Address 2: _____
City/State/ZIP: _____
Email: _____

Such information may be changed from time to time by either party by providing written notice to the other in the manner set forth above.

34.0 Entire Agreement. This Agreement constitutes the entire understanding of the Parties with respect to the Authorized Work, and there shall be no modification or waiver hereof except by writing, signed by the party asserted to be bound thereby. There are no oral representations or agreements between the parties.

35.0 Time is of the Essence. The Parties hereby acknowledge that time is of the essence in performing the duties under this Agreement. Failure to comply with stated deadlines or milestones may result in termination of this Agreement, payments being withheld, or other contractual modifications.

36.0 No Waiver. The failure of either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in duly force and effect.

37.0 Applicable Law. This Agreement shall be governed by the laws of the State of Texas, without application of its conflict of laws provisions. Venue shall lie exclusively in the state courts of Harris County, Texas, unless such cause of action is within the jurisdiction of the Public Utility Commission of Texas (PUCT), in which case the proper venue and jurisdiction will be at the PUCT.

38.0 Assignment Prohibited. This Agreement may not be assigned without the written consent of Frontier. Arrangements between Participants and subcontractors which result in the assumption of substantial contractual obligations by the Participant shall be considered as an assignment, and shall be subject to the provisions of this paragraph.

39.0 Modification. This Agreement may not be modified except by written agreement.

40.0 Severability. If any term or provision of this Participation Agreement shall, to any extent, be held invalid or unenforceable, the remaining terms and provisions of this Participation Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

41.0 Force Majeure. Neither Party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this Section, Force Majeure is defined as: Acts of war and acts of God such as earthquakes, floods and other natural disasters, or actions of others, including but not limited to strikes, lockouts or other industrial disturbance, not within the control or arising from the fault of the Party claiming Force Majeure.

42.0 No Joint Enterprise. Each party shall perform its obligations under this Agreement as an independent Participant, and nothing contained herein shall be deemed to create, nor does it create, any association, partnership, joint venture, or relationship of principal and agent or master and servant between the parties, or to provide either party with the right, power or authority, whether express or implied, to create any duty or obligation on behalf of the other party.

43.0 Attorney's Fees. In the event of any legal action or other proceeding between the Parties arising out of this Agreement or the transactions contemplated herein, the prevailing Party in such legal action or proceeding shall be entitled to have and recover from the other Party all costs and expenses incurred therein, including reasonable in-house and outside attorneys' fees.

AGREED as of _____, 2026.

Frontier Energy, Inc.

Participant

By: _____
Name: Steve Wiese
Title: Director

By: _____
Name: _____
Title: _____