

PROGRAM AGREEMENT

This Program Agreement ("Agreement"), effective as of August 1st, 2024 ("Effective Date"), is made and entered into by and between Puget Sound Energy, Inc. a Washington corporation ("PSE") and the City of Bellevue, a Washington Municipality ("Program Administrator" or "PA"). Individually a "Party", together "Parties". The Parties agree as follows:

SECTION 1. THE SERVICES.

- 1.1 Scope of Services; Changes. During the Term (as defined below), PA will administrate the Program as described herein and in the attached Exhibit A Statement of Work and all Deliverables (as defined below) related thereto ("Program"). The Parties may, from time to time, upon mutual written agreement, make changes to the Program by providing the other with written notice of the change and formally document such changes by way of Amendment or change order to this Agreement or the applicable SOW. If any such change causes an increase or decrease in the estimated scope, time or funding to the Program, the Parties may agree upon an equitable adjustment to the compensation or schedule to reflect such increase or decrease prior to performance of such changes.
- **1.2 Statement of Purpose** PSE is committed to being its customer's energy partner of choice. The purpose of this Agreement will be to provide thirty to thirty seven (30 to 37), subject to budget, self selected PSE customers with no cost fuel switching heat pump installations utilizing PSE's Climate Commitment Act no cost allowance funds.

1.3 Performance. PA will: (a) perform the administration services in a professional, diligent, expeditious, and skillful manner and in accordance with this Agreement; (b) provide all facilities, equipment, supplies, and other items required to administrate the Program, unless otherwise directed or agreed by PSE in writing; and (c) ensure that its personnel performing any services to administrate the Program are properly trained, qualified, and experienced to perform the same. In performing the services, PA will comply, and will cause its personnel to comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other governmental requirements ("Laws").

SECTION 2. COMPENSATION. For timely and professional performance of the services in accordance with this Agreement, PSE will pay PA the funding set forth in **Exhibit A** ("**Fees**"). The Fees are exclusive of taxes, and each party is responsible for taxes imposed on it under U.S. Laws. PA will provide an invoice via the Ariba eProcurement portal to PSE for amounts payable under this Agreement no more than thirty (30) days after the date on which such amounts become due and payable. Each invoice must include a detailed description of the amounts due and be itemized as reasonably specified by PSE. PA will furnish such receipts, documents, and information as PSE may reasonably request to verify any invoice submitted by PA. PSE will pay PA all undisputed amounts within sixty (60) days after its receipt of a valid undisputed issued invoice. If amounts in any invoice are disputed, the disputed amount will be due and payable within sixty (60) days after the Parties' resolution of such dispute if any amounts due remain owing after such dispute. For the avoidance of doubt, PA may not charge PSE for Ariba membership or transaction fees.

SECTION 3. TERM; TERMINATION.

3.1 Term; Termination. The term of this Agreement (the "**Term**") commences on the Effective Date and continues until January 31st, 2025, unless earlier terminated in accordance with this Agreement. This Agreement may be terminated: (a) by PSE upon written notice to PA at any time, with or without cause; or (b) by either party upon written notice to the other party if the other party is in material breach or default of this Agreement and does not cure such breach or default within 30 days after receiving written notice of the same from the non-breaching party.

3.2 Effect of Termination. Upon expiration or any termination of this Agreement: (i) the Parties will cooperate to effect an orderly, efficient, effective and expeditious termination of their respective activities under this Agreement; (ii) PA will provide PSE with all supporting documents that evidence Program services partially completed; (iii) PSE will pay PA pursuant to Section 2 for all services performed prior to the effective date of any such termination; and (iv) Sections 3.2 and 4-9 will survive such expiration or termination.

SECTION 4. CONFIDENTIALITY; PUBLICITY.

4.1 Confidentiality. "Confidential Information" means all non-public information and materials disclosed to a party ("Receiving Party"), in any form, by or on behalf of the other party ("Disclosing Party") in connection with or related to this Agreement that are designated as "confidential" or that a reasonable person knows or should have known based on the circumstances surrounding the applicable disclosure that such information or materials are confidential. Confidential Information does not include information or materials that: (a) are or become generally available to the public without Receiving Party's breach of this Agreement or any wrongdoing by any third party; (b) were rightfully in possession of Receiving Party at the time received in connection with this Agreement without any prior obligation of confidentiality; (c) were lawfully disclosed to Receiving Party from a third party without breach of any obligation of confidentially; or (d) were independently developed by Receiving Party without use of or reference to any Confidential Information of Disclosing Party. Receiving Party may use Disclosing Party's Confidential Information solely to perform its obligations under this Agreement and, in the case of PA as Receiving Party, solely for Disclosing Party's benefit. Receiving Party may not disclose Disclosing Party's Confidential Information to any third party; except that Receiving Party may disclose such Confidential Information to those of its personnel who need access to such information and who are obligated by a written agreement to comply with confidentiality obligations no less restrictive than those set forth in this Section 4. Receiving Party must maintain Disclosing Party's Confidential Information in confidence and take such action as may be necessary to prevent any unauthorized use, disclosure, destruction, loss or alteration of, or access to, Disclosing Party's Confidential Information. Receiving Party will notify Disclosing Party promptly following its discovery of any unauthorized or unlawful use, disclosure, destruction, loss or alteration of, or access to, any of Disclosing Party's Confidential Information and will cooperate with Disclosing Party to help Disclosing Party regain possession of such Confidential Information and to prevent any further unauthorized or unlawful use, disclosure, destruction, loss or alteration of, or access to, any such Confidential Information. Upon the expiration or any termination of this Agreement or Disclosing Party's request, Receiving Party will return to Disclosing Party or, at Disclosing Party's request, destroy, all copies of Receiving Party's Confidential Information, whether in written, electronic, or other form or media and promptly certify in writing such destruction. Provided, however, this Section shall not be interpreted to have the effect of interfering with the City's/PA;s ability to comply with federal or state public disclosure requirements.

4.2 No Publicity. Except as may be required by Law, neither Party will, without the prior written consent of the other make any news release, public announcement, or place any advertisement or similar communications (collectively, "promotional material") stating that:

- (a) PSE and Supplier have contracted for the products or Services specified in the Agreement; or
- (b) have entered into any business relationship.

Use of either partys name, content, trademark, or service mark in any promotional materials of the other party requires prior written approval by the owning party's authorized representative which a party may withhold in its sole discretion. In the event PSE approves the use of its name, trademark, or service mark in any promotional materials of Supplier, all of the content must be submitted to PSE's Corporate Communications Department for review prior to each publication

SECTION 5. PROPRIETARY RIGHTS.

5.2 Deliverables. PA shall provide PSE with Program reporting as described in the Exhibit A as well as supporting documentation accompanying invoices that show the services under the Program were completed

SECTION 6. REPRESENTATIONS; WARRANTIES. Each party warrants to the other that it has full authority to enter into and to perform its obligations under the Agreement and that the performance of this Agreement by such party will not violate any other agreement to which it is a party or is otherwise bound.

SECTION 7. INDEMNIFICATION. Each Party will indemnify and hold harmless the other and, upon request, defend, the other from and against all third-party claims and all associated liabilities (including reasonable attorneys' fees) arising out of or in connection with: (a) breach of any third party intellectual property, (b) bodily injury (including death) to persons or damage (including theft) to property to the extent caused by the negligence or intentional misconduct of the other or any of its personnel; (c) any breach of representations or warranties under this Agreement, or any breach or default under this Agreement; or (d) any intentional misconduct or fraud by any of its personnel.

SECTION 8. LIMITATION OF LIABILITY. EXCEPT FOR LIABILITY RELATED TO A BREACH OF SECTION 4.1 WITHOUT LIMITING THE OBLIGATIONS UNDER SECTION 7: (A) NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, SPECIAL INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) RELATED TO THIS AGREEMENT; AND (B) THE AGGREGATE LIABILITY OF PSE RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT OR TORT, WILL NOT EXCEED THE AMOUNTS PAID BY PSE TO PA HEREUNDER.

SECTION 9. MISCELLANEOUS. Neither Party is an independent contractor of the other and nothing herein will create any joint venture, partnership, employment, agency, or similar relationship between the Parties. PA will have no authority to bind or incur any obligation on behalf of PSE. Any notice or communication given by one party to the other under this Agreement will be deemed to be properly given if in writing and delivered by courier or certified mail, return receipt requested, postage paid to the address set forth in the signature block listed below. Either party may change its address by giving notice to the other party in accordance with the preceding sentence. Neither Party may assign this Agreement or any of its rights or obligations under this Agreement, whether by operation of contract, law, or otherwise, without the other Party's prior written consent. Subject to the foregoing, this Agreement is binding upon and inures to the benefit of the Parties and their respective successors and permitted assigns. No failure or delay by a Party to exercise any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof. This Agreement will be governed by and construed in accordance with the laws of the State of Washington without regard to choice of law rules. Each party irrevocably consents to the exclusive jurisdiction of the state and federal courts located in King County, Washington with respect to any disputes or claims related to this Agreement. If any provision of this Agreement is declared invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision will be replaced by a valid provision that as comes closest to the intention of the Parties underlying the provision at issue, and the remaining provisions of this Agreement will be unimpaired. Unless otherwise stated or required by the context, terms such as "including" and "or" will be interpreted as nonexclusive and without limitation. This Agreement, including all exhibits, constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes all prior agreements between the Parties with respect to the same. No modification to any provision of this Agreement will be valid unless set forth in a written amendment signed by both Parties. This Agreement may be executed by electronic signature and in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, PSE and PA have executed this Agreement by their duly authorized representatives as of the Effective Date.

Puget Sound Energy, Inc. :

Program Administrator: City of Bellevue

Ву:_____

Title:

By: ______ Title: ______

Address for Notices to PSE:

Puget Sound Energy, Inc.
PO Box 97034, (Bot-01G)
Bellevue, WA 98009-9734

Address for Notices to PA:

City of Bellevue
450 110 th Ave NE
Bellevue, WA 98004

Exhibit A Scope of Services Energy Smart Eastside Boost Program Statement of Work ("SOW")

1. Background

Energy Smart Eastside (ESE) is a home electrification Program that supports Eastside residents in adopting heat pumps through incentives, support and financial assistance (the "Program"). The Program is an initiative of the Eastside Climate Partnership (ECP), a collaboration of the Cities of Bellevue, Issaquah, Kirkland, Mercer Island and Redmond (ESE service territory) that focuses on greenhouse gas emissions reductions and fostering an equitable energy transition. The Program is administered by the City of Bellevue on behalf of the ECP.

ESE Boost (Boost) is a low-income Program track that covers one hundred percent (100%) of the cost of the purchase and installation of a heat pump in owner-occupied homes at or below eighty percent (80%) of the Area Median Income (AMI). ESE funds this Program through a combination of city and grant funds. This Program is administered through a contract between the City of Bellevue and Hopelink and utilizes manufacturer rebates through a contract with the City of Issaquah and Gensco.

On May 28th, 2024 PSE named Energy Smart Eastside as a delivery partner and commits to provide eight hundred and fifty thousand (\$850,000) USD in Climate Commitment Act funding to ESE for the purpose of installing heat pump systems in low-income homes in the ESE service territory through the Boost Program, in alignment with the Boost Program Terms and Conditions (Attachment A to this SOW).

This Scope of Services (SOS) describes the scope of the Program funded by PSE, and the obligations of City of Bellevue and PSE related to administration of this Program.

2. Program Scope and Term

The Program budget of eight hundred and fifty thousand (\$850,000) is expected to fund between thirty and thirty seven (30 and 37) heat pump installations in qualifying households in the ESE service territory between August 1st 2024 and January 31st 2025. A heat pump installation includes:

- Purchase and installation of a cold climate heat pump with minimum HSPF2 rating of 8.2 (ducted) or 9.5 (ductless) that the contractor has sized to provide whole home heating and to operate at full capacity at twenty two (22) degrees Fahrenheit.
- Thermostat or remote controls to operate the heat pump
- Installation of a MERV 10 or better air filter for ducted heat pumps
- Repair of ductwork if that is required for a ducted system to operate effectively
- Electrical upgrades required to operate the system to code
- All permits

Labor and parts warranties made available to Boost participants are variable based on heat pump selected and contractor offering, and are not directly funded by this Agreement.

3. Qualifying Households

The Boost Program requires that adults in households receiving a heat pump have a collective income at or below eighty percent (80%) area median income (as defined by HUD for the Seattle-Bellevue metro area). The residence where the installation will occur must be owned by the applicant and owner-occupied. Finally, the primary heat source being replaced must be fossil-fuel based, such as a natural gas furnace natural gas boiler, oil furnace, propane stove or wood stove.

4. City of Bellevue Services

City of Bellevue and sub-contractors will provide the following services in conjunction with every heat pump installation funded through this Agreement.

A. Outreach to residents about Program

City of Bellevue will manage outreach to homeowners in the ESE service territory that are likely to qualify for the Program and provide a web-based application form to apply for the Program. This may include PSE customers who are currently registered through Hopelink for energy assistance,

as well as members of the general public who are made aware of the Program through marketing and outreach.

B. Income verification

All applicants will have their income verified by Program partner Hopelink, per the following Program guidelines.

- Total household income for all household members over the age of eighteen (18), including those who are not the primary applicant or owner of the property, but may serve as primary wage earner for the household.
- Income means "disposable income", as defined in RCW 84.36.383, plus all disability compensation and any and all gifts.
- Proof of income requires asking for and reviewing a copy of completed and signed IRS tax returns for all members of the household for the previous year, and for all income sources that apply to the household in the previous year.
- Income eligibility will be established by totaling the adjusted gross income for all household members from the previous year, and comparing it to the current schedule for Seattle-Bellevue Metro AMI. Adjusted gross income is expected to capture the following:
 - Salary/wages/tips (W-2)
 - Interest/dividends (1099-INT/1099-DIV)
 - Alimony/spousal maintenance (State/DHS statements)
 - Business income, include rental property income and/or rental payments
 - Capital gains/losses (1040 + Schd. D)
 - IRA withdrawal (1099-R)
 - Pension/veteran's/annuities (1099-R)
 - Unemployment / Labor and Industries (1099-G)
 - Social Security Statement (SSA, SSI, SSDI 1099)
 - Gifts/cash
 - Work study earnings
 - Military Pay
 - Other
 - On an exception basis only, the Hopelink project coordinator may contact the Program about an applicant with extenuating circumstances where the previous year's income captured in tax returns is not reflective of their current and anticipated future circumstance. On approval of the Program and the Boost applicant's city representative, Hopelink may use three (3) months of back-up documentation of income in lieu of tax returns.

C. Case management

Boost participants contract directly with an HVAC contractor on the City of Bellevue's Qualified Roster (Attachment B) for heat pump installation services. Program partner Hopelink provides the following case management services during the contracting and installation phase:

- Refer Boost participants to a qualified contractor from the City of Bellevue Qualified Roster for HVAC Contractors, equally circulating referrals to participating contractors.
- Review quotes from the contractor to make sure they adhere to Program guidelines, are within funding parameters, and are prevailing wage.
- Review quotes from the contractor to make sure that all applicable rebates have been correctly applied. In the case of a replacement of a natural gas furnace with a Mitsubishi heat pump, this includes the following rebates as of April 2024:
 - a. Puget Sound Energy Downstream Efficiency Boost Rebate (\$4000)
 - b. Puget Sound Energy Mid-stream Rebate (\$300-\$600)
 - c. Energy Smart Eastside Mitsubishi Rebate (\$500)

- Coordinate a competing bid in the case where a quote is above the median price for a prevailing wage heat pump installation, after all available rebates have been applied. As of April 2024, the median price is twenty five thousand (\$25,000).
- Coordinate a competing bid in the case where a participant asks for it.
- Review quotes with participants and make sure their questions are answered prior to signing a contract with a contractor.
- Coordinate language translation services, if required, related to the above activities.
- Confirm intent to pay prevailing wage has been filed and approved by the contractor with Washington State Department of Labor and Industries.
- Confirm heat pump installation is complete through confirmation from Program participant and review of finalized permits.
- Pay contractor invoices.
- Facilitate customer feedback, resolve any outstanding inquiries, and provide Program improvement feedback to ESE.

D. Invoicing & reporting

PSE will provide the agreed upon funding to ESE in advance of installations. ESE will track and deduct from the fund amount for each finalized heat pump installation. ESE shall provide the tracking matrix at regular monthly intervals to PSE and upon request by PSE at any time. The tracking matrix shall be in a mutually agreed upon format. A finalized heat pump installation means the heat pump was fully installed, the homeowner has confirmed the installation, and the permits are finalized.

ESE will invoice PSE on a quarterly basis for all finalized heat pump installations funded in whole or in part by this Program in the previous quarter. The amount invoiced will be equivalent to the contracted amount between the program participant and the contractor, plus seven hundred thirty (\$730) for Program administration.

ESE will provide an invoice and report to be transferred to PSE through a secure file transfer protocol (SFTP)I. The invoice will include a report with the following information for each heat pump installed through the Program:

- Program ID Number
- Participant Name
- Installation Address
- Date of Installation
- Contracted Amount
- Administrative fee
- % installation paid for by PSE CCA funds
- \$ amount paid for by PSE CCA funds
- \$ amont remaining of PSE CCA funds
- HVAC Contractor
- Equipment Installed
- Intent ID#
- Copy of the signed contract
- Copy of installation documents

Funds not used for finalized heat pump installations and Program administration fees, as outlined in section 4D above, by the period of performance outlined in the Agreement will be returned to PSE within sixty (60) days of the close of this Agreement.

E. Attribution to PSE

Throughout the contract term, PSE will be listed as one of the Program funders on the Boost Application form, as well as the ESE website in the About Us section. PSE may also choose to issue a joint press release with the ECP cities related to the funding of this Program. Press releases will be reviewed and approved by the ECP partner cities and PSE prior to release.

5. Program close-out

This Program will be considered complete either when Program budget is fully allocated to specific heat pump installations or at the conclusion of the contract term. The Energy Smart Eastside Program Manager will provide notification to PSE of the Program conclusion, and a final installation report.

Attachment A

"Energy Smart Eastside Boost Program Information and Terms and Conditions"

Energy Smart Eastside (ESE) Boost Program funds the purchase and installation of heat pumps in qualified low-income homes in the Cities of Bellevue, Issaquah, Kirkland, Mercer Island, Renton and Redmond (the "Program"). By applying for the Program, I represent the following are true and acknowledge all terms and conditions of participating in the Program.

I represent that I am eligible to participate in the Energy Smart Eastside Boost Program based on meeting the following requirements.

- I own and reside in the home where the heat pump will be installed.
- The home is within the city limits of Bellevue, Issaquah, Kirkland, Mercer Island, Renton or Redmond.
- The home is a single-family residence, duplex, triplex, 4-plex, townhome, or manufactured home.
 - The home is currently heated by directly burning fuel, such as a natural gas furnace, natural gas boiler, oil furnace, propane stove or wood stove.
- The combined income of all adults living in the home is at or below eighty percent (80%) of the area median income as defined by HUD for the Seattle-Bellevue metro area. The current maximum income is as follows:

Table 1: AM	Boost Eligibility Income Limits, by household size
Household Size	Annual Total Household Income* (80% Area Median Income)
1 person	\$70,650
2 persons	\$80,750
3 persons	\$90,850
4 persons	\$100,900
5 persons	\$109,000
6 persons	\$117,050
7 persons	\$125,150
8 persons	\$133,200

*Income means "disposable income," as defined in RCW 84.36.383, plus all disability compensation and any and all gifts. Total income is the total income for everyone living in the household in the preceding calendar year.

I acknowledge that acceptance to the Program is dependent on review of Program eligibility documents by Hopelink which verify Program eligibility. These include:

- Proof of home ownership
- Proof of residency
- Most recently filed income tax form for all household adults; or
 - Twelve (12) months bank statements demonstrating one (1) year of income

I acknowledge that I have up to ten days (10) business days to submit Program eligibility documents once requested by Hopelink.

I acknowledge that I will be notified within thirty (30) days of submitting Program eligibility documents if I have been accepted into the Program. Only applicants formally accepted into the Program will have an opportunity to receive a heat pump through the Program.

I acknowledge that acceptance to the Program means I have the opportunity to have a heat pump installed in my home by a qualified HVAC contractor in the Program network at no cost to me. The following products and services are funded through this Program.

- Purchase and installation of a cold-climate air source heat pump, with minimum HSPF2 efficiency rating of 8.1 (ducted system) and 9.5 (ductless system).
- Thermostat to operate a ducted heat pump; remote control(s) to operate ductless heat pumps
- Air filter with minimum 10 MERV rating for ducted heat pumps
- Necessary electrical work, including electric panel upgrades if deemed necessary by the contractor, for safe operation of the heat pump
- Removal of any previous furnace used as primary heating
- Decomissioning of oil tank, if relevant
- Repair of duct work, if deemed necessary to safe and efficient operation of a heat pump
- Necessary permits

I acknowledge that I am responsible for independently contracting for the above services with a contractor who is in-network for this Program. I understand that neither Hopelink nor the ESE Partner Cities are responsible for the work funded by the Program, and that such work will instead be furnished under a separate agreement between myself and an in-network contractor and neither Hopelink nor ESE Partner Cities shall have any liability whatsoever for the contractor's performance. I understand that neither Hopelink nor the ESE Partner Cities are responsible for damage caused (a) when an Approved Contractor enters the Home or during completion of the Work, (b) by poor workmanship or (c) by failure to complete projects under the Program. Neither Hopelink nor the ESE Partner Cities will intervene in disputes between a customer and the contractor.

I acknowledge that I have up to ninety (90) days to sign a contract with an in-network contractor from the time I receive a quote, and up to one hundred eighty (180) days to complete the project, from time of acceptance to the Program.

I acknowledge that I will not be held responsible for up-front costs associated with the work, and that the contractor will be paid by Hopelink on completion of the project.

I acknowledge that if the home is listed for sale after Program acceptance and prior to project completion, I will no longer be eligible to receive a heat pump under the Program.

I acknowledge that heat pumps require maintenance for optimal performance, including regular replacement of air filters, and that I am responsible for all maintenance and associated costs after installation.

I acknowledge that I waive all rights to carbon reductions associated with the energy efficiency upgrade and I assign all carbon reductions attributed to this energy efficiency upgrade to the Energy Smart Eastside partner cities, allowing the jurisdictions to aggregate reductions.

I acknowledge and agree that (a) ESE and its partner Cities have not and do not make any representations or promises with respect to the heat pump products, the energy consumption, and/or energy savings from the installed heat pump products; and (b) that ESE and its partner Cites MAKE NO IMPLIED OR EXPRESS WARRANTIES REGARDING THIS PROGRAM, ITS POLICIES, PROCEDURES, INSPECTIONS, AND/OR CONTRACTOR INSTALLED PRODUCT, AND SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR PURPOSE.

I acknowledge and agree to indemnify, defend and hold harmless PSE, Hopelink and the ESE Partner Cities of Bellevue, Issaquah, Kirkland, Mercer Island, and Redmond from any and all liability associated with my participation in this Program, the heat pump products, and installation of the same.

Homeowner signatures:

SIGN HERE	DATE
(Co-signer)	
SIGN HERE	DATE

OPTIONAL: I give permission for photos/videos taken of myself and my home during the heat pump installation to be used for publicity purposes, without recompense. Any identifying features (home address, etc.) will be removed.

SIGN HERE	DATE	

(Co-signer) SIGN HERE

SIGN HERE ______ DATE_____

Attachment B

"Qualified HVAC Roster"

The City of Bellevue ran a request for quote ("RFQ") in the Fall of 2023 to identify a qualified roster of HVAC contractors to service the Boost Program. The following contractors are current on the roster as of April 2024:

- All Climate Heating and Cooling
- Evergreen Home Heating and Energy
- Resicon, LLC

Two (2) additional contractors were vetted through the City of Bellevue RFQ and are on stand-by on the qualified roster. They will be invited to participate if more install capacity is required.

- Airganic
- BelRed Heating and Cooling