



Entergy Arkansas 2020 Agricultural Energy Solutions Program Guidebook

Prepared by:
ICF Little Rock

Contact:
501-435-3010
agriculturaleal@icf.com
entergyarkansas.com/agriculture

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Program Overview

Program Description

The Entergy Arkansas Agricultural Energy Solutions Program is available to all agribusiness electric customers on agriculture commercial or industrial rate schedules. The program is designed to help farmers and other agricultural customers make their property more energy-efficient by offering farm audits, custom incentives and education of suppliers of agricultural equipment.

More than 40% of Arkansas' total land area is farmland. The agriculture sector contributes approximately 12% of the state's GDP, making it the largest industry in Arkansas.

Changes in energy prices affect the agriculture sector both through direct energy consumption as well as through energy-related products such as fertilizer. Thus, finding ways to reduce agricultural dependence on energy is important not only on an individual level, but also at a state level.

The program's goal is to produce long-term, cost-effective electric savings in the agricultural sector in part by offering incentives structured to cover a portion of the customer's cost of installing energy efficiency measures.

Our custom approach supports customers in identifying and implementing more complex site-specific opportunities through energy efficient measures. The program provides incentives and technical assistance to customers seeking to improve the efficiency of existing facilities as well as the efficiency of new equipment purchases, facility modernization and new construction.

Program Objectives

The Entergy Arkansas Agricultural Energy Solutions Program is designed to drive cost-effective energy efficiency in the marketplace, while minimizing the impact of barriers to implementation of energy efficiency. This is accomplished by utilizing a streamlined process that leverages cash incentives for applying cost-effective projects under the program.

These barriers include:

- Lack of customer awareness of energy efficiency technologies, benefits and project payback.
- Limited resources to identify energy efficiency opportunities.
- Limited access to financial capital.
- Absence of tools to quantify energy savings.
- Limited availability of energy efficiency technologies.

Program Roles

Customer Roles and Requirements:

- Submit a completed custom application.
- Contact the program implementer to schedule a pre-inspection.
- Once projects are pre-approved by Entergy Arkansas, make best efforts to fund, install and report projects before the end of the program year.
- Contact the program implementer when projects are completed to schedule a post-

inspection.

- Submit a signed application and detailed invoices.
- Receive payment processing letter and, within 6-8 weeks following, incentive payment.

Trade Ally Roles and Requirements:

- Provide verification of current licenses and insurance requirements.
- Perform all work to the required standards of the program.
- Install eligible energy efficiency measures and submit appropriate documentation requested by the program implementer.

Program Eligibility

Customer Eligibility

Any agricultural customer that receives electric service from Entergy Arkansas is eligible for the Agricultural Solutions Program at their facilities receiving electric service from Entergy Arkansas.

The following rate codes are among those eligible:

- Agricultural Pumping.
- General Farm Service.
- Small General Service.
- Large General Service.

For purposes of this program, a customer is defined by a single Federal Tax ID number. Organizations with multiple locations are considered a single customer, regardless of how many Entergy Arkansas account numbers they may have.

The Entergy Arkansas team will support farm customers and their trade allies throughout the decision and installation process. While recognizing that some farm customers may choose not to use a trade ally at all, for those who do, Entergy Arkansas will help to facilitate the communication between customers and trade allies that can address the customers' needs.

Through this program, agricultural customers will have access to a variety of resources including an educated trade ally and equipment supply network, educational tools to help them identify and prioritize cost-effective savings opportunities and, access to program experts who will offer guidance throughout the participation process.

Trade Allies

The program offers a flexible approach to participation and allows customers to select their trade ally to perform the work.

Custom Equipment Eligibility

The custom program covers cost-effective measures. Site-specific engineering and cost analysis may be required for each project submitted.

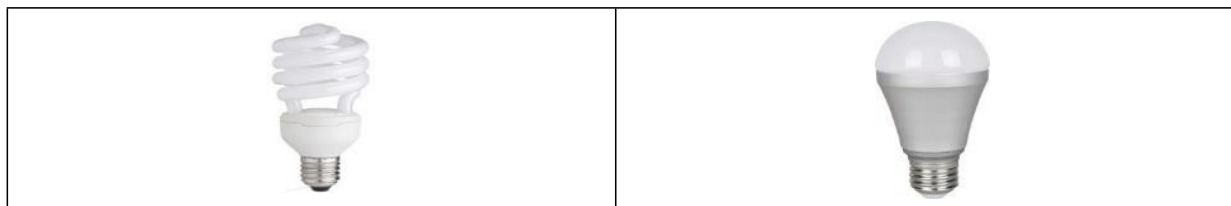
The proposed project or equipment must have verifiable electric energy savings and pass the program cost-effectiveness criteria. The custom program only approves projects, not overall

technologies. So, while a specific custom measure is approved under one project, it does not guarantee that the same technology will be approved on any other project.

Typical custom measures include, but are not limited to:

- Low-energy livestock waterers.
- Exhaust fans.
- Circulation fans.
- High-volume low-speed fans.
- Milk pre-coolers.
- Pump tune-up.
- Exhaust fan tune-up.
- Variable speed controllers.
- Scroll compressor replacements.
- Variable frequency drives.

All custom measures require supporting documentation on equipment performance and calculations documenting the energy and demand savings that are expected to result from each measure. This information typically includes performance data for the existing or base case equipment and the energy efficiency equipment proposed as well as the operating load profiles that the equipment operates under. Please refer to the Custom Application Form for details on the required supporting documentation for each measure.



Program Incentives

Qualifying agribusiness customers can receive cash incentives for installing qualifying energy efficiency measures by tailoring a custom project specific to their operation.

No single participant designated by an individual Federal Tax ID may receive more than 20% of the annual incentive budget. In the event that there are incentive funds still available after Sept. 1 of the current program year, a participant may exceed the 20% cap in order to fully subscribe to the program upon approval by the program implementer.

The completion date of all projects should not extend beyond Nov. 30 of the current program year, unless approved in writing by the program implementer.

Measure	Measure Description
Lighting	Retrofit lighting projects that replace existing lighting systems with more efficient lighting. There are a variety of lamp, ballast and fixture combinations that are eligible for this program dependent upon existing conditions.

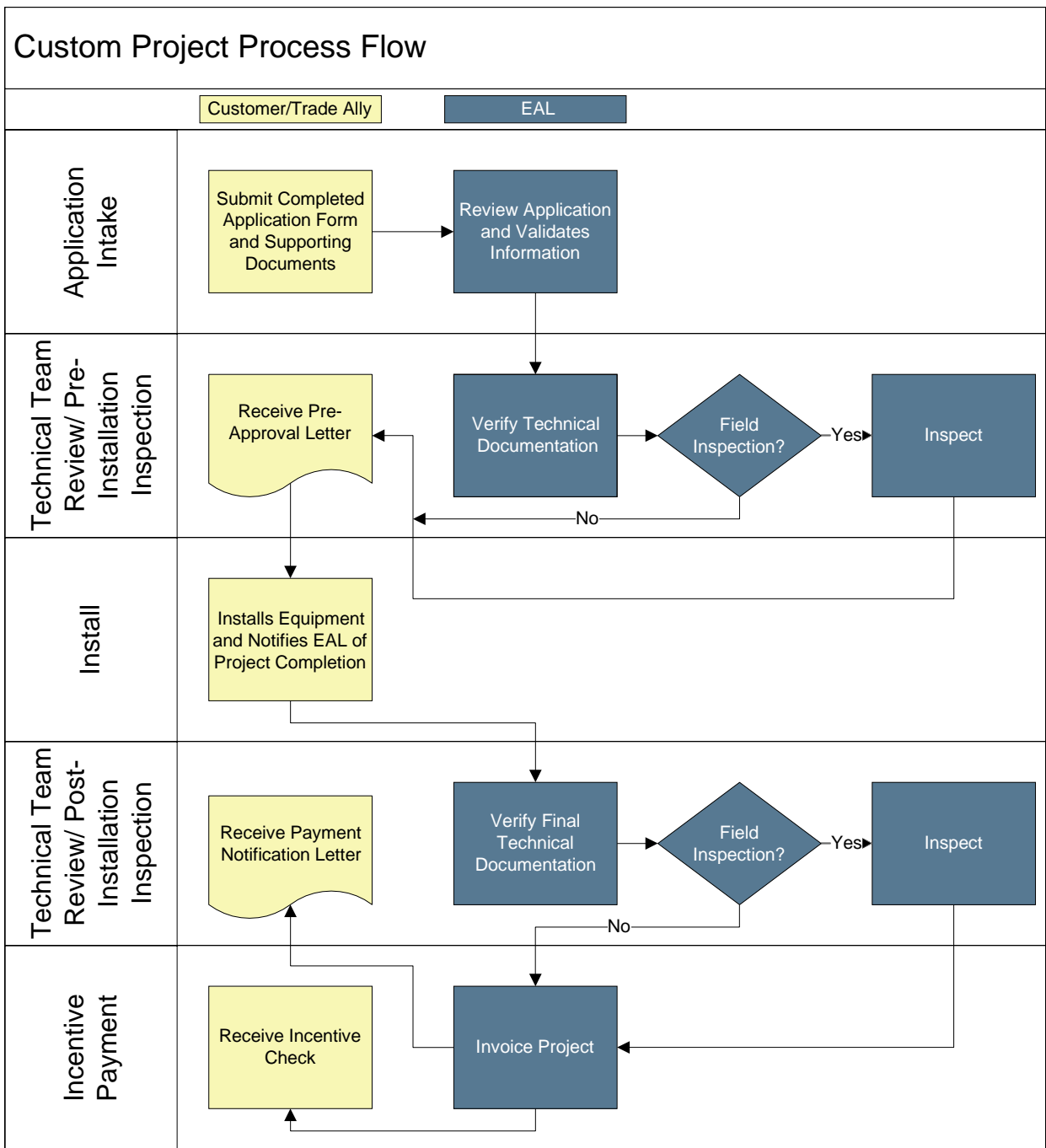
Lighting Controls	A variety of lighting controls incentives are available. These controls save energy by turning the lights off when a space is unoccupied. These incentives are not available for some new construction or major renovation projects.
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Custom Incentive Basis

Custom application incentives are determined on a case-by-case basis. In general, incentives received through this program are based on a project's reduction in energy consumption and the Entergy Arkansas cost effectiveness analysis. For all custom measures, incentive will be based at a rate of \$0.17/kWh saved, covering up to 75% of the product cost.

Program Application Process

The following diagram highlights the various steps in the application process followed by a description of what to expect during each step.



Application Intake

The application process is relatively simple for the customer and trade ally, with the Entergy Arkansas team performing support functions as needed and processing applications in a transparent manner. Once a customer expresses interest in participating in the program, a program representative will work closely with the customer to help them navigate the participation process.

When an application is received, the program uses a detailed process to review and track the application throughout the project life cycle, from intake to completion.

Applications can be submitted by the following methods:

- Emailed to: **agriculturaleal@icf.com**.
- Mailed to: **Agricultural Energy Solutions**
425 West Capital Ave, Suite 3110
Little Rock, AR 72201.
- Faxed to: **501-588-1763**.

Application Processing

All applications require pre-approval from Entergy Arkansas before purchasing and installing any energy-efficient equipment. Customers or trade allies must submit a complete package containing:

- Completed application, signed by the customer.
- Price quote of product cost.
- Detailed engineering analysis showing energy calculations, cost analysis of proposed equipment and baseline equipment for replacement projects.
- All equipment specification sheets demonstrating program requirements are met.

Once the application is sent to Entergy Arkansas, the technical review process begins. If there are questions regarding program eligibility, an Entergy Arkansas representative will contact the individuals listed on the application. If a project passes the review process, a pre-approval letter will be mailed to the customer and emailed to the trade ally, reserving the funds through Nov. 30 of the current program year. If the program is oversubscribed, applications will be placed on a wait list, in the order in which the applications are received. Participants on the wait list may be able to reserve the incentive funding for the current program year if projects are cancelled and funds become available.

Technical Review

Once a completed application has been submitted, Entergy Arkansas begins the technical review process.

To do so, Entergy Arkansas reviews the supporting documentation including all equipment specifications required to prove eligibility. Lighting projects require an Electronic Lighting Worksheet that provides a detailed lighting inventory of the entire project.

If any concerns arise, the Entergy Arkansas technical reviewer will contact the trade ally or customer. All documentation must be accurate and thorough to be pre-approved. The typical Technical Review process takes three to four weeks for custom applications. Once the technical review is completed, Entergy Arkansas may request a pre-inspection.

Pre-Inspections

The pre-installation inspection of measures establishes a baseline from which the incentive is calculated. During the pre-installation inspection, the existing conditions at the customer's facility, operating characteristics of the equipment and applicability of all assumptions that factor into the energy-savings calculations are verified. A pre-inspection also ensures that the equipment being replaced is consistent with the application, that the quantities of measures are accurate and that the appropriate documentation is in place. In lieu of onsite pre-inspection, the necessary documentation needed for pre-approval can be provided by the trade ally or farmer which includes: photo documentation of existing measure type, quantity, purposed measure replacement, account number and application. For quality assurance purposes, 20% of the total volume will be inspected by a program representative. Depending on the pre-inspection results, program representatives and customers can make necessary adjustments to the application. Once the existing conditions are verified, the proper incentive can be determined for pre-approval.

Installation

After the customer has received the pre-approval letter for a custom application, the customer may complete the retrofit, renovation or construction project listed in the application. The customer or trade ally is responsible for notifying Entergy Arkansas when the project has been completed.

Please be advised that the pre-approval reserves the program funds through Nov. 30 of the current program year.

Notification emails to the general program inbox that alert project completion should include:

- Any changes made to project scope.
- Final invoices.
- Signed (by customer) application, verifying equipment has been installed as listed on the application.

Please note Entergy Arkansas must receive final project notification of completion prior to Nov. 30 of the current program year.

Post-Inspection

If it is determined that a post-inspection will be performed, a program representative will contact the customer or trade ally to set up the site inspection.

The goal is to confirm the installed equipment, quantity and operating hours, along with any other technology-specific verification that must be performed.

Incentive Payments

Once the final technical review and post-inspection (if required) are complete, the project is ready for final project approval and payment processing. As with the pre-approval process, Entergy Arkansas will email a letter confirming the payment processing and stating that the incentive check will arrive in six to 10 weeks. Entergy Arkansas must release all incentive payments prior to Dec. 31 of the current program year.

Quality Management Systems

Quality Assurance

To increase the overall quality of the program, trade ally training courses will be provided for trade allies servicing agricultural customers. The focus of these training courses is to ensure that participating trade allies are knowledgeable of all program details and processes as well as to help position their companies to promote the Agricultural Energy Solutions Program.

Quality Control

Upon receipt, all application forms go through a quality control review for eligibility, completeness and accuracy.

For custom projects, a more in-depth review is completed by the technical reviewer to ensure technical eligibility is met and to verify the accuracy of energy-savings estimates.

In addition to these reviews, all projects are subject to on-site inspections to confirm pre-existing and installed measures and operating conditions. Pre- and post-inspections will be selected on a random basis. Typically, it will consist of 20% of the qualifying measures.

If your project fails its inspection, additional inspections will be conducted in an attempt to determine whether there is reasonable assurance that the project has been documented and that the actual savings can be verified.

In connection with any such inspection, adjustments to the application may be required for completion and submission to Entergy Arkansas. Depending on the discrepancies found, the incentive amount may increase or decrease.

Participant Communications

Once a participant submits an application for an incentive, a program representative will become the main point of contact for all communications. The program representative will be in regular contact with participants throughout the process.

In addition, written communications will be mailed to the participant to document key milestones such as:

- Missing information letter if any information required to evaluate the project is missing.
- Project withdraw letter informing participant of the reasoning for cancellation of the application.
- Payment notification letter notifying the customer that the application process is complete

and the request for payment has been initiated.

Disclaimer

The selection of a trade ally to perform work is the sole decision of the property owner, customer and/or authorized lessee/occupant.

Inclusion of a trade ally in the participating trade ally list for the program does not constitute an endorsement by Entergy Arkansas or ICF of any product, individual or company.

Neither Entergy Arkansas nor ICF makes any guarantee or any other representation or warranty, expressed or implied, as to the quality, cost or effectiveness of any products provided or works performed by any trade ally or by any employees, subcontractors or suppliers.

Energy efficiency gains are subject to a number of variable conditions and circumstances. While it is the program's intent to achieve energy savings, neither Entergy Arkansas nor ICF guarantees or warrants that any specific energy efficiency gains will be achieved for a particular customer participating in the program.

Trade Ally Offering

Entergy Arkansas is pleased to partner with local trade allies to promote energy efficiency services to business customers through the Agricultural Energy Solutions Program. Trade allies help raise awareness of the program and inform customers about the opportunities and incentives available.

This audience not only possesses the capability of driving end-users to become first-time program participants but can also encourage existing participants to assume a greater degree of involvement.

Trade allies in the Agricultural Energy Solutions Program include electricians, architects and engineers; energy service companies and distributors; manufacturer representatives; and other companies that offer relevant services. This includes services related to fans, variable frequency drives, pumps, tractor heat timers, lighting, irrigation or any other related agricultural service.

Interface between customers, trade allies and the program is primarily carried out by program representatives. Program representatives will also outreach, educate, recruit and maintain regular contact with program participants. Program representatives work closely with local trade and professional associations (for end-users and product providers) to make them aware of the program.

Frequently Asked Questions

Q: Who is ICF and why are they involved?

ICF is an energy consulting company that was selected through a competitive bidding process by Entergy Arkansas to implement the Agricultural Energy Solutions Program. ICF has extensive experience managing similar programs throughout the country. ICF has a local office in Little Rock.

Q: Are incentives available for gas-consuming devices?

The Entergy Arkansas Agricultural Energy Solutions Program encourages more efficient use of electricity. While this program does not offer incentives for reduced usage of “other fuels,” we encourage customers to contact their gas provider for information about what programs they may offer.

Q: Will the program change from year to year?

The program was designed using a best-practices approach from utilities across the country. However, programs are reviewed periodically, and it is possible for programmatic processes or elements, including incentives, to change from year to year.

Q: Who can participate in the program?

Non-residential customers who receive electric distribution service through Entergy Arkansas regardless of their electric or gas supplier.

Terms and Conditions

PROGRAM OFFER: This application covers products purchased and installed after Jan. 1, 2020, and is not retroactive for products purchased or installed prior to this date. Preapproval is required for all projects. The program offers \$0.17 per kWh saved annually up to 75% of the product cost.

ELIGIBILITY: Incentives are available to Entergy Arkansas nonresidential customers for the purchase and installation of qualifying energy conservation measures in the Entergy Arkansas service territory, subject to these terms and conditions. Entergy Arkansas reserves the right to deny any application that may result in Entergy Arkansas exceeding its program budget. Incentives are offered on a first-come, first-served basis and are subject to project and customer eligibility and availability of funds. No project will be provided incentives that exceed 75% of the sum of the incremental measure costs, and no one participant designated by an individual Federal Tax ID may receive over 20% of the annual incentive budget. In the event that there are incentive funds still available after Sept. 1 of the current program year, a participant may exceed the 20% cap in order to fully subscribe to the program upon approval by the program implementer. The completion date of a project should not extend beyond Nov. 30 of the current program year, unless approved in writing by the program implementer.

AUTHORIZATION, PROGRAM CHANGES, SUSPENSION OR CANCELLATION:

Entergy Arkansas may change the program requirements, incentives or terms and conditions, including suspending acceptance of applications or terminating the program,

at any time without notice. In the event of a program change, preapproved applications will be processed to completion under the terms and conditions in effect at time of preapproval. Entergy Arkansas' obligation to pay incentives will occur only after Entergy Arkansas has granted written authorization, which Entergy Arkansas may approve or disapprove at its sole discretion.

PROJECT APPROVAL: Preapproval is required for all custom and prescriptive projects. Entergy Arkansas reserves the right to pre-verify any project prior to preapproval. No project-related measures may be ordered or installed prior to the date of Entergy Arkansas' preapproval.

PROOF OF PURCHASE: Prior to Entergy Arkansas' verification of the measure installation, the customer must provide copies of all invoices or other reasonable documentation that verify the costs of purchasing and installing the measures, including all material, labor and equipment discounts. Invoices must indicate a verifiable breakout of all measures purchased for installation under this application.

PROJECT VERIFICATION: Entergy Arkansas is not obligated to pay any incentive until it has performed a satisfactory post-installation verification. If Entergy Arkansas determines that measures were not installed in a manner consistent with the approved application, or if an unapproved measure was installed or if the installation was not consistent with generally accepted engineering practices, changes may be required before payment is issued. Entergy Arkansas' sole liability is limited to paying the properly qualified incentives specified herein. Neither Entergy Arkansas nor any of its affiliates shall be liable to the customer or any other party for any indirect, consequential or incidental damages, regardless of the theory of recovery, caused by or arising from any activities associated with this program.

CUSTOMER TAX OBLIGATION: The customer is responsible for declaring and paying any and all applicable federal, state and local taxes that may be owed on any incentive payment.

COMPLIANCE: The customer is responsible for obtaining any and all necessary licenses and permits related to the installation of measures. The customer also agrees to comply with all federal, state and local laws and regulations related to the installation and disposal of all equipment.

REMOVAL OF EQUIPMENT: The customer agrees to remove and dispose of the equipment being replaced by the measures in accordance with all legal requirements. The customer agrees not to reinstall any of this equipment in the Entergy Arkansas service territory or transfer it to any other party for such installation.

REPLACEMENT OF FAILED EQUIPMENT: Customers who install measures are expected to replace any of the measures that fail with similar or superior energy-saving equipment at the customer's expense.

EVALUATION FOLLOW-UP VISITS: With advance notice, Entergy Arkansas reserves

the right to make follow-up visits to customer facilities during the 36 months following the actual completion of the project to provide Entergy Arkansas with an opportunity to review the operation of the measures for program evaluation purposes.

TRADE ALLY SELECTION: The customer may select any trade ally to perform the work contemplated by the application, whether an Entergy Arkansas trade ally or not. However, Entergy Arkansas reserves the right, in its sole reasonable discretion, to prohibit specific trade allies from program participation.

WARRANTIES: Entergy Arkansas and ICF do not endorse, guarantee or warrant any particular manufacturer or product and Entergy Arkansas and ICF provide no warranties, expressed or implied, for any products or services. Entergy Arkansas and ICF are not liable or responsible for any act or omission of any company hired by the customer (if any) whether or not said company is a participating Entergy Arkansas trade ally. The customer's reliance on warranties is limited to any warranties that may arise from, or be provided by trade allies, vendors, etc. The customer acknowledges that neither Entergy Arkansas nor ICF nor any of its consultants are responsible for assuring the design, engineering and construction of the facility or installation of the measures is proper or complies with any particular laws (including patent laws), codes or industry standards. Entergy Arkansas and ICF do not make any representations of any kind regarding the results to be achieved by the measures or the adequacy of safety of such measures.

LIMITATION OF LIABILITY: Entergy Arkansas' and program implementer ICF's sole liability is limited to paying the properly qualified incentives specified herein. Entergy Arkansas and ICF shall not be liable to the customer or any other party for any indirect, consequential or incidental damages, regardless of the theory of recovery, caused by or arising from any activities associated with this program.

LIABILITY WAIVER: By executing an application, the Customer voluntarily agrees not to hold Entergy Arkansas, ICF, its trade allies or any of their affiliates, directors, officers, employees, agents, or contractors liable for any illness or injury. Customer further agrees not to engage in any inappropriate actions or otherwise endanger the safety or health of same.

OBLIGATIONS BETWEEN THE PARTIES: The customer acknowledges that any trade ally selected by the customer is not an agent or trade ally of Entergy Arkansas and is an independent trade ally engaged by the customer, and that Entergy Arkansas does not manage or control the trade ally's performance. Entergy Arkansas shall have no obligation to maintain, remove or perform any work whatsoever on the measures installed. Entergy Arkansas shall have no liability for trade ally's failure to perform, for failure of the measures to function, for any damage to the customer's premises caused by the trade ally or for any and all damages to property or injuries to persons caused by the measures.

MISCELLANEOUS: These terms and conditions and this application constitute the entire agreement between the parties and supersede all other communications and representations.

Agricultural Energy Solutions Program Case Study



Agricultural Energy Solutions Program Spotlight: Tom Vanenburg

Making Every Dollar Count

Tom Vanenburg grew up on the same farmland he now operates outside Desha, Arkansas. "I developed an irrigation system in 1953–54 with my father," Tom remembers. "I built the new poultry facilities in early 2003 to diversify the farm income and began full-time farming with no outside income." Since then, Tom's farm has thrived, and he calculates that he has raised 43 million pounds of poultry in the last decade. Tom's strategy for success always has included making every dollar count, which is why he participates in the Entergy Arkansas Agricultural Energy Solutions Program.

Savings Come Home to Roost

The Entergy Arkansas Agricultural Energy Solutions Program provides financial incentives and technical assistance to help agribusinesses replace aging, inefficient equipment and systems with new, energy-efficient technologies. Incentives of up to 75 percent can help cover the cost of energy improvements made at poultry facilities.

Incentives are available for LEDs, CFLs and other energy-efficient lighting. Tom installed LEDs in six poultry houses and received more than \$9,000 in incentives. Plus, with the upgrades, Tom will realize an 80 percent reduction in annual lighting costs, saving him a minimum of \$4,000 each year. And his investment in energy-efficient lighting has a payback of fewer than three flocks. In fact, efficient lighting retrofits have a quicker payback period than any other investment in a poultry house. "The way you make money in this business is to save money," Tom says.



"It's an investment you can't afford not to make. I am definitely seeing a reduction in my energy bills because of the new lighting."

Tom Vanenburg