Schedule SBI2 SMALL BUSINESS IMPROVEMENT ENHANCED PROGRAM

I. PURPOSE

The Small Business Improvement Enhanced Program ("Program") is to provide non-residential, small business customers with an energy use assessment and tune-up or re-commissioning of heating and cooling systems, along with financial incentives for the installation of specific energy efficiency measures. After measures are installed, non-residential customers will receive a personalized report showing the estimated potential energy savings that can be achieved by implementing the various energy efficiency improvements identified during the assessment.

Participation in this Program will reduce participants' total energy bills as well as the amount of energy required throughout the year on the Company's system. The Program will also provide capacity reductions during the Company's peak demand periods.

II. AVAILABILITY

The voluntary Program provides non-residential, small business customers with a personalized energy assessment report and incentives for installing approved recommended measures in areas such as:

- Direct Install Lighting
- Lighting Dimmers and Controls
- Prescriptive Re-commissioning
- Variable Frequency Drives
- Efficient Heat Pumps
- Efficient Air Conditioning Units
- Refrigeration Measures
- Window Film

This Program is available to a non-residential, small business customer with a historic demand that does not exceed 100 kW more than three (3) times in the past twelve (12) months. Participants are small businesses with five (5) or fewer qualifying locations within the Company's service territory.

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II. AVAILABILITY (Continued)

Energy efficiency measure incentives are not available under this Program if the non-residential customer has previously received such an incentive for the same installation on the same unit in another Company energy efficiency program. Participants may only receive the measure through one Company program on any given unit.

Non-residential customers who elect to opt-out of the Demand Side Management/Energy Efficiency Riders, as provided for in N.C.G.S. § 62-133.9(f), are not eligible to participate in this Program.

The Company will market the Program through the Company's implementation vendor and its network of program contractors. The Company, through its Program implementation vendor, will enroll contractors in the Program. A list of contractors enrolled in the Program will be provided on the vendor's website.

III. INCENTIVE PAYMENTS

As modeled, the Program provides non-residential customers with an average one-time incentive of \$3,161 per participant. The value of the installed measures will vary depending on specific measures installed. The Program will offer non-residential customers the opportunity to select their preference to reduce the cost of the energy conservation improvement project by assigning the rebate to the contractor or directly receiving the rebate themselves.

Rebate applications must be submitted within 45 days of the service date (the date on which installation/performance of the energy efficiency measure was completed). Upon receipt of a completed rebate application, the Company will process the completed application, confirm or inspect the installation, and forward the incentive payment to the customer within 90 days, unless the customer requests the payment go to the contractor. The Company reserves the right to withhold any rebate payment until the customer has satisfactorily completed the application process. The Company and/or its designees including program administrators and evaluation contractors reserve the right to review installations to verify completion and measure energy savings to ensure compliance with all Program requirements. Such reviews will be made after reasonable notice to the customer.

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