Schedule RST - DR RESIDENTIAL SMART THERMOSTAT (DR) PROGRAM

I. PURPOSE

The Residential Smart Thermostat Program (DR) ("Program") provides an opportunity for qualifying residential customers to enroll in a peak demand response program. The Company will call for demand response during times of peak system demand throughout the year and thermostats of participating residential customers will be gradually adjusted for load reduction. This Program is designed to 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

This voluntary Program will provide residential customers with an incentive to enroll in a peak demand response program associated with the following measures:

- Heat Pump System Demand Response Peak Reduction
- Air Conditioning System Demand Response Peak Reduction

Participating residential customers will be able to opt-out of specific events.

To participate in this Program, residential customers must have a qualifying smart thermostat. Participating residential customers may not also be enrolled and participate in the Company's DSM Phase I Smart Cooling Rewards Program (Schedule AC).

The Company's Program implementation vendor will generate awareness and enrollments through email, social media, digital advertising campaigns, bill inserts and banner ads on the Company's website. Additionally, Program awareness and enrollment will be generated through collaboration with (i) online retailers and product manufacturers; (ii) an established network of residential HVAC contractors; and (iii) a website where residential customers can locate a participating contractor as well as access links for product details and purchases.

III. INCENTIVE PAYMENTS

As modeled, the Program provides the residential new participating customer an annual incentive of \$35.

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