



PPL Electric Utilities

PPL Electric Business Energy Efficiency Program

Direct Discount for Small Businesses

Program Manual

Revised June 1, 2026

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Program Overview

Program Description

The Direct Discount Program (referred to throughout this document as the Program) is specifically tailored for small business customers (GS1 & GS3 rate code) of PPL Electric.

The Program helps participating small businesses achieve significant, long-term electricity savings by improving the energy efficiency of their facilities and equipment. Following a Program provided assessment, customers receive a detailed report outlining recommended efficiency measures and associated project financial information.

To achieve the Program's savings goals, CLEAResult will implement a direct contact approach that leverages existing relationships with both contractors and customers while also establishing new connections. Participating contractor recruitment will serve as the primary method for recruiting customers into the Program. Because contractors are highly knowledgeable about qualifying measures and have strong proximity to the local market, they are well positioned to relate to customers and effectively communicate the benefits of high efficiency technologies.

Program Objectives

The program is designed to achieve the following objectives:

- Identify cost-effective options to improve the efficiency of existing facilities.
- Reduce energy usage for participants.
- Transform the market over time by addressing these specific barriers that hinder adoption of efficient technologies and practices for small business customers:
 - "First cost" barriers and lack of access to capital
 - Lack of energy efficiency education and program awareness
 - Lack of participant understanding about measure payback
 - Lack of easy access to qualified vendors/installers
 - Absence of tools to quantify savings and streamline participation

- Educate participants on efficient technologies and the non-energy-related benefits of efficient technologies (i.e., longer life of the unit, maintenance savings, and cost-effectiveness).
- Provide a suite of educational and supportive services for customers and contractors to promote the implementation of energy efficiency measures.
- Create a simple and streamlined process to stimulate participation from both Direct Discount customers and contractors.
- Develop a trained group of installation contractors capable of providing high-quality energy services in the market.

Program Management & Contact

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Program Dates

The program runs from June 1 through May 31 annually and can be withdrawn at any time.

Program Roles & Responsibilities

Program Sponsor (PPL Electric)

PPL Electric is responsible for:

- Providing the Program Implementer, CLEAResult, with the necessary incentive funds
- Overseeing CLEAResult activities
- Providing Customer electrical usage information

Program Implementer (CLEAResult)

CLEAResult, as the Program Implementer for the Direct Discount Program, will:

- Plan and design the Program
- Market the Program to participants and contractors
- Approve customer eligibility and enrollment
- Train participating contractors

- Maintain a database of all necessary program information
- Conduct quality control and quality assurance activities
- Provide technical assistance and project recommendations to participants
- Conduct pre- and post-site visit verifications in accordance with QA/QC Manual
- Ensure each completed project meets program requirements
- Issue incentive checks to contractors
- Track and report on Program success and lessons learned

Participating Contractor

Participating Contractors must:

- Participate in Program training. (Contractor lists will be reviewed semi-annually). Inactive contractors will be removed and must participate in another contractor training to be added back as a participating contractor.
- Make a good faith effort to promote participation in the Direct Discount Program.
- Respond to customer requests in a professional and timely manner.
- Perform all work to the required standards of the Program.
- Install products that comply with the Product Quality Requirements included in the QA/QC Manual.
- Conduct energy surveys.
- Submit complete project applications and supplemental documentation.
- Submit a new application and customer agreement if the scope of work changes from the original submission (quantity and/or product).
- Coordinate installations/manage workflow to assure timely installations.
- Provide Program Implementer with feedback on the Program.
- Contract shall not use the PPL or implementer trademark without written approval by the respective entity.

Participating Contractors Workflow:

1. Customer is identified by either CLEAResult or Participating Contractor.

2. Participating Contractor performs site assessment. Participating Contractor presents eligible measure summary to Customer.
3. Customer selects eligible measures for installation.
4. Participating Contractor delivers Customer Agreement to Customer for signature.
5. After Customer completes Customer Agreement, Participating Contractor submits project documentation, including completed Customer Agreement, thorough online web portal to CLEAResult for review and approval. Project documentation includes:
 - Cost Estimate/ Quote or Proposal
 - Equipment data sheets for all installed equipment.
 - DLC screen shots for all installed equipment.
 - Photo documentation of pre-installation lamp and ballast for all retrofit light fixtures, lamps, and ballasts.
 - W9 for the Contractor.
 - PPL Electric Bill for Customer.
 - Direct Discount Savings Estimator.
6. CLEAResult will perform pre-and post- site verifications visits of a minimum of five projects with the option to perform more.
7. CLEAResult reviews documentation and issues Pre-Approval/Notice to Proceed to Participating Contractor.
8. Participating Contractor implements the measures and completes the installation (and provides all final required documentation within 90 days from the Pre-Approval/Notice to Proceed.
9. CLEAResult reviews invoices, verifies the completed scope of work, and performs a final site visit verification (minimum 5 projects, with ongoing at Program discretion).
10. CLEAResult issues incentive check to Participating Contractor.

Notes:

- Should the contractor identify any measures or other work that is not eligible within the SCI Direct Discount Program, the contractor may elect to propose such measures or work to the customer under a separate contract, outside of the SCI Direct Discount

Program, utilizing any eligible rebates and incentives from other energy efficiency programs offered through the PPL Business Energy Efficiency Program.

- The contractor shall make every reasonable effort to identify upfront any deficiencies with respect to the existing conditions or existing equipment in the facility, related to the installation of the proposed energy conservation measures, which would impact the contractor's ability to perform the work cost-effectively.
- Contractor is asked to identify all eligible Direct Discount measures (refrigeration, compressed air, HVAC, domestic water heater, lighting and custom projects) at customer location regardless of the work proposed by given contractor.

Participating Customer (Participant)

Participants will be asked to:

- Provide access to project facilities both before and after project completion for site visit verification of the baseline and post-retrofit condition.
- Agree to terms and conditions of the Program.
- Provide reasonable access to installing contractors.

Program Eligibility

Participant Eligibility

PPL's Small Commercial and Industrial accounts with **GS-1 and GS-3 Rate Codes** are eligible to participate in this Program. Applications for this Program must be for **retrofit projects only**, projects that are determined new construction will not be eligible. The SCI account must have a certificate of occupancy and must be in operation to submit for an application.

New Construction Determination

New construction projects are not eligible in the Direct Discount Program. Applications that contain the following project details may be determined new construction- Always verify details with the Program team.

- New construction, building from the ground up.
- Complete renovation project (including retrofit) in which project space is gutted.

- Space type change from Warehouse to Office, Manufacturing, or any change in building type.
- Lighting retrofit and HVAC retrofit completed at the same time.
- The building or project space has been vacant for a length of time.

Program Incentives

Measures & Incentive Levels

Funding is available to pay incentives for energy efficiency projects in eligible small commercial and industrial facilities (GS-1 and GS-3 Rate Codes). Incentives are based on actual savings and are calculated on an individual basis. The maximum incentive is 80% of the Total Project Cost dependent on total kW and kWh savings. Incentives are available for selected lighting and non-lighting measures that are covered in the Pennsylvania Technical Reference Manual.

Efficiency measures that will be covered in the Program are listed below. Note that the list below is not exhaustive.

Note:

- Measures that are installed in projects that have received incentives from any other PPL Electric energy efficiency program for the same measure are not eligible for Direct Discount incentives.

Lighting Measures

- All LED products must be DLC or ENERGY STAR® certified products.
- Interior & exterior LED fixtures
- All HID and wall-pack lighting being converted to LED do qualify for the Program
- LED refrigerated case lighting (fixtures, occupancy sensors only)
- Exit signs (incandescent to LED)
- Lighting controls (wall mount and ceiling mount)
- Control-only projects not eligible

Refrigeration Measures

- High-efficiency refrigeration/freezer cases
- High-efficiency evaporator fans motors for reach-In cases
- High-efficiency evaporators fan motors for walk-In cases
- Strip curtains for walk-In freezers and coolers
- Suction pipe insulation for walk-In cooler and freezers
- Door gaskets for walk-in and reach-in coolers and freezers
- Evaporator fan controllers
- Controls: floating head pressure control
- Controls: anti-sweat heater controls
- Controls: evaporator coil defrost control
- Variable speed refrigeration compressor
- Night covers for display coolers
- Auto closers
- Special doors with low or no anti-sweat heat for low-temperature cases
- Refrigeration cases with doors replacing open cases
- Adding doors to existing refrigeration display cases
- Automatic door closers for walk-in refrigerators
- EC evaporator fan motor replacement for walk-in and reach-in refrigerators
- Anti-sweat heater controls for glass refrigerator doors

Compressed Air Measures (<=40 HP) HVAC

- Cycling refrigerated thermal mass dryer
- Compressors (<=40 HP)
- Mist Eliminators
- Low-pressure Drop Filters
- Air-entraining air nozzle
- No-loss condensate drains
- Air tanks for load/No-load compressors

HVAC Measures

- Air Source Heat Pumps ≤10 tons
- Ductless Mini-Split Heat Pump ≤5.4 tons
- Window Air Conditioners – Commercial

Domestic Hot Water

- Water Source Heat Pumps

Custom Measures

General

- Current rebate incentives through Direct Discount can be found on pplelectric.com/BusinessRebates Pre-approval is required for Direct Discount applications.
- Customer is responsible for paying a minimum of 20% of total project costs once incentives are calculated based on actual savings.
- Pre-approval is not required for HVAC tune-ups or smart thermostats. Customers cannot have a current HVAC maintenance contract and cannot have received a tune-up in the last three years.
- A participant may submit multiple Direct Discount applications per PPL account number for different measures.
- A participant may agree to install additional measures however, only pre-approved measures will receive Direct Discount Program incentives. Other measures may fall into other parts of the PPL Energy Efficiency Program.
- Applications are accepted until Program funding is fully subscribed. The incentive is payable upon completion of the project (as described in the project application). The process for oversubscription is included in the Limits on Participation section.
- Program incentives will be paid directly to the Participating Contractor after the project is completed, documented, and verified. Checks will be issued after project verification.
- No participant has an unconditional entitlement to Program incentive funds.

Savings Calculations and Verification

The Program will provide post-site visit verification, savings calculations, and other verification activities. All products installed that receive Program incentives must meet the Product Quality Requirements outlined in the QA/QC Manual and comply with the Pennsylvania TRM.

All projects installed are subject to post-installation verification to verify:

- Measures installed per Work Order
- Quality of Installation
- Customer Experience

Non-Cash Incentives

The Program seeks to help small commercial and industrial customers by helping them understand their energy use and giving them access to technical knowledge and support. The Program offers direct participant assistance and connects them with qualified contractors to perform measure installations. Additionally,

- Program representatives collaborate with each participant to define specific obstacles that inhibit adopting more energy-efficient equipment or practices.
- The Program provides technical support to help participants identify and evaluate energy efficiency opportunities to determine which projects are viable and will achieve maximum savings.

Program Implementation and Delivery

Key elements of the Program implementation strategy include:

- **Contractor training:** Prior to beginning any projects, each contractor will be required to participate in training sessions, which will cover Program incentives, participation processes and requirements, etc.
- **Participant recruitment:** The PPL/CLEAResult SCI Direct Discount implementation team will support SCI Direct Discount contractors recruit participants.

- **Technical assistance:** Program staff will guide participants and contractors through the participation process to minimize misunderstandings and overcome barriers to participation. Program staff will also provide technical support to participants who need help identifying eligible measures for the Program.
- **Project buy-down:** The incentive may cover up to 80% of the project cost for incentivized measures (dependent on total kWh savings of project).
- **QA/QC:** Incentive applications will be subject to a quality assurance review by Program technical staff to ensure accuracy of savings and incentive calculations. The post-site visit verification process and customer satisfaction surveys will be integral to the QA/QC process and all installations must meet applicable installation standards set forth in the QA/QC Manual.
- **Project verification:** PPL and CLEAResult reserve the right to site-verify installations prior to project approval. A minimum of five (5) projects will receive a pre-and post-site visit verification by CLEAResult prior to incentive payment, with the option to conduct additional visits if deemed necessary.

Project Application Process

The Participating Contractor will contact the participant to discuss the participant's project identification needs. In which case:

- Customers will undergo an on-site energy survey, with technical support provided by the Participating Contractor.
- After the energy survey, the Customer will receive a survey summary listing eligible upgrades and potential incentive amounts.
- Customer will then select eligible upgrades they wish to install with Participating Contractor and sign the Customer Agreement form.
- Once the Customer approves the measures they wish to install, the Participating Contractor will complete the application process through the online web portal. The Program will review the application, calculate the anticipated incentive amount, and approve the project for installation.

- Upon approval for installation, the incentive funds will be reserved for the project. Projects must be completed (with all final required documentation) within 90 days of receiving the Pre-Approval/Notice to Proceed. The Program will review requests for waivers to this timeframe on a case-by-case basis.
- Cash incentives are subject to availability and reservation. To receive cash incentives from the Program, Customers must first reserve incentives by working with the Program Implementer/Participating Contractor to complete and submit a Project Application for each project. The Program Implementer/Participating Contractor will update the Participant if any significant changes are made to the incentive amount reserved for their projects. For more information, please see the “Limits on Participation” section below.

Incentive Payment Process

Any cash incentives received through the Program are paid directly to the Participating Contractor after the project is completed, verified, and a post-installation site visit verification is conducted.

Limits on Participation

The incentive budgets available through the Program are limited and are made available to participants on a first-come, first-served basis. If incentive reservations exceed the Program budget for incentives, the Program is considered fully- or over-subscribed. If oversubscription to the Program should arise, participants will be placed on a waiting list, in the order of when the project application is received. Participants on the waiting list may be able to reserve Program incentive funding if projects are canceled or additional funds become available.

Contractors may be removed from the Program for failure to pass post-site visit verifications or other quality or customer satisfaction issues.

Quality Management System

Quality Assurance

Program Process Trainings (QA)

- The Program will perform initial energy efficiency surveys to identify energy efficiency opportunities. The Program will work with the participant to identify cost-effective upgrades based on the survey findings and their specific needs.
- Participating Contractors will learn about the Program's process for identifying and incentivizing energy efficiency projects.

Application Review (QA)

- Applications are reviewed and verified by the Program Implementer.

Quality Control

Post-Installation Site Visit Verification (QC)

- CLEAResult will conduct a minimum of (5) site visit verifications for projects from each installation contractor. Any issues noted during the post-site visit verification will be discussed with the Participant and Contractors and recommendations for Program compliance will be made. Any changes in project scope identified during the post-site visit verification may result in an adjustment of projected savings and incentive amounts. Very few issues are expected to arise during post- site visit verification because the Program Implementer and the Participating Contractors will be working very closely together for this Program.

Participant Satisfaction Surveys (QC)

- The Program will conduct Participant Satisfaction surveys by a third-party company.

Participant Complaints

Participants are encouraged to contact Program contacts listed on page 3 to report and resolve any complaints about the Program.

If a participant becomes involved in a dispute with a customer over business practices, the participant shall work with the Program implementer to resolve the dispute amicably. If such discussion does not produce an outcome acceptable to the customer and the participant, the participant shall settle the dispute through the participant's customer complaint resolution process. In any event, the participant shall hold PPL's, and/or the Program implementer harmless from any suit arising from work performed through the Program.

Disclaimers

Neither PPL nor CLEAResult guarantee or make any warranties or representations regarding the services performed by any third parties, including professionals provided by the Program. The Program Implementer does not guarantee or make any warranties or representations regarding the services performed by any third parties, including professionals provided by the Program. Participants have sole responsibility for reviewing and using the results or recommendations of any services performed by Participating Contractors. Warranties on equipment are provided by the manufacturer.

Participant shall defend, indemnify and hold sponsor, implementer, their subsidiaries, affiliates, directors, officers, agents, and employees, and each of them harmless against any injury, death, damages, suit, claim, or other loss ("Loss"), including expenses and actual attorney's fees, arising from or related to this agreement or the breach thereof, except to the extent that such loss was caused by the gross negligence or willful misconduct of sponsor, or implementer. This provision shall survive termination of this agreement.

Note: Entering into an agreement with CLEAResult does not imply CLEAResult's endorsement or approval of any products or services. CLEAResult makes no representation of the benefits of any particular technology or energy efficiency measure eligible for incentives under this Program.