

H2O Select®

Palmetto Electric Cooperative, Inc. ("PEC") is offering a residential off-peak water heating program ("H2O Select") to provide qualifying members the opportunity to receive rebates and or incentives for participating. The terms and conditions below ("Terms and Conditions") set forth the enrollment requirements and details related to rebates and incentives members may receive. By signing, members agree to comply with and be bound by the Terms and Conditions.

TERMS AND CONDITIONS

1. To qualify for a Rebate, Turn Key Option and other incentives under the H2O Select program, the service location must be serviced by Palmetto Electric Cooperative, Inc. The homeowner must complete an enrollment application, allow an off peak switch(s) to be attached to each water heater in the home and abide by the Terms and Conditions.
2. PEC will connect an "off-peak switch" when notified that a new tank has been installed. Customers must allow off-peak switches to remain a functioning part of the water heating system and purchase electric energy for water heating from PEC for a minimum of 10 years. Customer can receive maximum qualifying rebate only once per 10-year term. Rebates are paid per home, not per water heater. Customer can choose a rebate or Turn Key Option but not both. Turn Key Options have the rebate incentives built into the pricing.
3. If for any reason customer removes the off-peak switch or ceases receiving electric energy from PEC for water heating, Customer is no longer eligible to be enrolled in this program and any outstanding sums, advanced or loaned by PEC, together with interest, if applicable, shall immediately become due and payable to PEC.
4. Peak control periods: Water heaters will be cycled off with the off-peak switch as needed, up to 5 hours per day and averaging about 5 days per month. If needed by PEC, customer grants permission to monitor and control the off-peak switch through the customer's Wi-Fi network.
5. A conversion bonus rebate is available for homeowners that have converted from gas to electric water heating.
6. A new home bonus rebate is available for home builders that build a new home with H2O Select electric water heating. For a newly constructed home, rebate may be paid to either the general contractor, developer or homebuyer. New homes must comply with PEC **Installation Requirements**, see section 10.
7. PEC will provide *free water heater repair service* for each new water heater enrolled in the program as long as the off-peak switch remains installed. This service includes service calls, diagnostic inspection, and replacement of defective parts; limited to standard elements, thermostats, high temperature limit switch, pressure relief valve, vacuum valve, drain valve, internal wiring and off-peak switch. After the first 60 months, parts coverage is limited to thermostats, off-peak switch and wiring. This service is transferable if the home is sold.
8. Customer must report any water heating problem or maintenance issue to PEC in order to receive the free water heater repair service.
9. Water heaters must comply with H2O Select installation requirements as well as all state and local codes.
10. **Installation Requirements:** Only new electric storage water heaters, 50 gallons or larger with elements maximum of 4500 watts will be accepted. Tank capacity needed is dependent on number of

occupants, home size, and type of use (residence, vacation, or rental). Dual or multiple tank systems may be used to meet storage needs. Installations must meet local codes and program requirements. Permits may be required. Electric supply wire must be copper, size 10-2 AWG with ground, and connected to a 30-amp two pole breaker. An electric disconnect box is required at the water heater unless it is in line of sight from the main breaker panel. Hot and cold water lines should be insulated at least two feet from tank. Use of a circulation loop pump is not recommended. Water heaters must not block access to electrical panels, HVAC units, or other equipment, and must be placed for easy access to element cover plates. The temperature and pressure relief valve must properly terminate into drain pan or outdoors. A drain pan and drain line are needed when a water heater is installed in a location where water leakage could cause damage. To prevent "rotten egg" smell from occurring, PEC recommends use of water heaters that do not have an anode rod. For closed plumbing systems, a thermal expansion device may be needed. PEC will connect the "off-peak switch" when notified that the new tank is ready.

11. Mobile home customers must own the land on which the home resides, and the home must be attached to a permanent foundation.

12. During the program term, PEC must be allowed to periodically inspect water heater(s) to ensure proper operation and program compliance.

13. **H2O Select Turn Key Option:** PEC provides a new electric water heater (50 gallons or larger), "**basic installation**", disposal of old tank, and a 60-month payment contract that will be added to the electric account. This option is for replacement systems only. The property owner must be a PEC member at this location and have a good payment history to be eligible for this option. Advance Pay customers are not eligible for 60-month payment option but may pay total contract price in advance to qualify. If additional labor and materials are required to install tank beyond what is included in "Basic Installation," the customer will be notified in advance of the extra cost needed and given the option to agree or cancel. Please allow 1 to 4 weeks for tank installation. If the customer's account is closed for any reason during the 60-month term, the balance of the contract will become due upon the final account statement. The total contract price may be paid in advance to qualify when the homeowner does not have an active PEC account. Contract may not be transferred to another location or name except in the event of account name change due to a change in marital status or death of a homeowner.

Basic Installation will be completed by a professional plumbing contractor and includes the following scope of work:

- a) Delivery of a new water heater to the site.
- b) Disconnect old plumbing and wiring from the old tank.
- c) Drain and remove the old tank. (Leaking tanks may need air dry on site before complete removal.)
- d) Install a new plastic drain pan if needed in the original tank location. Place new water heater in pan.
- e) Re-configure water lines for connection to height of the new water heater.
- f) Connect water lines and install accessories including a new water shut-off valve and a thermal expansion device if needed.
- g) Insulate first two feet of water lines.
- h) Install wiring and new electric disconnect box if needed and connect off-peak switch.
- i) Fill new tank with water and purge all air. Re-energize water heater and check for proper operation.

j) Clean up installation area and haul away the old tank and any job trash.

Basic Installation does NOT include any of the following: water damage clean up, repairs to floor, walls, or ceiling, re-location of tank, installation of or repairs to drain line for the drain pan, disassembly of the old tank needed for removal, removal of doors, trim, attic steps, appliances, etc. for access.

Drain line installation is available for extra charge and includes up to 10 feet of PVC piping.

Metal pans are available for an extra charge.

14. This program may end or change without notice at any time.

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