



www.hop-electric.com

Hopkinsville Electric System EnergyNet Internet Services



www.hesenergy.net

*Providing Hopkinsville businesses and residents
with affordable electricity and internet service*

To our Valued Customer,

Hopkinsville Electric System (HES) offers low-interest financing for a new heat pump system through the HES and TVA EnergyRight Solutions eScore Program (www.2escore.com). The maximum loan amount is \$15,000. Additional approved weatherization measures, such as attic and floor insulation, air sealing, or duct repair/replacement, can be included in the loan.

To apply for a loan, return the following to HES:

1. A completed EnergyRight Solutions Loan Application
2. A completed EnergyRight Solutions Financing Participation Agreement
3. A completed EnergyRight Solutions Lien Acknowledgement
4. A copy of the current driver's license for all persons listed on the above documents
5. A copy of the first page of the deed showing ownership of the property for the property where the new HVAC unit will be installed

The above documents may be delivered to the HES office, faxed to (270) 887-4214, or emailed to lclark@hop-electric.com. Typically, within 1-2 business days, HES will contact you to inform you as to whether you have been approved for the loan.

If approved for the loan, complete the following:

1. Register your home with the TVA eScore Program at www.2eScore.com or by calling (855) 237-2673
2. At the eScore website, identify the TVA Quality Contractors who may install your heat pump
3. Contact one or more of the TVA Quality Contractors to obtain a quote
4. Choose which TVA Quality Contractor you want to install your unit and have them install the unit

Once the new unit is installed and the contractor has provided HES with an itemized invoice, an HES representative will contact you to set an appointment to sign loan papers. **At that time, the HES representative will need to collect a personal check, cashier's check or money order made out to "Christian County Clerk" for the amount of \$29.00 to cover filing fees at the court house.** You will also be contacted by a TVA eScore representative to schedule a free in-home energy evaluation. This evaluation is required to receive your \$250 eScore rebate.

If you have further questions, please feel free to contact me.

Sincerely,

Lynn Clark,
Customer Services & Communications
(270) 887-4213

lclark@hop-electric.com

Enclosures



EnergyRight Solutions Loan Application

Application for:

HVAC Equipment Only Weatherization Only HVAC Equipment and Weatherization No. of HVAC Units _____

Amount of loan requested (if known): _____ Program eScore _____

Please check if you are applying: Single Applicant Joint Applicant

IF YOU INTEND TO APPLY FOR JOINT CREDIT, PLEASE INITIAL HERE: Applicant's Initials _____ Co-Applicant's Initials _____

Local Power Company Hopkinsville Electric System ID# 095

Primary Applicant Information

First Name _____ Last Name _____

SSN# _____ Date of Birth _____

Mailing Address Installation Address (check all that apply)

Street Address _____

City _____ State _____ ZIP _____

County _____

Primary Phone _____

Secondary Phone _____

Driver's License State _____ Number _____

Previous Address (if less than 3 years at current address)

Street Address _____

City _____ State _____ ZIP _____

Installation Address (Same as address above)

Street Address _____

City _____ State _____ ZIP _____

County _____

Secondary Applicant Information

First Name _____ Last Name _____

SSN# _____ Date of Birth _____

Mailing Address Installation Address (check all that apply)

Street Address _____

City _____ State _____ ZIP _____

County _____

Primary Phone _____

Secondary Phone _____

Driver's License State _____ Number _____

Previous Address (if less than 3 years at current address)

Street Address _____

City _____ State _____ ZIP _____

Is this a Manufactured Home? Yes No If "YES" and applicant does not own the land where the home is located, please provide the name of the landowner _____

Acknowledgement and Signatures

To help the government fight the funding of terrorism and money laundering activities, Federal law requires financing institutions to obtain, verify, and record information that identifies applicant. All applicants will be asked to provide name, address, date of birth, and other information and may be asked provide driver's license or other identifying documents. By signing below, applicant and co-applicant, if any (Applicants), understand and agree that: (1) The program financing will involve security arrangements (lien filed on property) which may make it more difficult to obtain financing for your home; (2) Applicants must provide and maintain satisfactory security arrangements for the requested loan; (3) Applicants reveal and are responsible for any outstanding EnergyRight loan balances, and the requested loan amount is no more than the maximum amount allowed reduced by any outstanding balances; (4) Providing a social security number is not required to be considered for a loan, but social security numbers will expedite consideration of this application; and (5) Applicants will be informed if this application is not approved. Applicants certify that everything stated in this application is correct to the best of their knowledge. Applicants authorize and permit Local Power Company to perform background checks and obtain information about Applicant(s) from credit reporting sources.

Primary Applicant's Signature _____ Date _____

Secondary Applicant's Signature _____ Date _____

--- Local Power Company use only ---

QCN Contractor Name (if known) _____ QCN ID# _____

QCN Contact Name _____ QCN Not Yet Selected

Electric Account # _____ Pre-Qualification Screening: Approved Not Approved

ID Verified Type _____ Exp Date _____

--- Regions Bank use only ---

Approved Denied Date _____ Loan Approval Number _____

Loan Reference Number _____ Amount Funded _____ Date Funded _____



EnergyRight Solutions Financing Participation Agreement

Participant 1 (Primary) First Name _____ Last Name _____ Street Address _____ City _____ State ____ Zip _____

Participant 2 (Secondary) First Name _____ Last Name _____ Street Address _____ City _____ State ____ Zip _____

Property Installation Address (Residence): Address _____ City _____ State _____ Zip _____

Participants listed above wish to participate in the EnergyRight Solutions Financing Program ("Program") as made available by

Hopkinsville Electric System LPC ID# **95** EnergyRight Solutions Program **eScore Program**
Local Power Company

1. I understand that under the Program, Local Power Company as part of its electric service has developed arrangements whereby funds may be advanced to install energy improvements eligible for financing. I further understand that before such funds are made available, I must enter into a separate repayment agreement to repay any amount advanced.
2. I understand that if my Residence is a manufactured home and I do not own the land on which it is located, the person who owns the land ("Landowner") must co-sign the loan agreement or I must provide loan security acceptable to Local Power Company.
3. I understand that repayment of any amount advanced shall be in equal consecutive monthly installments (covering principal amounts and interest) over a period of up to 10 years (120 months). I further understand that the rate at which financing will be made available will not exceed 8.00 % a year. This rate expires on _____ (90 days from loan approval).
4. I understand that the total amount of financing for my home shall not exceed the amount applied for and approved. The minimum loan amount is \$ 2,500.0 and the maximum loan amount is \$ 15,000.00 (may depend on final installed HVAC efficiency).
5. I understand that any required security must be furnished before a repayment agreement will be entered into. I further understand that I may be responsible for expenses incurred by Local Power Company in securing the amount advanced. The amount for these expenses may be paid in full in advance or included in the amount financed. I understand I must pay a security filing fee to be determined at loan closing.
6. I understand that the improvements must be installed according to all mandatory Program requirements and that all loan forms must be signed within 90 days of the original approval date. It is my responsibility to be sure that the contractor I hire complies with these requirements. Within 10 days from completion of the work, I will ensure that Local Power Company has been contacted to arrange for closing of the loan.
7. Homeowner understands that homeowner may be responsible for expenses incurred by Local Power Company in providing an inspection of the improvements. The amount for these expenses shall be paid in advance or included in the amount financed. Landowner understands that Landowner may be responsible for expenses incurred by Local Power Company in providing an inspection of the improvements. The amount for these expenses may be paid in advance or included in the amount financed.
8. Local Power Company shall have no obligation to advance funds for any improvement until the installation of that improvement has been determined to meet the EnergyRight Solutions Program requirements. When Local Power Company so determines, I will submit the bill(s) from my private contractor(s) and Local Power Company will identify the amount(s) eligible for payment under the Program.
9. I understand that this Program is a part of my electric service and the amounts of my repayments will be included with my monthly electric bill as a separate item. I understand that my obligations, including the repayment for this service provided by Local Power Company, will be subject to existing rules and regulations of Local Power Company. I further understand that I will be responsible for paying the remaining balance in full before the end of my repayment term upon the occurrence of certain events set out in the repayment agreement, such as the sale of my home.
10. If ownership of my Residence is transferred (or my tenancy on the land on which the Residence is located is terminated), I will notify Local Power Company as soon as possible, and Local Power Company and I will agree upon the date this agreement will be terminated. In any event, this agreement will terminate upon the date ownership of the Residence is transferred or my tenancy in the Residence is terminated. (Landowner understands that Landowner will be responsible for paying the remaining balance in full before the end of the repayment term upon the occurrence of certain events set out in the repayment agreement, such as the sale of all or any part of the land upon which the Residence is located.)
11. I understand that any inspection under the Program is provided as a service to me and there is no guarantee or warranty, express or implied, from Local Power Company or TVA concerning cost, adequacy, or effectiveness of any work performed or information supplied in connection with the Program.
12. I hereby authorize Local Power Company or TVA to check my credit as necessary for purposes of Program financing.
13. I understand, unless otherwise agreed by Local Power Company, that I must enter into any repayment agreement(s) within 90 days to obtain the program financing and that Local Power Company's obligations under this agreement expire 90 days from the date of loan approval (see item 3).
14. I understand that if the property or collateral is sold, the remaining balance of the loan becomes due and payable.

Important Notices to Homeowner

Read this agreement thoroughly before signing it. Take no Program action before receiving a copy of this agreement with a loan approval number and date. Choose only a member of the Quality Contractor Network. Be sure that the Program requirements are followed completely.

By signing this agreement I certify that I own and/or occupy this home.

Signature (1) _____ Date _____ Signature (2) _____ Date _____
(Participant 1) (Participant 2)

If loan is co-signed please indicate cosigner:

First Name _____ Last Name _____ Address _____

Signature _____ Date _____
(Co-Signer/Landowner)

Account No. _____ Telephone No. _____ Loan Approval No. _____ Loan Approval Date _____



EnergyRight Solutions Lien Acknowledgement (HVAC Equipment)

Applicant Information (Account No. _____)

Participant 1 (Primary) First Name _____ Last Name _____ Street Address _____
City _____ State _____ Zip _____

Participant 2 (Secondary) First Name _____ Last Name _____ Address _____
City _____ State _____ Zip _____

Property Installation Address (Residence): Address _____ City _____ State _____ Zip _____

Local Power Company Hopkinsville Electric System LPC No. 95

Street Address 1820 E. 9th Street City Hopkinsville State KY Zip 42240

Lien Acknowledgement (Security Interest on HVAC Equipment)

- When you apply and receive an EnergyRight loan for home energy efficiency improvements, you will be required to sign a Security Agreement. This agreement states that you will allow your local power company to file a lien on your property to secure the collateral being financed.
- A Uniform Commercial Code Financing Statement, UCC-1, will be filed at the registrar's office in the county in which you live. The UCC-1 is a fixture filing and secures the heat pump equipment for the term of the loan. The UCC-1 may be pre-filed before you complete the energy efficiency installation to ensure a perfected lien is obtained by your local power company.
- The purpose of this filing is to secure the collateral. **The UCC-1 acts as a lien and must be cleared before your property can be sold or refinanced.** Once the loan has been repaid, the UCC-1 will be terminated.
- If for any reason the local power company cannot obtain a priority UCC-1 status, you will need to seek financing elsewhere. Such reasons include no clear ownership of the property or state/local laws restricting the filing of a lien.
- The local power company will maintain a security filing for the life of the loan.
- Once a loan has been repaid, the UCC-1 will be terminated.

PLEASE READ, SIGN AND RETURN to acknowledge that you understand this information

Signature (1) _____ Date _____
Primary Participant

Signature (2) _____ Date _____
Secondary Participant

Cosigner Information

First Name _____ Last Name _____ Address _____

Signature _____ Date _____
Landowner/Co-Signer (if applicable)

THE HEAT PUMP FACT SHEET

WHAT IS A HEAT PUMP?

An electric heat pump is both a central heating and cooling system in one. There are many different kinds and brands from which to choose. Those in the EnergyRight® Solutions Program are among the most energy efficient available.



WHAT DOES IT DO?

During the winter, a heat pump absorbs heat from the outside air, compresses it to make it hotter and then circulates it throughout the home. There is always heat in the outside air – even in the coldest weather – which is a big reason heat pumps are so efficient. They do not “create” heat; they simply transfer heat from one location (outside) to another (inside). Heat pumps keep the home at an even temperature with no fluctuations like you can get with other types of systems.

During the summer, the process is reversed. The heat pump removes heat and humidity from inside your home and transfers it to the outside, which cools your home. The home stays dehumidified, cool and comfortable.

HOW MUCH WILL YOU SAVE?

The savings vary depending on the climate you live in, local energy rates and the size and condition of your home. But you can be sure that an electric heat pump is one of the most efficient ways to heat and cool your home in the Tennessee Valley. You can expect to save at least 50% on heating costs over electric resistance heat. And that's a fact.

WHAT TO CONSIDER.

There are a few things to remember before buying an electric heat pump.

The Cost The more efficient the heat pump, the higher the purchase price, but the more you will save on operational costs (see charts). Heat pump efficiencies are normally rated in SEERs. If you are getting several quotes, make sure you compare the purchase price with the efficiency to get the best unit for your money.

The Warranty This is another area you need to compare if getting several quotes. All heat pumps come with a warranty; however those warranties can be quite different. Get the warranty that is right for you. Most manufacturers sell extended warranties that cover your new heat pump for a longer period of time if it has a shorter warranty than you are looking for.

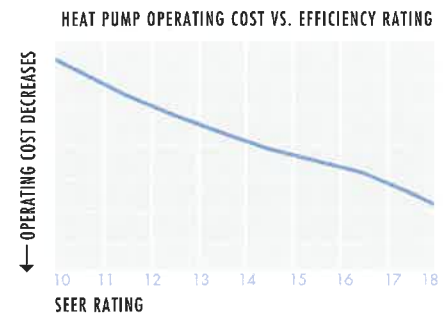
The Size To work best, a heat pump has to match your home's heating and cooling needs. An undersized system won't adequately cool your home, while an oversized one won't dehumidify properly and can make your home drafty.

Before you buy anything, your local power company can help you determine exactly what you need. Convenient financing may be available to replace your old system.

SOME QUICK THINGS TO REMEMBER.

For heating and cooling your home, electric heat pumps are:

- economical
- convenient
- dependable
- clean
- efficient
- safe
- automatic
- comfortable



For more information on heat pumps, call your local power company or visit our website at EnergyRight.com.



What is eScore™?

eScore is a residential energy efficiency program that provides homeowners with a clear path to make their home a 10 – its most energy efficient. The program also increases home comfort and saves you money.

eScore allows homeowners to work toward a score of 10 for their home at their own pace, earning rebates on qualified energy efficiency upgrades and re-engaging with the program as many times as needed to achieve their home's best possible energy performance.

Here's How It Works:

STEP 1 – Homeowner registers online or over the phone.

Simply visit www.2eScore.com or call 1-855-2eScore (1-855-237-2673) to get started.

STEP 2 – Homeowner contacts a Quality Contractor Network (QCN) member to get started on the work the homeowner wants done.

If the homeowner doesn't know a QCN member, a list specific to their area is available on the eScore website or through the contact center (www.2eScore.com or 1-855-2eScore). A QCN contractor can discuss options, rebates, and program details with the homeowner.

STEP 3 – Get a FREE eScore evaluation of the home AND a quality assurance inspection on the work performed by the QCN member.

A certified energy advisor will visit and evaluate the home to provide an eScore and a customized list of upgrades and rebates available and install instant savings measures.

An eScore evaluation includes a detailed eScore report, containing:

- An eScore card, which ranks the home from 1 to 10 (10 being the best)
- A customized list of recommended energy efficiency upgrades that can be made over time to help a home become a 10
- A list of rebates for all qualified energy efficiency upgrades
- Photos of the areas evaluated
- Instant saving measures installed at the time of home evaluation visit (CFLs and low-flow shower heads)¹

Note: Homeowners may have an eScore evaluation performed on the home before upgrades are made for a nonrefundable fee of \$75. Sign up for an eScore evaluation by visiting www.2eScore.com or calling 1-855-2eScore (1-855-237-2673).

For additional information and program details and restrictions, please visit www.2eScore.com or call 1-855-2eScore (1-855-237-2673).



¹ Energy saving fixtures are distributed to eScore participants at the discretion of the local power company and may not be available in your area.

eScore™ Participant Rebate Schedule

Retrofit Upgrade ¹	Max. Rebate*	Limits
Air Sealing	\$200/home	One Time Only
Attic Insulation	\$250/home	One Time Only
Heat Pump Water Heater	\$200/system	No Limit
Conventional Electric Water Heater (primary heat source from non-electric to electric) ^{3, 6, 7}	\$500/system	No Limit
Heat Pump ² <ul style="list-style-type: none"> • Ducted System • Non-Ducted System 	\$250/system	No Limit
Air Source Heat Pump (primary heat source from non-electric to electric) ^{2, 3, 6}	\$1,000/system	No Limit
Geothermal Heat Pump ²	\$500/system	No Limit
Mini-Split ^{2, 3, 6} (primary heat source from non-electric to electric)	\$400/system	No Limit
Dual Fuel Heat Pump ^{2, 3}	\$250/system	No Limit
Dual Fuel Heat Pump ^{2, 3, 6} (primary heat source from non-electric to electric)	\$500/system	No Limit
Central Air Conditioning ^{2, 3}	\$150/system	No Limit
Tune-up for Existing Heat Pump ⁴ or Central Air Conditioning System	\$15/system	One Rebate Per System Per Year
Duct System ⁵	\$200/system	One Time Per System

¹ Must meet eScore Program Standards effective on installation date.

² Must replace existing unit(s).

³ Subject to local power company approval.

⁴ Includes air source, dual fuel, geothermal, mini-split, ducted and non-ducted heat pump systems.

⁵ Must be for existing or replacement HVAC system.

⁶ Program efficiency requirements, including the Minimum Efficiency Requirements for Heating and Cooling and the minimum efficiency rating for electric water heaters stated in DHW-01 of the eScore Program Standards, are not applicable.

⁷ Excludes instantaneous, tankless water heaters.

*50% of total cost charged by the Quality Contractor Network (QCN) member to the participant up to the Max. Rebate. Rebate options dependent on local power company. Please check with your local power company or QCN-member for available options. QCN member must submit a rebate application within 1 year after installation is complete for upgrade to be eligible for an eScore rebate.

EnergyRight Solutions Heat Pump Financing Program

Questions & Answers

The questions and answers on this information sheet answer the questions that we most often have been asked about heat pumps and the financing program that may be available to you. Should you have questions that are not answered here, or should need additional information, please feel free to contact Hopkinsville Electric System at telephone 270-887-4213.

Tell me about your "heat pump financing" program?

HES and TVA provide low-interest financing for the installation of a qualified heat pump. A maximum of \$15,000 is available to qualifying customers. Additionally, in order to qualify for financing you must also register online at the eScore Program website www.2escore.com, where you will eventually receive a home energy evaluation.

What is a heat pump?

A heat pump is a heating and cooling system that will provide both central heat and air conditioning to your home. Heat pumps can be all electric or dual-fuel, using both electricity and gas to create heat.

How does the heat pump work?

The heat pump cools your home like a normal air conditioner. During the winter, even though it is cool outside, the heat pump can extract the heat from the outside air and pump it in your home.

How much does a heat pump cost?

The only way to determine the cost of a heat pump system for your home is to ask contractors to give you an estimate. Generally, contractors do not charge for an estimate.

How do I qualify for a heat pump loan?

To qualify for a heat pump loan, you must (1) own your home, (2) have a good payment history (meaning no more than 3 late payments, or no disconnections for non-payment, in the last 12 months) with your HES electric account, and (3) possess an Equifax consumer credit score of 625 or greater.

OK, I'm interested, what do I do next?

You should complete, sign and return to HES: (1) an EnergyRight Solutions (ES) Loan Application, (2) an ES Financing Participation Agreement, (3) a Lien Acknowledgement, We will also require: (4) a copy of a current driver's license for all applicants listed on the above documents, and (5) a copy of the first page of the deed for the property where the HVAC unit will be installed. Typically, you will be notified within 1-2 business days as to whether you have qualified for the loan.

What do I do with the Agreement to Participate?

The approved Agreement to Participate is your assurance that for the next 90 days, if approved, HES will loan you money for the installation of a heat pump system. The heat pump and any weatherization improvements must be installed by a TVA Quality Contractor. They have been trained to meet the technical requirements of the TVA program.

Who chooses the contractor?

You are responsible for choosing a contractor listed in the TVA Quality Contractor Network. The TVA Quality Contractor list may be viewed after you have registered your home for the eScore Program at www.2eScore.com or by calling (855) 237-2673. Once you have an estimate from a listed contractor in which you are satisfied, you may have them install your heat pump, assuming you have been notified by HES that your loan application was approved.

Am I required to get more than one estimate?

To be able to compare costs, HES highly recommends that you to get at least three estimates from TVA approved heating and cooling contractors for the cost of a heat pump. You should expect the contractor to provide you with a written estimate that explains all costs and provides an estimation of when the system will be installed.

What can I do if I don't understand what the contractor is trying to tell me?

Ask the contractor to explain the material to you again. You will be spending a large sum of money and HES feels that you should understand what you are about to purchase. If all fails, give HES a call, and we will try to explain what the contractor is saying. We will not recommend a contractor or a heat pump manufacturer.

What can be included in the heat pump loan?

The heat pump loan may include the cost of the heat pump, duct system or modifications to an existing duct system, electric wiring for the heat pump, extended warranties, weatherization measures such as attic insulation, floor insulation, storm windows, caulking, and weatherstripping. If your existing electric service or electric panel is too small, a new service and panel may also be included. You may also choose to include a programmable thermostat, an electronic or electrostatic air filter. Should you install an earth coupled or ground source heat pump system, the earth loop, pump pack, and water heater interface may be included in the loan.

What do I do when the heat pump is installed and the contractor says that he is finished?

Your contractor will submit an invoice to HES. We will then contact you to sign loan documents. A check for \$29 made out to "Christian County Clerk" will be collected by the HES representative to cover filing fees.

Should I have problems or questions about my new heat pump, whom should I call?

You should contact the contractor that installed your heat pump system for questions about operation or for service. All warranty agreements are between you and your installing contractor.

How do I repay the loan?

The monthly payment charges for the heat pump will appear on your electric bill as a separate line item. You may pay your bill by mailing a check, using our automated phone payment system, or on our website at www.hop-electric.com.

How much will my monthly payment be?

The monthly payment amount will depend on the total installed cost of your heat pump system, and the loan payment term you choose (the maximum loan term is 10 years). HES will be glad to calculate the monthly payment for you.

May I make early payments or larger payments each month?

Yes, you may make early payments or larger payments without any penalty. However, please include a note instructing us to apply any additional payment to your heat pump loan balance.