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April 20, 2026

Ethos Engineering has been an approved sponsor of the AEP SOP program for 12 years. Every year we assist our clients in receiving incentives from the SOP program. While the SOP incentives are filed and received by Ethos, Ethos shares these with our clients. The SOP incentives that the client will receive from Ethos are intended to provide a higher financial benefit than competing programs. In addition, Ethos is always available to assist the client energy manager in all their consulting needs.

Following is a schedule of payment we can offer [you](#) for all your ongoing projects.

### **Schedule of Payment**

Incentives for Owner are intended to be at least [15% higher](#) than the competing program offered by AEP and managed by ClearResult. SCORE program incentives may be calculated based on program guidelines applicable at the time of application. Incentive values vary by program year, measure type, and utility approval. Representative incentive values have historically included:

- \$150/kW for lighting and HVAC measures for new construction or renovations.
- \$200/kW for chiller replacements and certain lighting upgrades.

Note: Incentives for Owner shall be structured to provide a financial benefit relative to competing AEP programs, as determined at the time of each project application. Example incentive values may vary depending on program year and measure type.

Following is an MOU for your signature. Please contact us if you have any questions or need additional information.

Sincerely,

Cesar A. Gonzalez, PE  
Principal

## MEMORANDUM OF UNDERSTANDING BETWEEN MARKET ACTOR AND CUSTOMER

This is a Memorandum of Understanding between Ethos Engineering (the “Market Actor”, formerly referred to as “Project Sponsor” under prior SOP program terminology) and \_\_\_\_\_ (the “Customer”) for available incentives in years 2026, 2027 and 2028.

Pursuant to Texas Government Code Section 2254 and Texas Local Government code Section 262.024, “The Texas Professional Services Procurement Act,” the Customer wishes to engage with the Market Actor for professional engineering services on the basis of demonstrated competence and qualifications to perform the services and for the incentive payments as described herein.

### OVERVIEW

Market Actor is a participant in the Commercial & Industrial Standard Offer Program (“SOP”) developed by American Electric Power (“AEP”).

The SOP, a program developed to comply with Public Utilities Commission of Texas (PUCT) Substantive Rule [§251.181](#), which implements the energy efficiency goal of SB7. AEP pays incentives to service providers who design, install or facilitate energy efficiency measures in non-residential facilities that are located within AEP's Texas service territories. Participants in the program, referred to as Market Actors, are required to meet minimum eligibility criteria, comply with all program rules and procedures, and sign a standard agreement with AEP, which includes estimates of how many kW and kWh the project will save and the associated incentive payment amount. The Market Actor collects documentation, performs detailed energy analysis and submits an Initial Application (IA). After approval of the IA, a Final Application (FA) is submitted with backup calculations and documentation. After installation is complete, Market Actor submits the Installation Report followed by the Savings Report. Once the measures are installed and the savings are verified, the Market Actor receives incentive payments based on the project's savings.

The Market Actor and the Customer desire to work together in accordance with this MOU in order to obtain an incentive payment under the SOP, and to provide payment to the Customer of a percentage of that incentive payment as set forth in this MOU.

Market Actor and Customer agree to the Terms set forth in this MOU.

### TERMS

1. The obligations of the Market Actor under this MOU are contingent upon the purchase and installation by the Customer of the energy efficiency measures as described below

or such other alternative energy efficiency measures as AEP may approve for purposes of the SOP:

Materials and Equipment to be installed (quantity and model numbers as appropriate):  
[As identified in the Initial Application.](#)

2. This MOU shall remain in effect from April 20th, 2026 through December 31, 2028, unless terminated earlier by either party upon thirty (30) days written notice.
3. Incentives and program requirements are subject to change based on AEP SOP program guidelines in effect at the time of each project application.
4. Incentives shall be structured to provide the Customer a financial benefit relative to competing AEP programs, as determined at the time of application.
5. Ethos Engineering will assist the Customer in identifying, prioritizing, and packaging projects to maximize available incentives over the term of this agreement.
6. Customer shall have no obligation under this MOU to purchase or install the materials and equipment or to expend any funds for any purpose, but if it does so the Market Actor shall provide such reasonable assistance to the Customer in said purchase and installation as the Customer may request. Any actual purchase of materials, equipment and installation services will be done under applicable purchasing laws applicable to the Customer and not through the Market Actor.
7. Market Actor agrees to inspect any such equipment and materials installed and upon proper installation, conduct all calculations, measurement and verification (M&V) activities required to obtain incentive payments.
8. Customer shall have the right to cancel this MOU at any time and for any reason prior to midnight of the third business day following the date of this MOU. Customer may exercise this right of cancellation by providing the Market Actor any written statement that is signed and dated by Customer, and stating Customer's intention to cancel this MOU.
9. Market Actor guarantees that no mechanics or material liens will be placed on Customer's property relating to the installation of measures pursuant to this MOU.
10. Customer acknowledges that the Market Actor is receiving an incentive made available through a utility-funded program. Within 45 days after receipt of each payment of Incentive Payments, [Market Actor shall deliver a portion of such funds to the Customer.](#) Payment to Customer is contingent upon receipt of incentive funds from AEP. [See schedule of payment.](#)
11. Customer acknowledges that any view, inspection, or acceptance by AEP of the Customer's equipment installation or of the design, construction, installation, operation or maintenance of the equipment is solely for the information of AEP and that, in performing any such inspection or review or in accepting the installed equipment, AEP makes no representation or warranty whatsoever as to the economic or technical feasibility, capability, safety, merchantability, reliability or other benefits of the equipment, or its compatibility with the Customer's facilities. Market Actor does not guarantee energy savings or incentive approval.

12. Customer acknowledges that Market Actor is an independent contractor with respect to AEP and the SOP, and that Market Actor is not authorized to make representations or incur obligations on behalf of AEP. Customer further acknowledges that AEP is not a party to the Customer MOU and that Market Actor is solely responsible for performance hereunder.
13. Customer agrees that Market Actor shall have the right to make this Customer MOU and all Customer utility bills, project documentation, contractor invoices, and technical information available for purposes of program compliance and administration.
14. Customer agrees to complete the Market Actor- Customer Agreement, and the Customer Acknowledgement Forms. See attachments.
15. Owner will provide AEP access to the project site for any purpose related to the C&I Standard Offer Program. Access shall be provided during Owner's normal business hours and in compliance with Owner's reasonable access requirements.
16. Customer acknowledges that AEP makes no warranty or representation regarding the qualifications of Market Actor, and that Customer is solely responsible for the selection of Market Actor.
17. Customer agrees to release AEP from any and all claims, demands, losses, damages, costs, and legal liability including, but not limited to 1) injury or death of persons, 2) damage to natural resources, 3) violation of any local, state, or federal law or regulation including, but not limited to, environmental and health and safety laws or regulations, 4) strict liability imposed by any law or regulation, 5) equipment malfunctions, or 6) energy savings shortfalls arising out of, related to, or in any way connected with the Project, regardless of any strict liability or negligence of AEP, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability, or violation of law or regulation as may be caused by the active negligence or willful misconduct of AEP, and resulting from its acceptance of the project for participation in the C&I Standard Offer Program.

Customer

Market Actor

By: \_\_\_\_\_

By:   
\_\_\_\_\_

**Cesar A. Gonzalez, PE**  
**Ethos Engineering**

Date: \_\_\_\_\_

Date: April 20, 2026

## Schedule of Payment

Incentives for Owner shall be at least 15% higher than the competing program offered by AEP and managed by CleaResult. SCORE program incentives may be calculated based on program guidelines applicable at the time of application. Incentive values vary by program year, measure type, and utility approval. Representative incentive values have historically included:

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# Market Actor and Customer Agreement

## AEP Texas 2026 Commercial Standard Offer Program

*This document is only required for Market Actors (energy efficiency service providers) submitting a Commercial Standard Offer Program (CSOP) Application on behalf of an AEP Texas distribution customer. Please list each customer site.*


Project Name: Hidalgo County Projects Project Number: \_\_\_\_\_  
Project Location/Site (list all sites): Hidalgo County New Construction and Renovation Projects - County-wide  
Estimated Start Date: January 2026 Estimated Completion Date: December 15, 2026

1. Customer agrees, upon five (5) business days' prior oral notice, to provide AEP Texas and the independent measurement and verification expert selected by the PUCT with full and complete access to the Project Site for any purpose related to the CSOP. The right of access will be subject to Customer's reasonable access requirements and, unless otherwise agreed, must occur within the Customer's normal business hours.
2. Customer acknowledges that any view, inspection, or acceptance by AEP Texas of the project site or of the design, construction, installation, operation or maintenance of the measures is solely for the information of AEP Texas and that, in performing any such inspection or review or in accepting the measures, AEP Texas makes no representations or warranty whatsoever as to the economic or technical feasibility, capability, safety or reliability of the measures, their installation by the Market Actor, or their compatibility with Customer's facilities.
3. Customer acknowledges that the energy efficiency project would not have been completed or would have been completed with less efficient measures except for the CSOP and the incentive provided through it.
4. Customer acknowledges that the Market Actor is an independent contractor with respect to AEP Texas and the CSOP and that the Market Actor is not authorized to make representations or incur obligations on behalf of AEP Texas.
5. Customer acknowledges that AEP Texas is not a party to the Customer Agreement and that the Market Actor is solely responsible for performance thereunder.
6. Customer acknowledges that AEP Texas makes no warranty or representation regarding the qualifications of the Market Actor, and that the Customer is solely responsible for the selection of the Market Actor.
7. Customer acknowledges that the Customer may file a complaint with the PUCT concerning Market Actor, but that AEP Texas will play no role in resolving any disputes that arise between the Customer and Market Actor. File complaint at: PUC – Customer Protection, PO Box 13326, Austin, TX 78711-3326, Fax: (512) 936-7003, E-mail: [customer@puc.texas.gov](mailto:customer@puc.texas.gov) or online at <https://www.puc.texas.gov/consumer/complaint/Complaint.aspx>.
8. Customer acknowledges for a project that involves retrofitting existing lighting fixtures to operate on the facilities distribution line voltage of at least 110 volts, warning labels will be installed on each retrofitted fixture to alert anyone performing maintenance of the potential for a shock hazard.
9. Customer agrees to release AEP Texas and any individual, corporation, partnership, limited liability company, association, trust, or other business organization of any kind directly or indirectly controlling, controlled by, or under common control with AEP Texas and its and their respective shareholders, members, partners, officers, directors, managers, trustees, incorporators, agents, attorneys, consultants, servants, representatives and employees from any and all claims, demands, losses, damages, costs, and legal liability including, but not limited to 1) injury or death of persons, 2) damage to natural resources, 3) violation of any local, state, or federal law or regulation including, but not limited to, environmental and health and safety laws or regulations, 4) strict liability imposed by any law or regulation, 5) equipment malfunctions, or 6) energy savings shortfalls arising out of, related to, or in any way connected with the Project. This provision shall not apply to claims, demands, losses, damages, costs, and legal liability to the extent caused by the negligence of AEP Texas in the conduct of AEP Texas's on-site inspection of the project site.
10. Project Incentive is to be paid to (cross out one): Customer/Market Actor

### Customer Representative

### Market Actor Representative

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature:   
Print Name: Rajesh Kapileshwari, PE, LEED AP  
Title: Principal  
Company: Ethos Engineering  
Date: April 20, 2026

**TO BE FILLED OUT AND SIGNED AT THE END OF THE PROJECT WHEN INSTALLATION HAS BEEN VERIFIED**

**Customer Acknowledgement Form**  
2026 AEP Texas Commercial Standard Offer Program

Project Name: \_\_\_\_\_ Project Number: \_\_\_\_\_

Project Location/Site (list all sites): \_\_\_\_\_

The signatures on this document certify that the energy efficient equipment associated with the project measures listed and describe in the Project Application and Installation Report have been installed.

**Market Actor**

I hereby certify that the energy efficiency measures have been installed as described in the Project Application and Installation Report:

Signature:

\_\_\_\_\_

Print Name:

\_\_\_\_\_

Title: \_\_\_\_\_ Company: \_\_\_\_\_

Completion Date:

\_\_\_\_\_

**Host Customer**

I hereby certify that I am an authorized representative of the Host Customer and that the energy efficiency measures have been installed as described in the Project Application and Installation Report to the Host Customer's satisfaction:

Signature:

\_\_\_\_\_

Print Name:

\_\_\_\_\_

Title: \_\_\_\_\_ Company: \_\_\_\_\_

Approval Date:

\_\_\_\_\_

**EXECUTED** as of the day and year first written above.

**APPROVED BY COMMISSIONERS' COURT ON MAY 12, 2026.**

**Agenda Item No. 103335**

**Executive Office:** \_\_\_\_\_

**COUNTY:**  
COUNTY OF HIDALGO

\_\_\_\_\_  
Oscar R. Villarreal, Director for Facilities  
Management

**APPROVED AS TO FORM**  
Office of the Criminal District Attorney,  
Toribio "Terry" Palacios

\_\_\_\_\_  
Michelle Lopez, Assistant District Attorney

**ATTACHMENTS:**  
(If Applicable)

**SUPPLEMENTAL SIGNATURES:**  
(If Applicable)