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1. How much of my lighting upgrade is covered by Hawai'i Energy's Energy Advantage Program?

Hawai'i Energy pays participating contractors for their work based on the amount of energy you save with your new lighting, and they pass these savings on to you. Our lighting incentives are calculated from the energy savings that the lighting retrofit generates (i.e., switching from old inefficient fluorescent lighting to energy efficient LEDs). The maximum incentive available through our Energy Advantage program is capped at \$20,000 per eligible utility account. The amount you pay is based on your locations' needs and the products you select. For some participants, this may result in a free retrofit; others will require a small co-pay. Regardless, you will receive your retrofit at a much lower cost than if you were to purchase everything on your own, and in most cases the amount you save on energy will pay back your costs in less than one year.

All retrofits are subject to availability of funds and may change without notice at any time. Please note that a current W-9 form will be collected and 1099 tax forms will be issued for all retrofits, which could be potentially taxable.

Hawai'i Energy's mission is to empower island families and businesses to make smart energy choices that reduce energy consumption, save money and pursue a 100% clean energy future.

2. What are the steps to getting my lighting upgrade through the Energy Advantage Program?

The process starts with choosing an approved Energy Advantage contractor and scheduling a free facility walkthrough. The contractor will identify eligible lighting upgrades and provide a project estimate that will include the scope of work, Hawai'i Energy lighting incentive, projected energy savings, total project cost, and, if applicable, the estimated customer co-pay. Once the Energy Advantage application and project estimate are signed, the contractor submits the documentation for Hawai'i Energy's review. Projects must be pre-approved before installation can begin, and pre-approval is based on completeness and funding availability. In some cases, a pre-inspection may be required.

Once the project is approved by Hawai'i Energy, the contractor will schedule the lighting retrofit. The project must be completed within six months after project pre-approval is given. Before the lighting retrofit takes place, the contractor will provide a pre-installation lighting demonstration which is required to ensure the customer is satisfied with the lighting quality, levels, and color. The customer must then sign a Project Commitment Letter confirming the proposed lighting is acceptable. Once the infield demonstration is complete, the contractor may proceed with the lighting retrofit. After project completion, the contractor submits the final documentation, including a signed invoice, signed Project Commitment Letter and customer's W-9 form. Incentive payments are processed and paid directly to the contractor after all documents are submitted, and any required inspections are passed.

3. What if I am moving to a new space? Am I eligible?

Eligibility for the Energy Advantage program depends on both the location and type of business at your new space. To qualify, the business must be located within Hawai'i, Honolulu, or Maui counties and meet at least one of the following criteria:

- A restaurant
- A small business receiving electric service under a commercial rate schedule with demand of 30 kilowatts (kW) or less per month
- A common area in an eligible multi-tenant affordable housing property
- A 501(c)(3) nonprofit organization

Contact us for a case-by-case review of eligibility for your new space.

4. Where does Hawai'i Energy's funding come from?

Essentially, you. We are a rate-payer funded program under contract with the Hawai'i Public Utility Commission. At Hawai'I Energy, our mission is to empower island families and businesses to make smarter energy choices to reduce energy consumption, save money and pursue 100% clean energy future.

A fraction of every HECO electricity bill (on Hawai'i, Lāna'i, Maui, Moloka'i and O'ahu) goes toward funding the Hawai'i Energy program and we work to give that money back to residents and businesses in the form of financial assistance

Hawai'i Energy ENERGY ADVANTAGE

for energy efficiency projects as well as community education and training programs. Contact an <u>Energy Advisor</u> to learn more about our program and to discover new ways to save energy.

5. Do I have any financial or other obligations?

- You are required to enter into a contract with an Energy Advantage Participating Contractor for the retrofit (even though the retrofit may be largely or entirely paid for by Hawai'i Energy). The Participating Contractor you select will provide an application and estimate for your review and signature. These documents will include provisions such as liability, insurance, and warranty.
- You may be required to claim the Hawai'i Energy incentive towards the lighting retrofit as taxable income. As part of the application, Hawai'i Energy is required to comply with IRS reporting requirements. In order for the program to meet these requirements, you must submit a current IRS form W-9* with your application. You may receive Form 1099 from Hawai'i Energy if the total rebate/incentive you received is \$600 or more in a calendar year. Please consult your tax advisor for advice regarding the taxability of any rebate/incentive received.
- You may be asked to submit a brief customer satisfaction survey after your project is complete. Hawai'i Energy will email the survey directly to the applicant listed on the Energy Advantage Application.
- If your organization falls under the 501(c)(3) nonprofit eligibility, you will be required to submit an IRS tax determination letter to verify nonprofit status.

*A Form W-9 requester [Hawai'i Energy] who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return.

6. Which contractor should I choose? Do I have to use the contractor that approached me?

You are not required to use the first contractor that approached you. However, that is often the quickest option. We encourage you to independently research the <u>list of Energy Advantage Participating Contractors</u> who are authorized by Hawai'i Energy to offer the Energy Advantage Program incentives and find the best fit for your business. One contractor may propose a different lighting solution for your business compared to another contractor

The list is subject to change as Participating Contractors join or leave the program.



7. What does Hawai'i's fluorescent lighting ban mean for my business and participation in the Energy Advantage program?

Hawai'i's ban on the sale of many fluorescent lighting products took effect on January 1, 2025. For businesses, this means that burnt-out fluorescent bulbs in certain categories—such as decorative (candelabra, medium base), directional (MR, PAR), downlight (recessed), and omni-directional (screw/GU base)—can no longer be replaced or included in projects through our Energy Advantage program. Our Energy Advantage program currently offers the highest lighting incentives, but this will change as the ban progresses. Starting January 1, 2026, the next phase of the ban will begin, bringing additional restrictions and potential changes to program eligibility. Now is the best time to act to maximize your savings, improve your lighting, and stay ahead of upcoming regulatory changes.

8. How do I get more information on making my business more energy efficient?

Please contact one of our <u>Energy Advisors</u> who can help you find the best solutions for your business needs. You can also email us at <u>HawaiiEnergy@Leidos.com</u>.