

HPD RETROFIT ELECTRIFICATION PILOT: ELECTRIFICATION RIDER TO CONTRACT between Owner and Contractor

General:

This Rider (“Rider”) is annexed to and made a part of the Agreement (“Agreement”), dated _____, between _____ (“Owner”) and _____ (“Contractor”) for certain work described therein (“Work”) at _____ (“Project”).

The Agreement, this Rider, and any conditions, drawings, specifications, addenda, other documents listed in the Agreement (collectively, the “Contract”) shall not be modified or amended without the prior written approval of the City of New York Department of Housing Preservation and Development (“HPD”).

Contractor acknowledges that:

Owner has obtained a grant (“Grant”) from NYSERDA to finance all or part of the cost of the Electrification Work (the “Approved NYSERDA Scope”) and as such, the Contractor is obliged to meet certain requirements outlined in this Rider.

Con Edison Clean Heat Program Compliance:

- Subcontractor installing the heat pump equipment must meet all requirements of NYS Clean Heat Program and be a Participating Contractor. Instructions for contractors to join this network can be found in the [Clean Heat Program Manual](#).
- The TAP can assist the Owner in submitting the project for the Preliminary Incentive Offer Letter (“PIOL”).
- The Clean Heat Incentives shall be used to offset the Contractor’s cost to supply and install the project, resulting in a reduced price to the owner by the amount of the incentive. Contractor must itemize this PIOL amount in the bid submitted for HPD.

General System Installation:

- Systems and system components must be installed in accordance with manufacturer specifications and installation requirements, and in compliance with all applicable laws, regulations, codes, licensing and permit requirements including, but not limited to, the New York State Environmental Quality Review Act, the Statewide Uniform Fire Prevention and Building Code and State Energy Conservation Construction Code, the National Electric Code, Fire Codes and all applicable State, city, town, or local ordinances or permit requirements.

Technical Requirements:

- In addition to items listed above (General Equipment Installation) and all HPD and Clean Heat requirements, Contractor must agree to follow the HPD-NYSERDA Retrofit Electrification Retrofit Pilot Technical Requirements (“The Requirements”).
- All projects will be subject to System Commissioning, per The Requirements.
- IMPORTANT: The NYSERDA HPD Electrification Pilot is directing a very high priority to preventing refrigerant leaks. Refrigerant leaks contribute substantially to global warming, will increase energy use in the building, and could place resident health at risk through inadequate heating and cooling. All technicians working with refrigerant charging and connecting refrigerant piping shall review and certify in writing that they have received and read HPD’s Refrigerant Charging and Leak Prevention Requirements, and shall attend the project kickoff meeting, and shall sign the refrigerant charging report.

Equipment Maintenance & Use:

Contractor shall provide the following set up and maintenance items:

- Preset all thermostats according to set-points and limits outlined in The Requirements
- Provide an optional maintenance contract to owner that is fair and reasonable, and meets the minimum standards recommended by the System manufacturer(s).
- Participate in at least one meeting with owner team and TAP to develop relevant training and documentation for building residents on the use of heating/cooling systems and related equipment (e.g., thermostats) in both heating and cooling modes.
- Participate in at least one meeting with owner team and TAP to develop relevant training and documentation for building staff on operation and maintenance of all Systems.
- Provide a detailed manufacturer's operation handbook as well as a maintenance manual containing information on the major components and a schedule of required system maintenance, including maintenance and testing requirements of antifreeze solutions used on the project and any start-up/commissioning documentation for the system(s). For commercial-grade VRF systems or systems over 5-tons, the O&M manual must include as-built drawings.

System Warranties:

- Contractor shall provide for all Systems:
 - o 10-year or longer parts warranty
 - o 1-year or longer labor warranty

Access, Site Visits & Inspections:

- o The TAP will conduct the following site inspections, at minimum, alongside HPD or the Bank Engineer:
 - Commencement ("kick-off" meeting),
 - Open Wall (at completion of System rough-in),
 - Final (substantial completion)
- o The TAP shall be entitled to make additional visits as deemed necessary
- o The TAP shall be entitled to inspect, review and approve or reject the Work on behalf of HPD or the approved representative and NYSERDA as necessary

Incentive Payment Structure:

NYSERDA funds shall be allocated towards construction and completion of the Approved NYSERDA Scope items, as approved by NYSERDA, the TAP and HPD and outlined in the Incentive Award Letter and the Electrification Rider.

Owner acknowledges that payment of the NYSERDA incentive will be made upon the TAP's approval of the Approved NYSERDA Scope items in requisitions for the construction accordance with the terms of the Agreement and the HPD loan documents. For line items funded by both the NYSERDA incentive and by HPD's loan, the NYSERDA incentive disbursement shall equal the Final Incentive Amount's proportionate share of the Scope Costs. The proportionate share is obtained by dividing the Final Incentive Amount by the total Electrification Scope Costs as outlined in the Electrification Rider. For requisitions not containing Approved NYSERDA Scope items, no funds will be distributed from NYSERDA.

Once per calendar month or upon such requisition schedule approved by a senior lender to the Project, if any ("Senior Lender"), Owner shall submit to the TAP, with a copy to HPD and NYSERDA, an application for disbursement for completed scope items, which application shall include AIA G701, G702 and G703 forms and shall be endorsed by both the general contractor and the Owner (each, a

“Requisition”). The TAP will review and advise HPD and NYSERDA on whether to approve or reject the Approved NYSERDA Scope items on such Requisition and the amount of payment requested in connection therewith. If a Requisition is approved by HPD and NYSERDA, NYSERDA will disburse such amount to Owner. The NYSERDA incentive will be paid in accordance with the Prompt Pay Policy attached as Exhibit B. The NYSERDA incentive may be subject to retainage to the extent disbursements of the HPD loan or a senior loan to the Project are subject to retainage. Owner acknowledges that a Senior Lender may require that the NYSERDA incentive be serviced by Senior Lender or its designee in the same manner as HPD loan funds or Owner’s equity investment in the Project, subject to the laws and regulations that govern NYSERDA funds and procedures.

Owner shall comply with the requirements regarding disbursements in the HPD financing documents in order to requisition for HPD loan proceeds for the HPD portion of the Approved NYSERDA Scope.

Owner acknowledges that any changes to the Approved NYSERDA Scope must be reviewed and approved by HPD, NYSERDA and Senior Lender, if any, and if so approved, NYSERDA may revise the Final Incentive Amount if a portion of the Approved NYSERDA Scope is removed or changed.

The final NYSERDA payment will not be approved until the final Commissioning Report has been approved by the TAP.

Bidding Requirements:

The contractor is required to separately itemize all costs specifically related to the project’s Approved NYSERDA Scope so that the NYSERDA portion of the Electrification Scope can be identified and appropriate payments can be made, per the Payment Structure above. The following items must be itemized in the contractor’s bid and on all subsequent payment requests:

- The total amount of the Approved NYSERDA Scope
 - This amount will be compared to the total NYSERDA Incentive to establish NYSERDA’s proportionate share.
- Itemized costs for the following (must equal the total amount of the Approved NYSERDA Scope):
 - The anticipated Clean Heat Customer Incentive from the Preliminary Incentive Offer Letter
 - Supply and Install of all Space Heating systems (“Systems”) where applicable including all components, including interconnecting refrigeration piping, pipe insulation, and controls, and testing & commissioning of System, including refrigerant charging and refrigerant leak testing/prevention, and training of the owner in the controls.
 - Supply and Install of all Hot Water systems (“Systems”) where applicable including all components, including interconnecting refrigeration piping, water piping, pipe insulation, and controls, and testing & commissioning of System, including refrigerant charging and refrigerant leak testing/prevention, and training of the owner in the controls.
 - Electrical and Plumbing work required specifically for the installation of these Systems (e.g., line/ low voltage wiring, condensate lines, etc.). This includes breakers for the heat pumps, power wiring from the panel to the heat pump, the disconnect at the outdoor unit and the convenience receptacle required by code near the outdoor unit.
 - Electric Service and Distribution Upgrades associated with the Systems. This includes costs for Con Ed to upgrade the service to the building, if any; the cost of new electric panels or subpanels, if required; and the cost of new feeders and conduit to panels, if any. This does not cover breakers for the heat pumps, or power wiring from the panel to the heat pump itself, the disconnect at the outdoor unit, and the convenience receptacle required by code near the outdoor unit (which are to be included in the item above).
 - Dunnage, supports, or other structural or aesthetic material and labor required specifically for installation of the Systems

- All other costs not mentioned above, including additional filing or permitting fees specific to the installation of Systems.
- Unit costs for the purposes of change orders.

AGREED TO AS OF: _____

OWNER: By: _____
Name:
Title:

CONTRACTOR: By: _____
Name:
Title: