

PPL Electric Utilities
Appliance Recycling Program- Scope of Work
2/27/09

1. Purpose

This document describes the scope of work to be performed by the Contractor for PPL Electric Utilities' Appliance Recycling Program ("Program"). The Contractor is responsible for implementing a cost-effective, turnkey program to recycle refrigerators, freezers, and room air conditioners ("Appliances"). The Program shall offer customers free pick up and disposal of old and/or inefficient appliances as well as a small financial incentive. The Program targets residential customers, including both single- and multi-family units, but will be available to all PPL Electric Utilities customers whose appliances meet the program's eligibility criteria. Benefits of this program include:

- reducing customer energy usage
- decreasing the use of secondary units
- saving landfill space and energy by recycling durable materials
- properly recycling and disposing of refrigerants and insulating foams
- properly disposing of PCBs, mercury, and used oil pursuant to Federal law

2. Overview

The turnkey Program will be administered by the Contractor with some oversight by PPL Electric Utilities. The Program will start soon after the PA Public Utility Commission's approval of PPL Electric Utilities' Energy Efficiency and Conservation Plan (approximately November 2010). The duration of the Contractor's Program is expected to be 1 to 4 years and will be determined during the Request for Proposal process. The Program's continuance each year is subject to annual reviews of Contractor and Program performance, including cost-effectiveness as required by Pennsylvania Act 129. The Program will be offered throughout the PPL Electric Utilities service territory.

PPL Electric Utilities will annually review rebate levels and performance criteria and may adjust rebates to improve the cost-effectiveness or success of the Program. See Table 1 for appliance qualifications and rebates.

The Program shall be exclusively branded as "PPL Electric Utilities." All operations, marketing, advertising, program materials, etc. shall exclusively carry the PPL Electric Utilities logo/name and/or ePower logo/name as determined by PPL Electric Utilities. The Program shall be marketed and operated as a PPL Electric Utilities program. As such, the Contractor shall provide timely and exceptionally high quality work, including exceptional customer service to potential and actual Program participants.

3. Qualifications, Rebates, and Projected Participation

Table 1- Qualifications and Rebates

Measure	Qualification	Rebate
Refrigerator Removal	residential size; working unit \geq 10 cu ft	\$TBD*
Freezer Removal	residential size; working unit \geq 10 cu ft	\$ TBD*
Room Air Conditioner Removal	working unit	\$ TBD*

* Rebate amounts will be determined based on input from the successful bidder.

The Program limits the number of eligible units per customer to 2 refrigerators, 2 freezers and 3 room air conditioners.

The Appliances must be in the end-user's facility (apartment, home, or business). Appliance dealers, junk dealers, etc. who have removed an Appliance from the customer's facility are not eligible for the Program.

The Programs' participation goals may be adjusted and the contract period extended at the discretion of PPL Electric Utilities. See Table 2 for projected residential participation and Table 3 for projected nonresidential participation by measure and year.

Table 2- Projected Residential Participation

Projected Residential Customers	2010	2011	2012	2013
Refrigerator 1st	TBD*	TBD*	TBD*	TBD*
Refrigerator 2nd	TBD*	TBD*	TBD*	TBD*
Freezer 1st	TBD*	TBD*	TBD*	TBD*
Freezer 2nd	TBD*	TBD*	TBD*	TBD*
Room AC 1st	TBD*	TBD*	TBD*	TBD*
Room AC 2nd	TBD*	TBD*	TBD*	TBD*
Total	TBD*	TBD*	TBD*	TBD*

* Projected participation rates will be determined before issuing the RFP, subject to adjustment based on input from the successful bidder.

Table 3- Projected Nonresidential Participation

Projected Nonresidential Customers	2010	2011	2012	2013
Refrigerator 1st	TBD*	TBD*	TBD*	TBD*
Refrigerator 2nd	TBD*	TBD*	TBD*	TBD*
Freezer 1st	TBD*	TBD*	TBD*	TBD*
Freezer 2nd	TBD*	TBD*	TBD*	TBD*
Room AC 1st	TBD*	TBD*	TBD*	TBD*
Room AC 2nd	TBD*	TBD*	TBD*	TBD*
Total	TBD*	TBD*	TBD*	TBD*

* Projected participation rates will be determined before issuing the RFP, subject to adjustment based on input from the successful bidder.

4. Scope of Work

Marketing and Advertising

The Contractor shall be responsible for marketing and advertising of the Program. These tasks include, but are not necessarily limited to the following. This information will be expanded and customized before award, based on input from the successful bidder:

- The Contractor shall develop a marketing plan for review and approval by PPL Electric Utilities to ensure the goals of the Program are met.
- The Program will rely on point-of-sale (POS) dealer information, direct customer outreach, existing trade allies, existing marketing channels, advertising, and other methods of promotion to get the maximum, cost-effective participation in the Program. The contractor will work with PPL Electric Utilities to develop a program brochure and other promotional materials that outline the program's features, benefits, eligibility requirements, and financial incentives.
- PPL Electric Utilities may provide bill inserts, limited newspaper advertising, links or a dedicated page on its Web site, or other marketing resources to assist Contractor's marketing.
- The Contractor shall be responsible for identifying and recruiting trade allies, marketing partners, and other marketing channels. All of these are subject to approval by PPL Electric Utilities. Contractor will distribute program materials (e.g., POS information) to trade allies, marketing partners, and to other marketing channels and customers in a timely manner. Relevant trade allies may include home improvement, appliance, and electronic stores, and other retail outlets selling new refrigerators, freezers, and room air conditioners.

Operations

The Contractor shall be responsible for all day-to-day operations of the Program. These tasks include, but are not necessarily limited to the following. This information will be expanded and customized before award, based on input from the successful bidder:

- Schedule and execute appliance collection, offering customers options for Saturday and weekday morning/afternoon/evening collection.
- Provide customers with a day-ahead confirmation call and information on how to prepare for Appliance removal i.e., Appliance must be empty but plugged in to verify the Appliance is in working order at the time of pickup.
- Verify customer and Appliance eligibility.
- Transport Appliances to recycling facility.
- Oversee recycling of all possible components and appropriately dispose of remaining materials.
- Track Appliances through the entire process.
- Process rebates for customers. PPL Electric Utilities prefers instant rebates upon collection of Appliance at the customer's facility. However, Contractor shall propose its desired rebate fulfillment timeframe which shall not exceed four weeks from Appliance collection.
- Provide monthly and annual reports to PPL Electric Utilities.
- Provide customer service to Program participants and potential participants. This includes a toll-free contact number, e-mail contact, integrated voice response/voicemail, live operators available during normal business hours, and other means for participants and potential participants to contact the Contractor for questions about the program, rebate status, problems, etc. If desired by Contractor, PPL Electric Utilities will include Contractor's contact information or an active link on PPL Electric Utilities' web site.

Details on some of these tasks are further discussed in the following sections.

Collection and Transportation of Appliances

The Contractor will collect Appliances from the customer's facility and transport Appliances to an appropriate recycling facility. Related activities include, but are not necessarily limited to the following. This information will be expanded and customized before award, based on input from the successful bidder:

- Hire, screen, and train drivers and collection staff. Contractor is responsible to perform criminal and other background checks for all of its employees and subcontractors who will enter a customer's premises or otherwise have personal contact with PPL Electric Utilities' customers.
- Provide well-maintained, insured collection vehicles, tools, and equipment necessary for safe and efficient removal and transportation of Appliances.
- Contractor shall verify Appliances meet Program criteria (type, size, in working order, etc.) before picking them up.

- Remove appliances from within the facility. Protect customer's facility (walls, floors, doors, furniture, etc.) from damage during removal of Appliances.
- If desired by PPL Electric Utilities, while at the customer's facility, Contractor shall provide customer with information (brochures, etc. prepared by PPL Electric Utilities) about other energy efficiency programs or opportunities.
- Deface/disable the appliance before transporting.
- Record the quantity and type of appliances collected.
- Secure customer acknowledgement of collection.
- Transport appliances to a licensed processing and recycling facility.
- Enter customer, pick-up, appliance, and other information into a tracking database.

Recycling and Disposal

The Contractor shall completely, safely, and legally recycle all possible Appliance components. Contractor shall completely, safely, and legally dispose of all non-recyclable components. PPL Electric Utilities requires all Appliances be recycled in a manner that maximizes the amount of material that is reclaimed and reused. Recycling and disposal activities include, but are not necessarily limited to, the following. This information will be expanded and customized before award, based on input from the successful bidder:

- Ensure the recycling facility is in compliance with all federal, state and local hazardous-waste management and recycling regulations, including the federal Clean Air Act and Health and Safety Code (HSC).
- Recover, reclaim, and/or destroy all chlorofluorocarbon (CFC), hydro chlorofluorocarbon (HFC-134a), and non-CFC refrigerants in compliance with all applicable hazardous-waste regulations. Facilities with independent certification of 95% CFC/HFC capture are preferred.
- Recover and destroy all CFC-11 and HCFC 141b blowing agents in the polyurethane foam insulation of the refrigerators and freezers in a manner that complies with all applicable hazardous-waste regulations. Facilities with independent certification of 95% CFC/HCFC capture are preferred.
- Remove, label, and store, in compliance with all applicable regulations, all materials requiring special handling, such as capacitors containing polychlorinated biphenyls (PCBs), mercury-containing switches, and used oils prior to shipment to licensed facilities for disposal or recycling.
- Recycle all glass, metals, plastics and foam (free of blowing agents).
- Properly dispose of any remaining materials that cannot be recycled, reclaimed or reused and which do not require special handling under hazardous waste regulations.
- Maintain documentation to verify Appliances were recycled and disposed of properly.

If the Contractor wishes to leverage the EPA Refrigerator Household Appliances (RAD) program, recycling processes must also meet the requirements for the EPA's RAD program.

Program Quality Assurance, Verification, Evaluation, and Reporting

The Contractor will keep PPL Electric Utilities informed of the Program's progress. Communication is expected to include informal (i.e., phone calls and e-mails) and formal reporting. The Contractor is responsible for maintaining adequate quality assurance, auditing, and verification to ensure information, tracking, payment, customer privacy, and other processes are conducted in accordance with the Program's and other legal requirements. Activities include, but are not necessarily limited to, the following. This information will be expanded and customized before award, based on input from the successful bidder:

- Maintain a database to store and track interactions with the customers, as well as detailed information regarding the appliances collected.
- TBD- process and requirements for Contractor to interface with PPL Electric Utilities' customer information systems, Act 129 tracking systems including the PA PUC's systems, and other systems to track customer participation, etc.
- Submit timely invoices documenting services provided, such as:
 - Customer name, address, a PPL Electric Utilities account number.
 - Number of Appliances collected or rejected, by zip code
 - Documentation that Appliances met Program criteria (size, age, working order, etc.).
 - Reasons for rejection of appliance
 - Number and type of Appliances recycled
 - Appliance model/style (single-door, top freezers, side-by-side, and bottom freezer refrigerators, upright and chest freezers), defrost type, presence of icemaker, capacity (in cubic feet), estimated vintage, amperage/BTU's, and location in the facility from which it was removed
 - Date, status and amount of incentive payments made to Program participants
- Submit monthly reports summarizing Program activities and results, including data from invoices and the following:
 - Number of customers and units collected and/or rejected and recycled
 - Status of Program compared with projections and a variance report that explains the reasons for major deviations.
 - Forecast of number of customers and appliances, by month, to the end of the contract.
 - Financial summary
 - Unit information (Refrigerator or standalone freezer, location, primary or secondary, age, size, defrost type, etc.)
 - Estimated energy savings
 - Estimated environmental benefits of the Program (estimated pounds of CFCs/HCFCs/HFCs, PCBs, mercury, oil, and metals removed for disposal or recycling).
 - List of all customer complaints or disputes, their status, and how they were resolved. Customer's name and account number must be included on the list.

- Submit annual reports summarizing accumulated monthly Program activities, results, and trends. The report must include a hard copy as well as all relevant electronic database information.

If the Contractor uses the EPA RAD program, reporting processes must also meet the EPA requirements.

5. Schedule

- Contract Award (limited notice to proceed; limited scope will be determined prior to award) - 6/28/09.
- Contractor issues draft Marketing Plan for PPL Electric Utilities' review- TBD based on input from the successful bidder.
- PPL Electric Utilities reviews draft Marketing Plan- 10 days after it is issued.
- Full notice to proceed- TBD (date coincides with the PUC's approval of PPL Electric Utilities' Energy Efficiency & Conservation Plan, expected no earlier than 11/1/09).
- Contractor issues marketing and other information to solicit customers - 10 days after full notice to proceed.
- Contractor starts picking-up Appliances. All documentation, rebate processing, and other critical processes are in place- TBD based on input from the successful bidder; approximately 2/1/10.
- Program Target 1 (date and specific number of Appliances recycled TBD before award based on input from the successful bidder)
- Program Target 2 (date and specific number of Appliances recycled TBD before award based on input from the successful bidder)
- Program Target 3 (date and specific number of Appliances recycled TBD before award based on input from the successful bidder)
- Program Target 4 (date and specific number of Appliances recycled TBD before award based on input from the successful bidder)
- 1st Annual Program Evaluation- June 15, 2010
- 2nd Annual Program Evaluation- June 15, 2011
- 3rd Annual Program Evaluation- June 15, 2012
- 4th Annual Program Evaluation- June 15, 2013