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**ELECTRIC SERVICE SCHEDULE NO. 125 - Continued**

**DEFINITIONS:** (continued)

**Energy Efficiency Measure (EEM):** Permanently installed measure specified in an Energy Efficiency Incentive Agreement which can improve the efficiency of the Customer's electric energy use. EEMs designed to primarily reduce Average Monthly kW must also improve the electric energy efficiency to be eligible for Energy Efficiency Incentives.

**Energy Efficiency Measure (EEM) Cost:**

New construction: EEM Cost is the total installed cost of energy efficiency equipment or system minus the cost of the code compliance/common practice equipment or system.

Major renovation: EEM Cost is the total installed cost of the energy efficient equipment or system minus the cost of the code compliance/common practice equipment or system.

Retrofit: EEM Cost is the total installed cost of the energy efficiency equipment or modification.

In the case of both new construction, major renovation and retrofits, EEM Costs shall mean the Owner or Customer's reasonable costs incurred (net of any discounts, rebates or incentives other than Energy Efficiency Incentives from the Company, or other consideration that reduces the final actual EEM Cost incurred by the Owner or Customer) to purchase and install EEMs at the Owner or Customer's facility. If the Owner or Customer installs the EEM then the cost of installation shall be equal to the Owner's or Customer's actual labor costs for such installation.

**Energy Efficiency Project:** One or more EEM(s) covered by one Energy Efficiency Incentive Agreement. Annual kWh and Average Monthly kW savings for an Energy Efficiency Project shall be the sum of the individual EEM values.

**Energy Efficiency Project Cost:** Energy Efficiency Project Cost shall be the sum of the individual EEM costs.

**Industrial Facility:** Buildings and process equipment associated with manufacturing.  
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