

## Exhibit 1

### Sheltering Arms Weatherization Assistance Program

**Project Description:** Performing Party shall use SEP Funds to perform energy efficiency upgrades on low-income homes in Harris County. Specifically, SEP Funds may only be used for: 1) purchase and installation of compact fluorescent light bulbs; 2) the incremental cost of replacement of energy-inefficient fans and refrigerators with energy-efficient models; 3) the incremental cost of replacement of energy-inefficient washers and dryers with energy-efficient models; 4) sheetrock repairs to sustain and protect new attic insulation; 5) floor repairs to prevent air leaks; 6) repairs to patches made to sheetrock during the addition of all new insulation; and 7) other direct costs authorized in advance by TCEQ.

SEP Funds will be used solely for the direct cost of performing the project and no portion will be spent on administrative costs. Performing Party shall submit a budget and scope of work to TCEQ for written approval prior to expenditure of SEP Funds.

Performing Party shall use Federal Weatherization Assistance Program (“WAP”) and Federal Low Income Home Energy Assistance Funds (“LIHEAP”) to perform weatherization inspections and generate computerized audits for the proposed weatherization work. WAP and LIHEAP funds are currently limited to \$4,000 per house by regulation. The WAP and LIHEAP funds will also be used for 1) replacement of stoves, space heaters, and water heaters that leak carbon monoxide; 2) purchase and installation of carbon monoxide detectors; 3) replacement of central air conditioning systems and window units; 4) addition of wall and attic insulation; 5) caulking and weather-stripping; 5) replacement of window panels; 6) addition of solar screens; 7) new windows and doors.

Performing Party shall use SEP Funds to enhance the proposed weatherization work not covered by the WAP and LIHEAP funds. Performing Party shall submit the results of the weatherization audits along with any proposed modifications and associated budgets and scope of work to TCEQ. Performing Party shall quantify the environmental benefit of each project and submit the results of the calculation to TCEQ within 90 days of completion of each project.

Performing Party certifies that it has no budgetary commitment to do this project and that it is not receiving duplicative funding to perform this project. Performing Party agrees to disclose to TCEQ any additional sources of funding it receives to perform any portion of the projects described herein or for which it intends to utilize SEP Funds. Performing Party agrees to use a competitive bid process or other mechanism to ensure that costs of the project are reasonable and customary.

**Environmental Benefit:** Implementation of this project will reduce fuel and electricity usage for heating and cooling and day-to-day living operations. These reductions will reduce emissions of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with combustion of fuel and generation of electricity.

**Eligible Counties:** Harris

**Minimum Contribution:** \$4,000