



HVAC ENERGY SAVINGS AGREEMENT

This HVAC Energy Savings Agreement (“Agreement”) is entered into as of the ___ day of _____, 20__ (“Effective Date”), by and between:

Service Provider:

[Company Name]

[Street Address]

[City, State, Zip Code]

Phone: [Phone Number]

Email: [Email Address]

License #: [License Number]

AND

Customer:

[Customer Name / Business Name]

Service Address: [Service Address]

Billing Address (if different): [Billing Address]

Phone: [Customer Phone]

Email: [Customer Email]

Service Provider and Customer may individually be referred to as a “Party” and collectively as the “Parties.”

1. PURPOSE

The purpose of this Agreement is to implement energy efficiency improvements to Customer’s HVAC systems and to establish the terms under which Service Provider shall deliver measurable energy savings through system optimization, upgrades, controls improvements, and performance monitoring.

This Agreement is intended to:

- Reduce energy consumption
- Lower utility costs
- Improve HVAC system efficiency
- Enhance indoor comfort
- Reduce carbon footprint
- Improve equipment lifespan

This Agreement may include performance-based compensation tied to verified energy savings as described herein.

2. DEFINITIONS

For purposes of this Agreement:

“**Baseline Energy Consumption**” means the average HVAC-related energy usage measured prior to implementation of improvements.

“**Energy Savings**” means the documented reduction in HVAC-related energy usage compared to Baseline Energy Consumption.



“Energy Conservation Measures (ECMs)” means equipment upgrades, system optimizations, or operational changes designed to reduce energy consumption.

“Measurement and Verification (M&V)” means the process used to calculate and validate energy savings.

3. SCOPE OF SERVICES

Service Provider agrees to provide the following services:

3.1 Energy Audit

Service Provider shall perform a comprehensive HVAC energy assessment including:

- Review of historical utility bills (minimum 12 months)
- Equipment inspection
- Thermostat and controls analysis
- Ductwork evaluation
- Load assessment
- Airflow analysis
- Refrigerant level evaluation
- Operational scheduling review

A written Energy Audit Report shall be provided outlining recommended ECMs and projected savings.

3.2 Energy Conservation Measures (ECMs)

ECMs may include, but are not limited to:

- High-efficiency HVAC system upgrades
- Variable frequency drive (VFD) installation
- Smart thermostat installation
- Zoning system implementation
- Economizer repair or retrofit
- Duct sealing
- Refrigerant optimization
- Coil cleaning and restoration
- Demand control ventilation
- Building automation integration
- Insulation improvements related to HVAC

Final ECMs shall be listed in **Exhibit A – Approved Energy Improvements**.

4. IMPLEMENTATION

Upon Customer approval of proposed ECMs, Service Provider shall:

1. Schedule installation.
2. Provide licensed and qualified technicians.
3. Obtain necessary permits (if applicable).
4. Complete installation in accordance with manufacturer specifications and local codes.
5. Provide post-installation commissioning.

Customer shall provide reasonable access to property and equipment.



5. BASELINE ENERGY DETERMINATION

5.1 Baseline Period

Baseline Energy Consumption shall be determined using:

- The prior 12 months of HVAC-related energy usage, adjusted for weather conditions using degree-day analysis; OR
- Submetered HVAC data where available.

Baseline calculations shall be documented in writing and agreed upon by both Parties.

6. MEASUREMENT AND VERIFICATION (M&V)

Energy savings shall be verified using one or more of the following methods:

- Utility bill comparison
- Submeter data
- Energy modeling software
- Degree-day normalization
- Building automation system analytics

Savings shall be calculated at intervals of:

- Quarterly
- Semi-annually
- Annually

An Energy Savings Report shall be provided after each evaluation period.

7. PERFORMANCE GUARANTEE (IF APPLICABLE)

If this Agreement includes a performance guarantee, Service Provider guarantees that implemented ECMs shall generate a minimum annual energy savings of:

\$_____ per year

OR

_____ % reduction in HVAC-related energy usage

If actual verified savings fall below the guaranteed amount, Service Provider shall:

- Pay the difference
- Provide corrective improvements at no additional cost
- Credit the Customer's account

Performance guarantee terms shall be detailed in **Exhibit B – Performance Guarantee Terms**.

8. COMPENSATION STRUCTURE

Compensation may be structured as:

8.1 Fixed Fee Model

Customer shall pay a total project fee of \$_____.

8.2 Shared Savings Model

Customer shall pay Service Provider ___% of verified energy savings for a term of ___ years.

8.3 Hybrid Model



Customer shall pay an upfront fee of \$ _____ plus ___% of verified savings.
All payments are due within fifteen (15) days of invoice unless otherwise specified.

9. CUSTOMER RESPONSIBILITIES

Customer agrees to:

1. Provide access to utility bills and energy data.
2. Maintain normal building operations.
3. Avoid altering installed ECMs without written approval.
4. Maintain equipment in accordance with manufacturer guidelines.
5. Notify Service Provider of operational changes affecting energy usage.

Failure to comply may void performance guarantees.

10. EXCLUSIONS

Energy savings calculations do not account for:

- Changes in occupancy levels
- Major operational changes
- Expansion or renovation
- Addition of high-energy equipment
- Utility rate fluctuations
- Extreme weather anomalies beyond statistical adjustments

Service Provider shall not be responsible for savings variations caused by these factors.

11. OWNERSHIP OF EQUIPMENT

Unless otherwise specified:

- All installed equipment shall become property of Customer upon full payment.
- Software licenses remain subject to manufacturer terms.

If a shared savings model is used, ownership terms may differ as described in Exhibit C.

12. TERM OF AGREEMENT

This Agreement shall remain in effect for:

- 1 Year
- 3 Years
- 5 Years
- Term of Shared Savings Period

Termination prior to completion may require repayment of implementation costs.

13. LIMITATION OF LIABILITY

To the fullest extent permitted by law:

- Service Provider’s liability shall not exceed total compensation received under this Agreement.
- Service Provider shall not be liable for indirect, incidental, special, or consequential damages.
- Service Provider does not guarantee specific utility rates or external market conditions.



14. TERMINATION

14.1 For Convenience

Either Party may terminate with thirty (30) days written notice.
Customer shall pay for all services performed through termination date.

14.2 For Cause

Either Party may terminate immediately for material breach if breach is not cured within fifteen (15) days of written notice.

15. FORCE MAJEURE

Service Provider shall not be liable for delays caused by:

- Natural disasters
- Supply chain disruptions
- Government regulations
- Labor strikes
- Utility interruptions
- Acts of God

16. CONFIDENTIALITY

Both Parties agree to maintain confidentiality of:

- Energy data
- Utility billing records
- Proprietary methodologies
- Financial terms

Confidential information shall not be disclosed without written consent.

17. INSURANCE

Service Provider maintains:

- General liability insurance
- Workers' compensation coverage
- Professional liability coverage (if applicable)

Certificates of insurance available upon request.

18. INDEMNIFICATION

Customer agrees to indemnify and hold harmless Service Provider from claims arising from:

- Building operational changes
- Third-party modifications
- Improper maintenance
- Misuse of installed equipment

19. GOVERNING LAW

This Agreement shall be governed by the laws of the State of _____.



20. DISPUTE RESOLUTION

Disputes shall first be submitted to mediation. If unresolved, disputes shall be settled through binding arbitration in the State of _____.

Each Party shall bear its own attorney's fees unless otherwise awarded.

21. ENTIRE AGREEMENT

This Agreement, including Exhibits A, B, and C, constitutes the entire agreement between the Parties. No modification shall be valid unless in writing and signed by both Parties.

22. SEVERABILITY

If any provision is deemed invalid, remaining provisions shall remain enforceable.

23. NOTICES

All notices shall be delivered by:

- Certified mail
- Recognized courier
- Email with confirmation

To addresses listed above.

24. ACCEPTANCE

By signing below, the Parties agree to the terms of this HVAC Energy Savings Agreement.

SERVICE PROVIDER

Signature: _____

Name: _____

Title: _____

Date: _____

CUSTOMER

Signature: _____

Name: _____

Date: _____

EXHIBIT A – APPROVED ENERGY IMPROVEMENTS

ECM Description Estimated Cost Projected Annual Savings Payback Period

EXHIBIT B – PERFORMANCE GUARANTEE TERMS

(Detail guarantee metrics, calculation methodology, and reconciliation process.)

EXHIBIT C – SHARED SAVINGS STRUCTURE (IF APPLICABLE)

(Detail savings percentage, term, ownership, buyout options.)