# Geothermal Energy Services Agreement

Customer Frequently Asked Questions

## What exactly am I buying?

Heating, cooling, and hot water preheat as a service, rather than equipment. Energy Catalyst designs, installs, owns and maintains the geothermal system at your home. You pay a fixed monthly Service Fee for the HVAC services it delivers. The system remains our property for the full term.

This is why the agreement is called a Geothermal Services Agreement rather than a lease or a loan. This structure is required to qualify for federal Investment Tax Credits and ultimately lead to lower costs to the customer.

## What do I pay up front?

A down payment set in Exhibit 3, capped at 20 percent of project cost. On a typical $70,000 whole home installation that is roughly $12,000.

There is no loan application, no lien on your home, and no debt reported on your credit.

## What does the monthly fee cover?

For the full 15 year term, Energy Catalyst pays for:

- All routine maintenance and scheduled service
- All emergency repairs
- All parts and component replacement, including compressors, pumps, controls, and the ground loop
- Property insurance on the system at full replacement cost
- Remote performance monitoring
- Filter changes during scheduled service visits

This is not a warranty that expires. For fifteen years, if the system breaks, we repair it at our expense. We carry the risk of loss, damage, theft, and destruction.

There are exceptions: damage you cause through gross negligence or willful misconduct, unauthorized modifications to the system, or work performed on the system by an unqualified person(s).

## What if the system does not perform?

Exhibit 3 sets a Minimum System Capacity for every month of the term. If the system is unable to deliver this minimum for three consecutive months, for reasons within our control, you may terminate the agreement on 30 days written notice.

If the system doesn't work, you are contractually allowed to stop making payments after 3 months.

## Who receives the tax credits?

The federal credit. As of January 1, 2026, homeowners can no longer claim a federal tax credit for geothermal. Section 25D of the tax code, the 30 percent Residential Clean Energy Credit, was terminated by the One Big Beautiful Bill Act for any system placed in service after December 31, 2025. If you purchase a geothermal system yourself in 2026, your federal credit is zero.

The commercial Section 48 Investment Tax Credit for geothermal heat pumps was left intact, and the same law removed the barrier that previously prevented third party owners from leasing these systems to homeowners. Energy Catalyst claims that credit as system owner and includes it's value into your monthly fee. Third party ownership is now the only route by which a federal geothermal tax credit reaches a residential project.

The New York State credit. The agreement expressly preserves your right to the New York Geothermal Energy System Credit on Form IT-267 if you qualify. The system must serve your primary residence in New York State. The credit equals 25 percent of qualified expenditures, capped at $10,000 for systems placed in service on or after July 1, 2025.

Utility rebates. NYS Clean Heat rebates go to Energy Catalyst as system owner and are reflected in your pricing. We prepare and file the applications.

## Can I purchase the system?

Yes, at the end of year six and again at the end of the term, at fair market value determined between us or by an independent appraiser. Written notice is due 90 to 180 days beforehand.

Fair market value cannot be fixed in advance. A predetermined price would convert the agreement into a disguised sale and forfeit the tax treatment that makes this pricing possible. We will provide a good faith, non binding estimate on request.

## What happens after 15 years?

You have three options: renew for three additional years at a renegotiated rate, purchase the system at fair market value, or allow the agreement to end. If you chose for it to end, we have the right to remove the system at our cost within 90 days and restore your home to its prior condition, ordinary wear excepted.

## What if I sell my house?

You may sell without our consent, provided the buyer assumes the agreement in writing and meets one of three tests: a FICO score of 650 or above, qualification for a mortgage on the property, or an all cash purchase.

A geothermal system with all maintenance covered for the remaining term is a straightforward feature to convey to a buyer.

## Is this a lien on my home?

No. The system remains our personal property under Article 9 of the Uniform Commercial Code and is never a fixture of your house. No mortgage or security interest attaches to your property.

We do record a memorandum of easement in the land records. That easement allows our crews to install, service, and eventually remove the system, and it runs for the term plus 90 days. It grants access rather than creating debt.

## What am I responsible for?

- Paying the monthly Service Fee on time by ACH, credit, or debit
- Providing a high speed internet connection so we can monitor performance
- Maintaining insurance on your building and premises
- Not modifying the system, or altering your home in ways that impair it, without notifying us first
- Giving our crews reasonable access
- Paying your utility bills

Payment obligations run for the full term and are not suspended by damage to the system, except where we have failed to perform, in which case the underperformance and default remedies described above apply.

## Why is the term 15 years?

The term is what makes the monthly figure work. The ground loop has a service life beyond 50 years and the heat pump beyond 20, so the equipment outlasts the agreement comfortably. A shorter term would recover the same capital over fewer months and raise your payment.

This summary describes the general terms of the Geothermal Services Agreement and does not modify it. Where this summary and the executed agreement differ, the agreement governs. Financial figures are illustrative and depend on final system design, project cost, and rebate levels at the time of installation. Energy Catalyst does not provide tax advice. Confirm your eligibility for any tax credit with your own tax preparer.