

ADDENDUM TO 2006-2008 AGREEMENT TO DELIVER  
SANTA BARBARA ENERGY EFFICIENCY PARTNERSHIP PROGRAM

This addendum to the agreement to jointly deliver the 2006-2008 Santa Barbara Energy Efficiency Partnership Program (the "Addendum") is effective as of March 17, 2008 ("Effective Date"), by and between SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), and the County of Santa Barbara ("County"). SCE and the County may be referred to herein individually as a "Party" and collectively as the "Parties." All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement to Jointly Deliver the 2006-2008 Santa Barbara Energy Efficiency Partnership Program, dated as of January 1, 2006, by and between the Parties (the "2006-08 Agreement").

RECITALS

WHEREAS, SCE's 2006-2008 Santa Barbara Energy Efficiency Partnership Program (also known as the "South County Energy Efficiency Partnership Program" or the "2006-08 Program") includes the County of Santa Barbara, the City of Carpinteria, the City of Goleta and the County of Santa Barbara (the "Program Participants");

WHEREAS, the Parties previously executed the 2006-08 Agreement, which provides that all Direct Implementation and Marketing & Outreach activities (as defined in the Concept Papers for the 2006-08 Agreement ("2006-08 Concept Papers")) must be completed no later than December 31, 2008;

WHEREAS, on July 21, 2008, SCE submitted their respective applications ("2009-11 Applications") for the implementation of energy efficiency programs to be delivered to California utility customers for the years 2009 through 2011, which included the 2009-11 South County Energy Leader Partnership (the "2009-11 Program"), involving the joint delivery of energy efficiency information and training, marketing and outreach, and services to local governments, public agencies, businesses and residents located in the SCE service territory;

WHEREAS, on August 18, 2008, SCE filed with the Commission a joint request with the other California investor-owned utilities for bridge funding in order to continue certain energy efficiency programs into 2009 in the event the Commission does not finalize a decision on the 2009-11 Applications before the end of 2008;

WHEREAS, on October 16, 2008, the Commission issued a Decision Adopting Bridge Funding For 2009 Energy Efficiency Programs ("Bridge Funding Decision") allowing SCE to expend funds to continue certain 2008 energy efficiency programs during the period from January 1, 2009 to the earlier of three (3) months after the effective date of the Commission's final decision on the 2009-11 Applications, or December 31, 2009 ("Bridge Funding Period");

WHEREAS, the Parties desire to enter into this Addendum to provide for an extension of the 2006-08 Agreement in the event the Commission has not issued a final decision on the 2009-11 Applications on or prior to January 1, 2009; and

WHEREAS, the Commission has not issued a final decision on the 2009-11 Applications prior to January 1, 2009; and

WHEREAS, the parties have not spent any funds allocated to the Bridge Funding Period prior to January 1, 2009; and

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- a. The Parties shall be authorized to perform Authorized Work after December 31, 2008 (“Bridge-Funded Authorized Work”), subject to the terms of this Addendum.
- b. The Parties shall continue to track all Authorized Work under the 2006-08 Agreement performed prior to January 1, 2009 (“2006-08 Authorized Work”) and all related reports and other work, including the final invoice for the 2006-2008 period, must be submitted to SCE by February 15, 2009.
- c. The Bridge-Funded Authorized Work shall be subject to the terms of the Bridge Funding Decision. In the event of any inconsistency between this Addendum and the Bridge Funding Decision, the terms of the Bridge Funding Decision shall control.
- d. The Commission-approved monthly budget for performance of the Bridge-Funded Authorized Work (“Monthly Bridge Funding Budget”), is as follows:

SCE is authorized to spend a cumulative amount not to exceed **\$9,300** per month during the Bridge Funding Period for all Program Participants in connection with Bridge-Funded Authorized Work in SCE’s service territory. Allocation of the Monthly Bridge Funding Budget among the Program Participants, including the County, shall be determined by SCE in its sole discretion and in accordance with the 2006-08 Agreement.

The Parties acknowledge that any unspent funds in a single month of the Monthly Bridge Funding Budget may not be spent in future months, unless prior written authorization is provided by SCE. The Monthly Bridge Funding Budget may be supplemented on a case-by-case basis, in SCE’s sole discretion and with its prior written authorization in the event that (i) there are large projects that exceed such Monthly Bridge Funding

Budget or (ii) the Parties can produce significant additional savings with additional funds.

No unspent funds from the 2006-08 program cycle shall carry over into the Bridge Funding Period, except such funds as are necessary to prepare final project reports for projects installed prior to December 31, 2008, final program reports and final invoices, as authorized by SCE.

- e. The Parties acknowledge that the County will be proposing energy efficiency projects for the 2009-11 Program during the Bridge-Funding Period. The County acknowledges that SCE shall have sole and absolute discretion to commit, approve or disapprove any such projects and any corresponding incentives.
- f. Unless this Agreement is terminated pursuant to Section 24.2 of the 2006-08 Agreement, the Parties shall complete all Direct Implementation and Marketing & Outreach activities (as defined in the 2006-08 Concept Papers) related to Bridge-Funded Authorized Work by no later than the date that is three months after the effective date of a final decision by the Commission on the 2009-11 Applications, or by December 31, 2009, or by the effective date of an Agreement for the 2009-11 Application activities, whichever occurs first (such first date, the "Bridge-Funded Authorized Work Deadline"). Program administrative activities (as defined by the 2006-08 Concept Papers, reporting workbooks and reporting requirements), including submission of the Final Report(s), for Bridge-Funded Authorized Work must be completed no later than three (3) months following the Bridge-Funded Authorized Work Deadline, unless otherwise agreed to by the Parties or so ordered by the Commission.
- g. The Parties shall track all Bridge-Funded Authorized Work performed after January 1, 2009, and final invoices for Bridge-Funded Authorized Work shall be submitted no later than three (3) months following the Bridge-Funded Authorized Work Deadline.
- h. County shall submit invoices for the electric incentives authorized in Section 9.4.2(a) in the 2006-08 Agreement directly to SCE with all required signatures and supporting project documentation for approval. If SCE approves the incentive payment, it shall process the incentive payment to County.
- i. The Term of the 2006-08 Agreement shall continue in effect with respect to Bridge-Funded Authorized Work until the date which is three (3) months following the Bridge-Funded Authorized Work Deadline, unless otherwise terminated in accordance with the provisions of Section 24.2 of the 2006-08 Agreement.

- j. The terms of the 2006-08 Agreement (as amended, restated, supplemented or modified under this Addendum) shall remain in full force and effect for such Bridge-Funded Authorized Work. In the event of any inconsistency between the terms of the 2006-08 Agreement and the terms of this Addendum, the terms of this Addendum shall control.

Unless otherwise stated in this Addendum, the Parties' rights and obligations with respect to Authorized Work performed on or prior to December 31, 2008 shall remain the same and are not intended to be amended or modified.

2. This Addendum shall only become effective if the Commission has not issued a final decision on the 2009-11 Applications authorizing the 2009-11 Program prior to January 1, 2009. In the event such final decision is issued prior to January 1, 2009, then this Addendum shall automatically terminate and be of no further force and effect.

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NEXT PAGE]

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IN WITNESS WHEREOF, the Parties hereto have caused this Addendum to be executed by their duly authorized representatives.

**County:**

**COUNTY OF SANTA BARBARA**

**By:** \_\_\_\_\_  
**JOSEPH CENTENO**

**Its: Chair, Board of Supervisors**

**Date:** \_\_\_\_\_, 2008

**SCE:**

**SOUTHERN CALIFORNIA EDISON  
COMPANY**

**By:** \_\_\_\_\_  
**Lynda Ziegler**

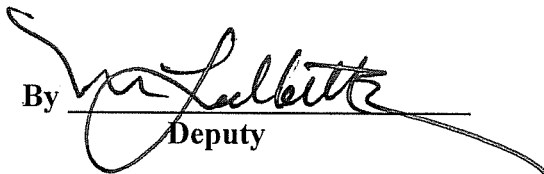
**Its: Senior Vice President,  
Customer Services**

**Date:** \_\_\_\_\_, 2008

**ATTEST:  
MICHAEL F. BROWN  
CLERK OF THE BOARD**

**By** \_\_\_\_\_  
**Deputy**

**APPROVED AS TO FORM:  
DENNIS MARSHALL  
COUNTY COUNSEL**

**By**  \_\_\_\_\_  
**Deputy**