

AGREEMENT TO JOINTLY DELIVER THE 2010-2012
SOUTH COUNTY SANTA BARBARA ENERGY EFFICIENCY PARTNERSHIP PROGRAM

BY AND AMONG

CITY OF CARPINTERIA

CITY OF GOLETA

CITY OF SANTA BARBARA

COUNTY OF SANTA BARBARA

SOUTHERN CALIFORNIA EDISON COMPANY

AND

SOUTHERN CALIFORNIA GAS COMPANY

Dated: January 1, 2010

This program is funded by California utility ratepayers and administered by the Utilities under the auspices of the California Public Utilities Commission.

THIS AGREEMENT TO JOINTLY DELIVER THE 2010-2012 SOUTH COUNTY SANTA BARBARA ENERGY EFFICIENCY PARTNERSHIP PROGRAM (the "Agreement") by and among SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), THE CITY OF CARPINTERIA, THE CITY OF GOLETA, THE CITY OF SANTA BARBARA, THE COUNTY OF SANTA BARBARA and SOUTHERN CALIFORNIA GAS COMPANY ("SCG"), is effective as of January 1, 2010 ("Effective Date"). SCE and SCG may be referred to herein individually as the "Utility" or collectively as the "Utilities", and the City of CARPINTERIA, the City of GOLETA, the City of SANTA BARBARA, and the County of SANTA BARBARA may be referred to herein individually as the "Program Participant" or collectively as the "Program Participants". The Utilities and the Program Participants may be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, on July 21, 2008, as amended on March 2, 2009, the Utilities submitted their respective Applications ("Applications") for Approval of 2009-2011 Energy Efficiency Programs to the California Public Utilities Commission (the "Commission") to be delivered to California utility customers for the years 2009 through 2011, which included the SCE Energy Leader Partnership Program for South Santa Barbara County (the "SCE Partnership Program") and the SCG Local Government Partnership Program for South Santa Barbara County (the "SCG Partnership Program") (SCE Partnership Program and SCG Partnership Program may be referred to herein collectively as the "Partnership Programs"), involving the joint delivery of energy efficiency programs to cities, counties, other local government organizations and communities in Southern Santa Barbara County within SCE and SCG service territories;

WHEREAS, on July 2, 2009, SCE amended its aforementioned application to the Commission, requesting approval of an extended 2010-2012 Partnership Program cycle for its proposed plans and funding requests, including the SCE Partnership Program;

WHEREAS, on October 1, 2009, the Commission in D.09-09-047 authorized certain energy efficiency programs and budgets which include the Partnership Programs to be delivered to California utility customers for the years 2010 through 2012, including the 2010-2012 South County Santa Barbara Energy Efficiency Partnership Program (the "Program");

WHEREAS the Program Participants have expressed a commitment, and have qualified, to participate in the Partnership Programs, allowing the Program Participants to achieve immediate and long-term energy savings and demand reduction in their own facilities and to demonstrate energy efficiency leadership in their community while helping residents and businesses achieve sustainable reductions in energy use within the Utilities' service territory;

WHEREAS, the Partnership's Program is designed to encompass several local government jurisdictions, including CITY OF CARPINTERIA, CITY OF GOLETA, CITY OF SANTA BARBARA, AND SANTA BARBARA COUNTY, and each Program Participant shall have its respective obligations in connection with the Program;

WHEREAS, all Program Participants have passed, approved and adopted a Resolution supporting and endorsing the Program, approving each as a Program Participant, and authorizing execution of this Agreement; and

WHEREAS, the Parties desire to enter into an agreement that supersedes any and all previous agreements, and sets forth the terms and conditions under which the Program shall be implemented with respect to the Parties.

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

1. DEFINITIONS

All terms used in the singular will be deemed to include the plural, and vice versa. The words “herein,” “hereto,” and “hereunder” and words of similar import refer to this Agreement as a whole, including all exhibits or other attachments to this Agreement, as the same may from time to time be amended or supplemented, and not to any particular subdivision contained in this Agreement, except as the context clearly requires otherwise. “Includes” or “including” when used herein is not intended to be exclusive, or to limit the generality of the preceding words, and means “including without limitation.” The word “or” is not exclusive.

1.1. Agreement: This document and all exhibits attached hereto, and as amended from time to time.

1.2. Amendment: A future document executed by the authorized representatives of all Parties which changes or modifies the terms of this Agreement.

1.3. Authorized Budget: The Commission approved maximum budget for funding the performance of Authorized Work by all Parties of the Program as set forth in the Program Implementation Plans.

1.4. Authorized Work: The work authorized by the Commission for the Program as set forth in this Agreement and as more fully described in the Program Implementation Plans attached hereto, and as agreed to be performed by the Parties.

1.5. Business Day: The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.

1.6. Calendar Day: The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Agreement are Calendar Days.

1.7. Contractor: An entity contracting directly or indirectly with a Party or a Program Participant, or any subcontractor thereof subcontracting with such Contractor, to furnish services or materials as part of or directly related to such Party’s or Program Participant’s Authorized Work obligations.

1.8. Customers or Eligible Customers: Customers eligible for 2010-2012 Program services, which are SCE or SCG customers located within the jurisdiction of a Program Participant, and may include the Program Participant itself.

1.9. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.

1.10. Energy Efficiency Measure (or Measure): As used in the Commission’s Energy Efficiency Policy Manual, Version 4, August 2008, as may be supplemented or updated from time to time.

1.11. Gas Surcharge: The funds collected from gas utility ratepayers pursuant to Section 890 et al. of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.

1.12. Incentive: As used in the Commission's Energy Efficiency Policy Manual, Version 4, August 2008, as may be supplemented or updated from time to time.

1.13. Partner Budget: That portion of the Authorized Budget, which represents each Utility's maximum budget and maximum allocation by period, for funding the performance of the Program by all of the Program Participants and as set forth in Exhibit B-1 and B-2 respectively, subject to amendment by the Utilities consistent with the terms of this Agreement.

1.14. Energy Champion: A Member City's representative who is a point of contact for the Program and can represent on behalf of such Member City on a daily basis for all Program activities and energy efficiency projects pertaining to such Member City.

1.15. Program Expenditures: Actual (i.e., no mark-up for profit, administrative or other indirect costs), reasonable expenditures of the Program Participants that are pre-approved, directly identifiable to and required for the Authorized Work in accordance with Section 10.3.

1.16. PIP or Program Implementation Plan: The implementation plan specific to this Partnership, together with the SCE Energy Leader Partnership Master PIP and SCG Local Government Partnership Master PIP, which include the anticipated scope of the Program in Utilities' service territories, as approved by the Commission and attached hereto as Exhibit C1, Program Implementation Plan (for SCE) and Exhibit C2 (for SCG).

1.17. Public Goods Charge (PGC): The funds collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.

1.18. Planning Document: A Program document that describes Program implementation and/or management processes, procedures and strategies, as may be supplemented or updated from time to time.

2. PURPOSE

The Program is funded by California utility ratepayers and is administered by the Utilities under the auspices of the Commission. The purpose of this Agreement is to set forth the terms and conditions under which the Parties will jointly implement the Program. The work authorized pursuant to this Agreement is not to be performed for profit.

This Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

3. PROGRAM DESCRIPTION

3.1. Overview. The 2010-2012 South County Santa Barbara Energy Efficiency Partnership Program is designed to assist local governments effectively lead their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, protect air quality and ensure that their communities are more livable and sustainable. The Program provides a performance-based opportunity from SCE and access to all SCE and SCG core programs and incentives for the Program Participants to demonstrate energy efficiency leadership in its community through energy saving actions, including retrofitting its municipal facilities as well as providing opportunities for constituents to take action in their homes and businesses. By implementing measures in its own facilities, the Program Participants will lead by example as the Program Participants and the Utilities work together to increase community awareness of energy efficiency and to build sustainable local government capacity in energy management practices. The Program will provide marketing, outreach, education, training and community sweeps to connect the community with opportunities to save energy, money and help the environment. The Program Participants will leverage the strengths of each other to efficiently deliver energy and demand savings. Delivering sustainable energy savings, promoting energy efficiency lifestyles, and achieving an enduring leadership role for each Program Participant through this Program design is rooted in an effective relationship between the Program Participants, their constituents, and the Utilities.

3.2. SCE Energy Leader Partnership Level. The SCE Energy Leader Partnership Program offers a tiered Incentive structure through achievement of four separate levels of participation: "Valued Partner," "Silver," "Gold" and "Platinum." The Program Participant will enter the SCE Program at the level indicated on Exhibit A (SCE Energy Leader Partnership Program Level) hereto, which has been determined by the Program Participant's past participation in SCE energy efficiency and demand response programs both at the city level and at the community level. Exhibit A further explains each level and the energy savings requirements for moving to the next SCE Energy Leader Partnership level. SCE will track the Program Participant's performance under this Agreement against the goals and objectives set forth herein, and will notify the Program Participant when it has achieved the next incentive level by amending Exhibit A accordingly and providing the Program Participant with a copy. Any such amended Exhibit A will replace the then-existing Exhibit A in its entirety.

4. AUTHORIZED WORK

4.1. Scope. The work authorized by the Commission is set forth broadly in the PIPs and shall be performed pursuant to the terms of this Agreement. The Parties shall collaborate and mutually agree upon specific Program implementation consistent with the PIP, and the Parties shall document such details in a "Planning Document" which is intended to evolve throughout the term of the Program.

4.2. Objectives. The Program is designed to meet the specific goals and milestones set forth in Exhibits B-1 (SCE Partnership budget) and B-2 (SCG Partnership budget) of this Agreement, while implementing the Program strategies and meeting the general objectives and goals set forth in the PIPs, attached hereto as Exhibit C-1 (for SCE) and Exhibit C-2 (for SCG).

5. LIMITATION ON SERVICE TERRITORY – The Parties agree that Authorized Work shall only be performed in Utilities' service territory, with energy savings and demand reduction claims applicable

6. OBLIGATIONS OF THE PARTIES

6.1. Obligations of the Utilities and the Program Participants

- 6.1.1. Each Party will be responsible for the overall progress of its Authorized Work, to ensure that the Program remains on target (including but not limited to achieving the Program's specific energy savings and demand reduction goals as set forth in Exhibit B-1 and B-2).
- 6.1.2. The Parties agree that the Utilities may contract engineering or technical services to assist Program Participants in identifying and evaluating potential energy efficiency projects. The Parties (through their designated representatives) will work together with such engineering or technical contractor on related energy efficiency projects, to perform energy saving calculations using utilities tools, to report project status at the partnership meeting, and to ensure that the Program meets its goals. The estimated budget for such engineering and technical services is contained in Exhibit B-1 and B-2. Such engineering and technical services shall be contracted and paid directly by the Utilities.
- 6.1.3. The Parties shall jointly coordinate and prepare all Program-related documents, including all required reporting pursuant to Section 9, and any such other reporting as may be reasonably requested by the Utilities.
- 6.1.4. To the extent practicable and with coordination by the Utilities, the Parties shall use the Program as a portal for other existing or selected programs that the Utilities offer, including programs targeting low-income customers, demand response, self-generation, solar, and other programs as described in the PIP, with a goal to enhance consistency in rebates and other Program details, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing expenditures.
- 6.1.5. Consistent with those contained in the PIP, the Utilities and the Program Participants will work together to develop and accomplish additional mutually agreeable goals.

6.2. Obligations of the Program Participants.

- 6.2.1. Each Program Participant will appoint a Program representative ("Energy Champion") who will be the primary contact between the Utilities and the Program Participant, and who will be authorized to act on behalf of the Program Participant in carrying out its obligations under this Agreement. Such appointment shall be communicated in writing to the Utilities within 10 Business Days following execution of this Agreement.

- 6.2.2. The Program Participant shall communicate regularly with the Utilities' Energy Efficiency Representative in accordance with Section 7.2 and 7.3 hereof, and shall advise the Utilities immediately of any problems or delays associated with its Authorized Work obligations.
- 6.2.3. The Program Participant shall perform its Authorized Work obligations within the Partner Budget for such Program Participant and in conformance with the schedule and goals associated with such Authorized Work as set forth in this Agreement, and shall furnish the required labor, equipment and material with the degree of skill, care and professionalism that is required by current professional standards.
- 6.2.4. Each Program Participant will be actively involved in all aspects of the Program. Each Program Participant will use its best efforts to (a) dedicate human resources necessary to implement the Program successfully, (b) providing support for the Program's marketing and outreach activities, and (c) working to enhance communications with the Utilities to address consumer needs.
- 6.2.5. Each Program Participant shall obtain the approval of the Utilities when developing Program marketing materials and prior to their distribution, publication, circulation, or dissemination in any way to the public. In addition, all advertising, marketing or otherwise printed or reproduced material used to implement, refer to, or that is in any way related to the Program must contain the respective name and logo of the Utilities, at a minimum, the following language: *"This Program is funded by California utility ratepayers and administered by Southern California Edison and Southern California Gas Company under the auspices of the California Public Utilities Commission."* Each Program Participant shall allow five (5) business days for such Utility review and approval.
- 6.2.6. The Program Participants shall obtain the approval of the Utilities prior to conducting any Program public outreach activities (exhibits, displays, public presentations, canvassing, etc.) and any marketing materials used in connection with such outreach activity shall comply with the requirements of Section 6.2.5.
- 6.2.7. Each Program Participant shall submit to SCE or SCG, upon its request, all contracts, agreements or other requested documents with the Program Participant's Contractors (including subcontractors) performing Authorized Work in connection with the Program.
- 6.2.8. Each Program Participant acknowledges and agrees that the Program has other Program Participants, and that no one Program Participant is entitled to the entire Authorized Budget, and that each Program Participant shall work with the Utilities and each other Program Participants to achieve the goals and accomplish the Authorized Work of the Program.

6.3. Obligations of the Utilities.

- 6.3.1. Each Utility will appoint a Program representative (“Energy Efficiency Representative”) who will be the primary contact between such Utility and the other Utility and the Program Participants, and who will be authorized to act on behalf of such Utility in carrying out such Utility’s obligations under this Agreement. Such appointment shall be communicated in writing to the Program Participants and the other Utility within 10 Business Days following execution of this Agreement.
- 6.3.2. Each Utility will be actively involved in all aspects of the Program. Each Utility will use good faith efforts to add value to the Program by (a) dedicating human resources necessary to assist each Program Participant in implementing the Program successfully and providing and maintaining a Program presence in the community of each Program Participant, (b) providing support for the Program’s marketing and outreach activities, and (c) working to enhance communications with the Program Participant to address consumer needs and provide such Utility’s information and services.
- 6.3.3. Each Utility shall provide, at no cost to the Program Participant, informational and educational materials on such Utility’s statewide and local energy efficiency core programs.
- 6.3.4. Each Utility shall work with the Program Participants as requested to help identify cost-effective energy efficient projects in the Program Participant’s qualifying municipal facilities within such Utility’s service territory.
- 6.3.5. Each Utility shall administer its respective PGC funds or Gas Surcharge funds authorized by the Commission for the Program in accordance with this Agreement, and shall reimburse the Program Participant for its portion of Program Expenditures in accordance with Section 10 below.

6.4. EM&V. Once the Commission has approved and issued an evaluation, measurement and verification (“EM&V”) plan for the Program, such EM&V plan shall be attached to this Agreement as Exhibit D and shall be incorporated herein by this reference. Any subsequent changes or modifications to such EM&V plan by the Commission shall be automatically incorporated into Exhibit D. Each Program Participant shall provide and comply with all Commission/Utilities’ requests regarding activities related to EM&V. The Program Participant and its Contractors shall cooperate fully with the Utilities’ Energy Efficiency Representative and will provide all requested information, if any, to assure the timely completion of all EM&V Plan tasks requiring the Program Participant’s involvement or cooperation.

7. ADMINISTRATION OF PROGRAM

7.1. Decision-making and Approval.

7.1.1. Except as specifically provided in this Agreement, the following actions and tasks require consent of all Parties:

- a. Any material modification to the Authorized Work in connection with the Program.
- b. Any action that materially impacts the agreed-upon schedule for implementing the Program.
- c. Selection of any Contractor not previously approved by the Utilities.

7.1.2. Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, including, without limitation, all actions specified in Section 7.1.1 above, in meeting minutes or if taken outside a meeting, through written communication, which shall be maintained in hard copy form on file by the Parties for a period of no less than ten (10) years after the expiration or termination of this Agreement.

7.2. Lead Utility. The Utilities hereto authorize and appoint SCE to be the primary administrator of the Program (“Lead Utility”). The Lead Utility shall be responsible for:

- 7.2.1 Monitoring the overall progress of the Authorized Work, to ensure that the Program remains on target (including achieving the Program’s energy savings and demand reduction goals), and meets all reporting and other filing requirements;
- 7.2.2 Coordinating the preparation of all Program-related documents, including all required reporting pursuant to Section 9 and any such other reporting duties as may be required;
- 7.2.3 As applicable, coordinating with other existing or selected programs that the Utilities offer, including programs targeting low-income customers, to enhance consistency in rebates and other Program details, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing expenditures;
- 7.2.4 Determining and verifying the SCE Program Participant’s eligibility to move to a new SCE Energy Leader Level as described in Section 3.2 hereof.

7.3. Regular Meetings. During the term of this Agreement, the Program Participant representatives of the Partnership identified pursuant to Section 6.2.1 and the Utilities’ Energy Efficiency Representatives, along with such members of the Program team as the Parties deem necessary or appropriate (collectively, the “Program Representatives”), shall meet monthly at a location reasonably agreed upon by the Parties. In addition to any other agenda items requested by either Party, the agenda shall include a review the status of the Program Participant’s performance against its respective Partner Budget, toward achievement of the goals set forth in Exhibits B-1 and B-2, and the Program’s progress towards meeting overall Program goals set forth in Exhibit B-1, Exhibit B-2 and the PIPs. Any decision-

7.4. Regular Communication. Regular communication among Program Representatives is critical for the long-term success of the Program and achievement of Program goals and objectives. Notwithstanding Section 7.2, above, the Program Representatives shall communicate regularly with each other to review the status of the Program's goals, deliverables, schedules and budgets, and plan for upcoming Program implementation activities, and to advise the other Party of any problems associated with successful implementation of the Program. Any decision-making during this communication process shall be reached and documented in accordance with the requirements of Section 7.1 above.

7.5. Non-Responsibility for Other Party. Notwithstanding anything contained in this Agreement in the contrary, a Party shall not be responsible for the performance or non-performance hereunder of the other Party, nor be obligated to remedy any other Party's defaults or defective performance.

8. DOUBLE DIPPING PROHIBITED

In performing its respective Authorized Work obligations, each Program Participant shall implement the following mechanism and shall take other practicable steps to minimize double-dipping:

8.1. Prior to providing incentives or services to an Eligible Customer, the Program Participant and its Contractors shall obtain a signed form from such Eligible Customer stating that:

- 8.1.1. Such Eligible Customer has not received incentives or services for the same measure from any other Utility program or from another utility, state, or local program; and
- 8.1.2. Such Eligible Customer agrees not to apply for or receive Incentives or services for the same measure from any other SCE or SCG program or from another utility, state, or local program.
- 8.1.3. Nothing in this Agreement should be construed to preclude the leveraging of incentives or services from another utility, or local program that are not funded from the same PGC Funds or Gas Surcharge Funds.

Each Party shall keep its Customer-signed forms for at least five (5) years after the expiration or termination of this Agreement.

8.2. No Party shall knowingly provide an incentive to an Eligible Customer, or make payment to a Contractor, who is receiving compensation for the same product or service either through another ratepayer funded program, or through any other funding source.

8.3. Each Program Participant represents and warrants that it or its Contractors has not received, and will not apply for or accept Incentives or services for any measure provided for herein or offered pursuant to this Agreement or the Program from any other Utility program or from any other utility, state or local program.

8.4. The Parties shall take reasonable steps to minimize or avoid the provision of incentives or services for the same measures provided under the Program from another program or other funding source (“double-dipping”).

9. REPORTING

9.1. Reporting Requirements. The Parties shall implement those reporting requirements set forth in Exhibit E attached hereto, as the same may be amended from time to time, or until the Commission otherwise requires or issues different or updated reporting requirements for the Program, in which case and at which time such Commission-approved reporting requirements shall replace the requirements set forth in Exhibit E in their entirety.

10. PAYMENTS

10.1. Partner Budget

10.1.1. Maximum Budget: The Partner Budget is set forth in Exhibits B-1 (for SCE) and B-2 (for SGC) to this Agreement and represents the combined Program Participants’ maximum share of the Program’s Authorized Budget by Utility. Additionally, Exhibits B-1 and B-2 set forth the maximum non-Incentive budget by Utility on a periodic basis during the Program. The Program Participants, individually and jointly, shall not be entitled to compensation in excess of the Partner Budget allocated by either Utility (either on a periodic basis or in total), without written authorization by such Utility and receipt of a revised Exhibit B. Consistent with Commission directives to maximize cost-effectiveness and energy savings, the Partner Budgets set forth in Exhibit B may be reallocated or adjusted at any time by the Utilities in their sole discretion, based upon such Utilities’ evaluation of the Program Participant’s commitment to, and progress toward its energy savings goals set forth herein.

10.1.2. Tracking:

10.1.2.1 SCE will track the Program Participant’s performance against the goals and objectives set forth in Section 4.2 hereof, including tracking (or estimating) achievement towards the specific energy savings and demand reduction goals set forth in Exhibit B-1, and will provide such tracking information to the Program Participants on a regular basis, but in no event less than quarterly. The tracking will enable SCE, to (i) properly allocate the Authorized Budget among all the Energy Leader Partnerships according to their individual performance and achievement of respective goals and objectives, (ii) confirm or amend the SCE portion of the Partner Budget set forth in Exhibit B-1 hereto, based on the Program Participant’s performance of the SCE goals and objectives set forth in this Agreement, and (iii) determine/verify the Program Participant’s eligibility to move to a new Energy Leader Level as described in Section 3.2 hereof.

10.1.2.2. SCG will track the Program Participants’ performance against the SCG goals and objectives set forth in Section 4.2 hereof, including tracking (or estimating) achievement towards the specific energy savings goals set forth in Exhibit B-2. The tracking will enable SCG, to (i) report SCG Program status and

achievement of respective goals and objectives, (ii) confirm or amend SCG portion of the Partner Budget, set forth in Exhibit B-2 hereto, based on the Program Participants' performance of the SCG goals and objectives set forth in this Agreement;

10.1.3. Partner Budget Adjustment: The Parties acknowledge that this Program is offered in furtherance of the Commission's strategic energy efficiency goals for California and is based on the Program Participants' commitment to attain such goals and its desire to provide leadership to its community. To this end, in the event that one Utility determines, in its reasonable discretion and through the tracking mechanism set forth in 10.1.2 above, that the Program Participants are not performing in accordance with the goals and objectives set forth in Section 4.2 hereof, then such Utility shall consult and review the performance issues with the Program Participants. In the event the parties are unable to reach a mutual resolution, the Utility shall have the unilateral right to reduce, eliminate, or otherwise adjust such Utility's portion of the Partner Budget for the remaining Program year or years (other than for Program Expenditures previously approved by such Utility) by amending the applicable Exhibit B-1 or B-2 and providing the amended Exhibit to the Program Participant. Pursuant to this Section, any such amended Exhibit B-1 or B-2 shall automatically be incorporated into this Agreement and take effect immediately upon delivery from such Utility to the Program Participant.

10.1.4. Partner Budget Categories

- a. Non-Incentive Budget: The Partner Budget is comprised of a non-incentive portion which includes separate categories for Marketing, Education & Outreach, Technical Assistance and Direct Implementation, all of which are more fully described in the Program Implementation Plans
- b. Incentive Budget:
 - (i) SCE Incentive Budget: As part of the Partner Budget from SCE, the Program Participant shall be eligible to receive certain enhanced SCE Incentives through partnership participation in SCE core programs, as well as additional incentives consistent with the Participant's tier level of program participation, including completion of municipal retrofit projects further described in this Agreement and in the SCE Program Implementation Plan. The additional Incentives will be made available as the Program Participant reaches higher Energy Leadership Partnership Levels in accordance with Exhibit A.
 - (ii) SCG Incentive Budget: SCG incentive budget in this Program is a part of incentive budget from its core programs. The incentive level is up to \$1.00 per therm for the calculated measures. Other incentives for deemed measures are in accordance with the prescribed incentives for SCG core programs.

10.2. Program Expenditures of the Program Participant. The Program Participant, with each Utility's prior approval, shall be entitled to spend PGC funds or Gas Surcharge funds, within the limits of the respective Utility's Partner Budget. The Program Participant shall not be entitled to reimbursement of Program Expenditures for any item (i) not specifically identifiable to the Program, (ii) not previously approved by the Utilities, (iii) not expended within the terms of this Agreement, or (iv) not otherwise reimbursable under this Agreement.

10.3. Payment to the Program Participant. In order for the Program Participant to be entitled to PGC funds or Gas Surcharge funds for Program Expenditures:

10.3.1. The Program Participant shall submit monthly activity reports to the Utilities in a format acceptable to the Utilities and containing such information as may be required for the reporting requirements set forth in Section 9 above ("Monthly Reports"), by the tenth (10th) Calendar Day of the calendar month following performance, setting forth all Program Expenditures.

10.3.2. The Program Participant shall submit to the applicable Utility, together with any Monthly Report (if required), a monthly invoice for reimbursement of the reported Program Expenditures, in a format acceptable to such Utility, attaching all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the following:

- a. Contractor Costs: Copies of all Contractor invoices. If only a portion of Contractor costs applies to the Program, the Program Participant shall clearly indicate the line items or percentage of the invoice amount that should be applied to the Program as provided in Exhibit E.
- b. Marketing, Education & Outreach: A copy of each distinct marketing material produced, with quantity of a given marketing material produced, the method of distribution, sign-in sheets and evaluation forms.
- c. Other expenditures: As pre-approved by the affected Utility, with sufficient documentation to support the expenditure.
- d. Allowable Costs: Only those costs as listed in the Allowable Cost Table contained in the Reporting Requirements attached as Exhibit E can be submitted for payment. All invoices submitted to the Utilities must report all costs using the allowable cost elements shown on the Allowable Cost Table.

The Program Participants understand and acknowledge that all non-incentive invoices for the 2010-2012 Program and the Monthly Report shall be submitted to the Lead Utility with copy to SCG.

10.3.3. Each Utility reserves the right to reject any Program Participant invoiced amount for any of the following reasons:

- a. The invoiced amount, when aggregated with previous Program Expenditures, exceeds the amount budgeted therefore in the Partner Budget for such Authorized Work (as set forth in Exhibit B-1 or B-2).

- b. There is a reasonable basis for concluding that such invoiced amount is unreasonable or is not directly identifiable to or required for the Authorized Work, and/or the Program.
- c. The invoiced amount, in such Utility's sole discretion, contains charges for any item not authorized under this Agreement or by the Commission, or is deemed untimely, unsubstantiated or lacking proper documentation and support.

10.3.4. The Program Participants shall maintain for a period of not less than five (5) years all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the documentation set forth in Section 10.3.2 above. The Program Participant shall promptly provide, upon the reasonable request by a Utility, any documentation, records or information in connection with the Program or its Authorized Work.

10.3.5. Each Utility shall review and either approve, dispute or reject for payment the reported Program Expenditures within twenty (20) Calendar Days of receipt of the Monthly Report and corresponding invoice. The Utility shall pay all undisputed amounts after the ten (10) Business Day period described in Section 10.3.1, but within thirty (30) Calendar Days of receiving the Monthly Report and corresponding invoice.

10.3 Payment of Incentives. Payment of Incentives to the Program Participant shall be made in accordance with the applicable Utility's applicable program requirements, including terms and conditions, and only after appropriate program documents have been submitted and approved, and the appropriate inspections of each project or measure have been completed to such Utility's satisfaction.

10.4. Shifting Funds. Each Utility may shift funds within the Authorized Budget among Program Participants, and/or may shift funds within such Utility's portion of the Partner Budget among budget categories (Marketing, Education & Outreach, Technical Assistance, Direct Implementation and Incentives), which categories and budget amounts are set forth in Exhibit B-1 or B-2. Such fund shifting may be made by such Utility to the maximum extent permitted under, and in accordance with, Commission decisions and rulings to which the Program relates; provided however, that prior to shifting of funds hereunder, the respective Utility will consult with and review the reasons for such a fund shifting with the Partner.

10.5. Reasonableness of Expenditures. The Program Participant shall bear the burden of ensuring that its Program Expenditures are objectively reasonable. The Commission has the authority to review all Program Expenditures for reasonableness. Should the Commission, at any time, issue a finding of unreasonableness as to any Program Expenditure and require a refund or return of the PGC funds or Gas Surcharge funds paid in the reimbursement of such Program Expenditure, the Program Participant shall be solely liable for such refund or return.

11. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES

Unless this Agreement is terminated pursuant to Section 25 below, or unless otherwise agreed to by the Parties or so ordered by the Commission, the Parties shall complete all Program Administrative

activities (as defined in the PIP) and all reporting requirements by no later than March 31, 2013, and all Direct Implementation and Marketing & Outreach activities by no later than December 31, 2012.

12. FINAL INVOICES

Each Program Participant must submit final non-incentive invoices to the Lead Utility no later than March 31, 2013.

13. INDEMNITY

13.1. Indemnity by the Program Participant. Each Program Participant shall indemnify, defend and hold harmless the Utilities, and its respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees) to the extent arising from (a) the Program Participant's negligence or willful misconduct in the Program Participant's activities under the Program or performance of its obligations hereunder, or (b) the Program Participant's breach of this Agreement or of any representation or warranty of the Program Participant contained in this Agreement.

13.2. Indemnity by the Utilities. Each Utility shall indemnify, defend and hold harmless each other Party, and its respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees) to the extent arising from (a) such Utility's negligence or willful misconduct in such Utility's activities under the Program or performance of its obligations hereunder or (b) such Utility's breach of this Agreement or any representation or warranty of such Utility contained in this Agreement.

13.3. LIMITATION OF LIABILITY. NO PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS AGREEMENT.

14. OWNERSHIP OF DEVELOPMENTS

The Parties acknowledge and agree that the Utilities, on behalf of its Customers, shall own all data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") or other written, recorded, photographic or visual materials, or other deliverables produced in the performance of this Agreement; provided, however, that Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. Although the Program Participant shall retain no ownership, interest, or title in the Developments except as may otherwise be provided in this Agreement,

it will have a permanent, royalty free, non-exclusive license to use such Developments, subject to the confidentiality obligations of this Agreement.

15. DISPUTE RESOLUTION

15.1. Dispute Resolution. Except as may otherwise be set forth expressly herein, all disputes arising under this Agreement shall be resolved as set forth in this Section 15.

15.2. Negotiation and Mediation. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Parties' authorized representatives. The disputing Party shall give the other Party written notice of any dispute. Within twenty (20) Calendar Days after delivery of such notice, the authorized representatives shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) Calendar Days of the first meeting, any Party may initiate a mediation of the dispute. The mediation shall be facilitated by a mediator that is acceptable to both Parties and shall conclude within sixty (60) Calendar Days of its commencement, unless the Parties agree to extend the mediation process beyond such deadline. Upon agreeing on a mediator, the Parties shall enter into a written agreement for the mediation services with each Party paying a pro rata share of the mediator's fee, if any. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association; provided, however, that no consequential damages shall be awarded in any such proceeding and each Party shall bear its own legal fees and expenses.

15.3. Confidentiality. All negotiations and any mediation conducted pursuant to Section 15.2 shall be confidential and shall be treated as compromise and settlement negotiations, to which Section 1152 of the California Evidence Code shall apply, which Section is incorporated in this Agreement by reference.

15.4. Injunctive Relief. Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo.

15.5. Continuing Obligation. Each Party shall continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

15.6. Failure of Mediation. If, after good faith efforts to mediate a dispute under the terms of this Agreement as provided in Section 15.2 above, the Parties cannot agree to a resolution of the dispute, any Party may pursue whatever legal remedies may be available to it at law or in equity, before a court of competent jurisdiction and with venue as provided in Section 15.2.

16. REPRESENTATIONS AND WARRANTIES

16.1. Representation of both Parties. Each Party represents, covenants and warrants, as of the Effective Date and thereafter during the term of this Agreement, that:

- 16.1.1. The Authorized Work performed by a Party and/or its Contractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, local and foreign governments, and all agencies thereof.
- 16.1.2. The Authorized Work performed by a Party and/or its Contractors shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any proprietary rights of any person.
- 16.1.3. Each Party shall conform to the applicable employment practices requirements of (Presidential) Executive Order 11246 of September 24, 1965, as amended and applicable regulations promulgated thereunder.
- 16.1.4. Each Party shall contractually require each Contractor it hires to perform the Authorized Work to indemnify each other Party to the same extent such Party has indemnified each other Party under the terms and conditions of this Agreement.
- 16.1.5. Each Party shall retain, and shall cause its Contractors to retain, all records and documents pertaining to its Authorized Work obligations for a period of not less than five (5) years beyond the termination or expiration of this Agreement.
- 16.1.6. Each Party shall contractually require all of its Contractors to provide the other Parties reasonable access to relevant records and staff of Contractors concerning the Authorized Work.
- 16.1.7. Each Party will maintain, and may require its Contractors to maintain, the following insurance coverage or self insurance coverage, at all times during the term of this Agreement, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:
 - (i) Workers' Compensation: statutory minimum.
 - (ii) Employer's Liability coverage: \$1 million minimum.
 - (iii) Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate.
 - (iv) Commercial or Business Auto (if applicable): \$1 million minimum.
 - (v) Professional Liability (if applicable): \$1 million minimum.
- 16.1.8. Each Party shall take all reasonable measures, and shall require its Contractors to take all reasonable measures, to ensure that the Program funds in its possession are used solely for Authorized Work, which measures shall include the highest degree of care that such Party uses to control its own funds, but in no event less than a reasonable degree of care.

17. PROOF OF INSURANCE

- 17.1. Evidence of Insurance. Upon request at any time during the term of this Agreement, a Party shall provide evidence that its insurance policies (and the insurance policies of any Contractor, as provided in Section 16.1.7) are in full force and effect, and

17.2. Self-Insurance. If a Party is self-insured, such Party shall upon request forward documentation to the other Party that demonstrates to the other Party's satisfaction that such Party self-insures as a matter of normal business practice before commencing the Authorized Work. Each Party will accept reasonable proof of self-insurance comparable to the above requirements.

17.3. Notice of Claims. Each Party shall immediately report to the other Party, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by such Party or its Contractors or such Party's receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim over \$100,000.

18. CUSTOMER CONFIDENTIALITY REQUIREMENTS

18.1. Non-Disclosure. The Program Participant, its employees, agents and Contractors shall not disclose any Confidential Customer Information (defined below) to any third party during the term of this Agreement or after its completion, without the Program Participant having obtained the prior written consent of the affected Utility, except as provided by law, lawful court order or subpoena and provided the Program Participant gives the affected Utility advance written notice of such order or subpoena.

18.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, a Utility customer's name, address, telephone number, account number and all billing and usage information, as well as any such Utility customer's information that is marked "confidential". If the Program Participant is uncertain whether any information should be considered Confidential Customer Information, the Program Participant shall contact such Utility prior to disclosing the customer information.

18.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, the Utility may require the Program Participant to enter into a nondisclosure agreement.

18.4. Commission Proceedings. This provision does not prohibit the Program Participant from disclosing non-confidential information concerning the Authorized Work to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

18.5. Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to the Program Participant by the Utility, and any and all documents and materials containing such Confidential Customer Information or produced by the Program Participant based on such Confidential Customer Information (including all copies, backups and abstracts thereof), during the performance of this Agreement shall be returned upon written request by the Utility.

18.6. Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section 18 and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section 18 by the

19. TIME IS OF THE ESSENCE

The Parties hereby acknowledge that time is of the essence in performing their obligations under this Agreement. Failure to comply with milestones and goals stated in this Agreement, including but not limited to those set forth in Exhibit B of this Agreement and the applicable PIP, may constitute a material breach of this Agreement, resulting in its termination, payments being withheld, Partner Budgets being reduced or adjusted, funding redirected by the Utility to other programs or partners, or other Program modifications as determined by such Utility or as directed by the Commission.

20. CUSTOMER COMPLAINT RESOLUTION PROCESS

The Parties shall develop and implement a process for the management and resolution of Customer complaints in an expedited manner including, but not limited to: (a) ensuring adequate levels of professional Customer service staff; (b) direct access of Customer complaints to supervisory and/or management personnel; (c) documenting each Customer complaint upon receipt; and (d) directing any Customer complaint that is not resolved within five (5) Calendar Days of receipt by the Program Participant to the affected Utility.

21. RESTRICTIONS ON MARKETING

21.1. Use of Commission's Name. No Party may use the name of the Commission on marketing materials for the Program without prior written approval from the Commission staff. In order to obtain this written approval, the Utilities must send a copy of the planned materials to the Commission requesting approval to use the Commission name and/or logo. Notwithstanding the foregoing, the Parties shall disclose their source of funding for the Program by stating prominently on marketing materials that the Program is "funded by California ratepayers under the auspices of the California Public Utilities Commission."

21.2. Use of Utilities' Name. The Program Participant must receive prior review and written approval from the Utility in order to use such Utility's name, mark or logo on any marketing or other Program materials. The Program Participant shall allow five (5) Business Days for such Utility review and approval. If the Program Participant has not received a response from such Utility within the five (5) Business Day period, then it shall be deemed that such Utility has disapproved such use.

21.3. Use of the Program Participant's Name. The Utility must receive prior review and written approval from the Program Participant in order to use the Program Participant's name, mark or logo on any marketing or other Program materials. The Utility shall allow five (5) Business Days for the Program Participant's review and approval. If the Utility has not received a response from the Program Participant within the five (5) Business Day period, then it shall be deemed that the Program Participant has disapproved such use.

22. RIGHT TO AUDIT

The Parties agree that the other Party, and/or the Commission, or their respective designated representatives, shall have the right to review and to copy any records or supporting documentation

pertaining to their performance of this Agreement or the Authorized Work, during normal business hours, and to allow reasonable access in order to interview any staff of the Program Participant or the Utility who might reasonably have information related to such records. Further, the Parties agree to include a similar right of the other Party and/or the Commission to audit records and interview staff in any subcontract related to performance of the Authorized Work or this Agreement.

23. STOP WORK PROCEDURES

A Utility may suspend the Authorized Work being performed in its service territory for good cause, including, without limitation, concerns relating to program funding, implementation or management of the Program, safety concerns, fraud or excessive customer complaints, by notifying the Program Participant in writing to suspend any Authorized Work being performed in such Utility's service territory. Any performance of Authorized Work by the Program Participant in such Utility's service territory shall stop immediately, and the Program Participant may resume its Authorized Work only upon receiving written notice from such Utility that it may resume its Authorized Work.

24. MODIFICATIONS

Except as otherwise provided in this Agreement, changes to this Agreement shall be only be valid through a written amendment to this Agreement signed by both Parties.

25. TERM AND TERMINATION

- 25.1 Term. This Agreement shall be effective as of the Effective Date.
- 25.2 Termination for Convenience. Each Party shall have the right to terminate participation in this Agreement, at its sole convenience by providing at least thirty (30) days' prior written notice to the other Party setting forth the effective date of such termination
- 25.3 Effect of Termination. Any termination by all Program Participants or by all of the Utilities shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 37).
- 25.3.1 Subject to the provisions of this Agreement, the Program Participant shall be entitled to PGC Funds or Gas Surcharge Funds for all Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for Authorized Work up to the effective date of termination of this Agreement, provided that any Monthly Reports or other reports, invoices, documents or information required under this Agreement or by the Commission are submitted in accordance with the terms and conditions of this Agreement. The provisions of this Section 25.3.1 shall be the Program Participant's sole compensation resulting from any termination of this Agreement.
- 25.3.2 In the event of termination of this Agreement in its entirety, the Program Participant shall stop any Authorized Work in progress and take action as directed by the Lead Utility to bring the Authorized Work to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and of any applicable contracts for Authorized Work.
- 25.3.3 In the event of a partial termination of this Agreement by a Utility, the remaining Utility, at its sole option without waiving any other rights as may be provided for in this Agreement, or in law or equity, may elect to continue the Program jointly as continuing parties to this Agreement.

26. WRITTEN NOTICES

Any written notice, demand or request required or authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

The Program Participants:

City of CARPINTERIA
Kevin Silk, Assistant City Manager
5775 Carpinteria Ave.
Carpinteria, CA.93013

City of Goleta
Kirsten Zimmer Deshler
Public Information Officer
130 Cremona Drive, Suite B
Goleta, CA. 93117
Tel: 805-961-7507

City of Santa Barbara
James Dewey
Facilities & Energy Manager
630 Garden Street
Santa Barbara, CA. 93102

County of Santa Barbara
Jack Williams
County Facilities Manager
1105 Santa Barbara St.
Santa Barbara, CA. 93101
Tel: 805-568-2533

SCE:

Southern California Edison Company
Pascal Okpo, Program Manager
6042A Irwindale Ave.
Irwindale, CA. 91702

SCG:

Southern California Gas Company
Paulo Morais, Energy Programs Supervisor
555 W. Fifth Street, GT28A4
Los Angeles, CA 90013
Tel: (213) 244-3246
Fax: (213) 244-8252

Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m., or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier, on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery.

27. CONTRACTORS

Each Party shall, at all times, be responsible for its Authorized Work obligations, and acts and omissions of Contractors, subcontractors and persons directly or indirectly employed by such Party for services in connection with the Authorized Work. Each Party shall require its Contractors to be bound by terms and conditions which are the same or similar to those contained in this Agreement, as the same may be applicable to Contractors.

28. RELATIONSHIP OF THE PARTIES

The Parties shall act in an independent capacity and not as officers or employees or agents of each other. This Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

29. NON-DISCRIMINATION CLAUSE

No Party shall unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment, and shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a)-(f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a)-(f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

Each Party represents and warrants that it shall include the substance of the nondiscrimination and compliance provisions of this clause in all subcontracts for its Authorized Work obligations.

30. COMMISSION/SCE AUTHORITY TO MODIFY OR TERMINATE

This Agreement and the Program shall at all times be subject to the discretion of the Commission, including, but not limited to, review and modifications, excusing a Party's performance hereunder, or termination as the Commission may direct from time to time in the reasonable exercise of its jurisdiction. In addition, in the event that any ruling, decision or other action by the Commission adversely impacts the Program, a Utility shall have the right to terminate this Agreement in accordance with the provisions of Section 25 above by providing at least ten (10) days' prior written notice to the Program Participant setting forth the effective date of such termination. Notwithstanding the right to terminate, the Parties agree to share in the responsibility and to abide by Commission energy policy supporting this Program. The Parties agree to use all reasonable efforts to minimize the adverse impact to a Party resulting from such Commission actions, including but not limited to modification of the required energy savings goals set forth in Section 4.2 which are fundamental to this Agreement.

31. NON-WAIVER

None of the provisions of this Agreement shall be considered waived by either Party unless such waiver is specifically stated in writing.

32. ASSIGNMENT

No Party shall assign this Agreement or any part or interest thereof, without the prior written consent of all other Parties, and any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, if the Utility is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require the Program Participant's consent and such Utility shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

33. FORCE MAJEURE

Failure of a Party to perform its obligations under this Agreement by reason of any of the following shall not constitute an event of default or breach of this Agreement: strikes, picket lines, boycott efforts, earthquakes, fires, floods, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including, without limitation, any agency or department of the United States of America), acts of terrorism, acts of the public enemy, scarcity or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes which are beyond the reasonable control of such Party.

34. SEVERABILITY

In the event that any of the terms, covenants or conditions of this Agreement, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court, regulatory agency, or other regulatory body having jurisdiction, all other terms, covenants, or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect, unless a court, regulatory agency, or other regulatory body holds that the provisions are not separable from all other provisions of this Agreement.

35. GOVERNING LAW; VENUE

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Agreement shall be filed in Santa Barbara, California.

36. SECTION HEADINGS

Section headings appearing in this Agreement are for convenience only and shall not be construed as interpretations of text.

37. SURVIVAL

Notwithstanding completion or termination of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement which by their nature survive such completion or termination. Such provisions shall include, but are not limited to, Sections 9, 10, 13, 14, 15, 18, 22, 35 and 38 of this Agreement.

38. ATTORNEYS' FEES

Except as otherwise provided herein, in the event of any legal action or other proceeding between the Parties arising out of this Agreement or the transactions contemplated herein, each Party in such legal action or proceeding shall bear its own costs and expenses incurred therein, including reasonable attorneys' fees.

39. COOPERATION

Each Party agrees to cooperate with the other Party in whatever manner is reasonably required to facilitate the successful completion of this Agreement.

40. ENTIRE AGREEMENT

This Agreement (including all of the Exhibits and Attachments hereto which are incorporated into this Agreement by this reference) contains the entire agreement and understanding between the Parties and merges and supersedes all prior agreements, representations and discussions pertaining to the subject matter of this Agreement.

41. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

[INTENTIONALLY LEFT BLANK]

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

Program Participants:

CITY OF CARPINTERIA

CITY OF SANTA BARBARA

Name:
Title:
Date:

Name:
Title:
Date:

CITY OF GOLETA

COUNTY OF SANTA BARBARA

Name:
Title:
Date:

Name: *Juan Requiedo*
Title: *Auditor, Controller Specialty Acctg. Division Chief*
Date: *3/12/10*
APPROVED AS TO FORM:

UTILITIES:

SOUTHERN CALIFORNIA EDISON COMPANY

DENNIS A. MARSHALL
COUNTY COUNSEL
[Signature]
DEPUTY

By: Lynda Ziegler
Title: Senior Vice President, Customer Services
Date:

SOUTHERN CALIFORNIA GAS COMPANY

APPROVED AS TO FORM:
RISK MANAGEMENT

By: Mark Gaines
Title: Director, Customer Programs
Date:

[Signature]
RISK PROGRAM ADMINISTRATOR

"COUNTY"
County of Santa Barbara

ATTEST:

By: _____

MICHAEL F. BROWN
CLERK OF THE BOARD

JANET WOLF, CHAIR
BOARD OF SUPERVISORS
County of Santa Barbara

By: _____
Deputy Clerk of the Board