

THIS FIRST AMENDMENT TO THE CALIFORNIA ENERGY COMMISSION SUB-RECIPIENT AGREEMENT by and between the County of Los Angeles (the “County”) and the County of Santa Barbara (“Sub-Recipient”), collectively the (“Parties”), is effective as of March 31, 2017 (“Amendment Effective Date”). Terms not otherwise defined herein shall have the meaning ascribed to them in the California Energy Commission Sub-Recipient Agreement dated June 25, 2013 (the “Agreement”).

RECITALS

WHEREAS, the County and the Sub-recipient previously executed the Agreement effective June 25, 2013, which is expiring and the Parties wish to extend;

WHEREAS, the County and the Sub-recipient wish to add additional tasks to the scope of work and repurpose funds in the Authorized Budget to undertake these additional tasks;

WHEREAS, except as expressly set forth in this Amendment, all other terms and conditions of the Agreement remain unchanged and in full force and effect; and

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

- 1. Section 3.0, TERM OF AGREEMENT is hereby amended to read as follows:

This Agreement shall commence as of the Effective Date of June 25, 2013 and continue through April 30, 2030.

- 2. Attachment 1, Scope of Work, “KEY NAME LIST” is hereby amended to read as follows:

Task #	Key Personnel	Key Subcontractors(s)	Key Partners (s)
1.1	Angela Hacker Ashley Watkins Robert Lowry		
1.2	Angela Hacker Ashley Watkins Robert Lowry		
1.3	Angela Hacker Ashley Watkins Robert Lowry		
1.4	Angela Hacker Ashley Watkins Robert Lowry		
1.5	Angela Hacker Ashley Watkins Robert Lowry		
2.1	Angela Hacker Ashley Watkins Marisa Hanson Jennifer Creger Frank Chen		

3. Attachment 1, Scope of Work, “emPower Program Overview” is hereby amended to read as follows:

emPower Central Coast Program Overview:

emPower Central Coast (emPower) is the Tri-County (Santa Barbara County, Ventura County, and San Luis Obispo County) region’s local resource for energy efficiency information and services. emPower assists consumers and professionals with the tools and support necessary to make clean and effective energy decisions by cutting through competing messaging, fragmented points of entry and lack of coordination amongst energy service providers to deliver clear guidance on how to take action towards making energy upgrades. emPower uses a “whole community approach” in which it leverages its own assets and services with those of community organizations and other energy service providers and private sector organizations. Through an understanding of the Tri-Counties’ unique energy needs and the services available to address those needs, the program connects customers with either its own internal services or those of other local energy service providers. Providing comprehensive, streamlined, and right-size service delivery ensures a customer’s specific needs and interest are being met thereby resulting in maximum impact and energy savings.

emPower is leverages ratepayer funding via the California Public Utilities Commission and other sources to deliver services outlined in the Scope of Work here within. emPower also plans to use this Scope of Work to expand upon existing resources that have already developed for increased deployment. Some of emPower’s existing assets include: relationships with financial institutions, understanding of Utility and other rebate programs, several Energy Coaches on contract who can provide free, technical assistance and conduct free home energy site visits, a list of trained participating contractors, a Customer Relationship Management System and on-the-ground customer education and support.

Prior to emPower there were no programs that provided this type of integrated resource program model. The opportunity to expand and enhance these activities are in line with the goals and strategies of AB 758 and the Existing Buildings Energy Efficiency Action Plan (as referenced throughout the scope of work), for the Tri-County region.

4. Attachment 1, Scope of Work, “Goals and Objectives of the emPower Program” is hereby amended to read as follows:

Goals and Objectives of the emPower Program:

emPower’s mission is to help the community transform its buildings, environment and economy through resource efficient improvements to existing homes and businesses. By leveraging public and private sector resources, emPower develops innovative, voluntary solutions to encourage energy and water efficiency upgrade projects and support a sustainable building performance market. With the funding from this Sub-Recipient Agreement, of which the budget is detailed in Attachment-1-A (below), emPower operates expanded services in the Tri-County Region, which includes Santa Barbara, San Luis Obispo and Ventura Counties. Depending on levels of local interest, new programs and services may be piloted in Santa Barbara County first and expanded to San Luis Obispo and Ventura Counties upon request and authorization by all Counties.

The objectives of this agreement are to:

1. Continue to provide existing successful services in addition to increasing internal delivery capacity to serve consumers across all sectors.
2. Establish financing and incentive options to support energy and water efficiency retrofit projects for consumers throughout the Tri-County Region.

3. Increase consumer awareness and uptake; promote incentives, financing and other related offerings throughout Tri-County.
4. Assist consumers and professionals with the tools and support necessary to make clean and effective energy decisions.
5. Create jobs and enhance the economy in the Tri-County Region, primarily in the local building performance and contracting industry.

5. Attachment 1, Scope of Work, Task 2: Program Delivery is hereby amended to read as follows:

Subtask 2.1 Innovative Financing and Incentive Options

(AB 758 Strategy 2.2.3, 3.2.2, 5.3, 5.1, 5.2, 5.4)

The goal of this task is to expand, administer and promote the emPower loan loss reserve financing program for residential property owners in the Tri-County region while seeking other opportunities to expand the number of participating lenders, types of financing offered, and types of sectors and markets served (e.g., multi-family, nonresidential). The goal of this task is also to educate users about available utility and other incentive programs to reduce the upfront cost of making energy and water efficiency upgrades and therefore increase the likelihood that these projects will move forward.

Use and treatment of the loan loss reserve and other credit enhancement funding under this Task will be determined exclusively by written CEC direction in effect at the time loan loss reserve funds are drawn. Such direction may be provided to the Sub-Recipient per Section 6.6.5 or Section 11.0 of the Sub-Recipient Agreement. Attachment 1-B (Financing Options Memo) in this Sub-Recipient Scope of Work provides details regarding Santa Barbara County's financing program. This Financing Options Memo outlines the terms of the proposed financing program.

The Sub-Recipient shall:

- Expand the emPower financing model to allow for inclusion of additional participating lenders and energy financing products. Research national best practices for similar program models. Solicit emPower participation by lenders throughout the Tri-County Region willing to offer energy financing products for various sectors and engage in formal data sharing agreements. Assist lenders with the process of participating in the California Hub for Energy Efficiency Financing Pilot Programs (CHEEF) if desired. Provide program support for participating lenders, including demand generation and determination of eligibility of energy improvement projects and participating contractors. Share experiences to assist in potential replication of the program model.
- Explore viability and development of PACE programs (particularly for non-residential properties) and streamline with free or subsidized services.
- Expand successful 3.9% interest rate buy down pilot, which was conducted in Santa Barbara County (with U.S. Department of Energy American Recovery and Reinvestment Act funds), to Ventura, Santa Barbara and San Luis Obispo Counties.
- Promote Utility and other energy and water efficiency incentive programs. Provide incentives for energy efficiency and applicable water efficiency measures.
- Participate in the State Finance Council.

- Develop program scale and procedures and present options within a Financing Options Memo (provided in Attachment 1-B). Demonstrate adherence to the 10% energy savings requirement before financing renewable generation projects. (Attachment 1-B below).
- Sub-Recipient acknowledges that the California Energy Commission must transmit reported information from the Sub-Recipient to Department of Energy (DOE) or other federal agencies as part of the obligations associated with the federal funds that support the financial options. Sub-Recipient agrees to supply information that is not privileged, protected or otherwise exempt from disclosure to fulfill California Energy Commission requirements.

Sub-Recipient Deliverables (upon request of the California Energy Commission Contract Manager):

- Agreements between Sub-Recipient and lending institutions
- Updated Financing Options Memo outlining terms of proposed financing programs
- Incentive list outlining the terms of the proposed incentives
- Database of projects receiving financing and incentives
- Report on steps taken towards a PACE program
- Transfer of data and documents as necessary when this Sub-Recipient Agreement ends

Subtask 2.2 Strategic Energy Planning, Targeted Customer Outreach & Placement (AB 758 Strategy 1.8, 2.1, 2.2, 2.2.1, 2.2.3, 2.2.5, 3.2, 4.2, 5)

The goals of this task are to gain an understanding of where and how energy is being used in all sectors (residential, commercial, municipal, etc.) and then utilize this information to conduct targeted outreach with customized strategies and facilitate the completion of energy and water projects by referring these customers to applicable service providers. emPower will provide local support throughout the process and act as a centralized source of energy information. Sub-recipient will then report through the County to the CEC the energy savings data resulting from these projects that is used to help meet local and State energy and climate goals. With the enhanced ability to capture energy savings data, Sub-recipient will explore opportunities to sell the energy savings and potentially generate revenue to sustain Sub-recipient energy programs, in the future.

The Sub-Recipient shall:

- Build upon relationships with universities and Investor Owned Utilities (IOUs) to conduct energy data analysis to determine community usage and savings opportunities across sectors. Use results from analysis to identify Energy Performance Districts and develop a comprehensive strategy to prioritize and stage service delivery improvements and target customized outreach to users. Adapt current program marketing, education and outreach materials for different sectors, neighborhoods, and differing levels of energy use.
- Conduct analysis on energy service landscape and gaps in community, develop a formalized referral list and conduct ongoing stakeholder engagement in the form of regular stakeholder meetings and forums.
- Develop a web-based intake system and decision tool that enables consumers to complete actions such as a self-audit by entering information across a range of criteria including their

specific needs, interests, and willingness to pay in order to qualify and actively connect them to the most appropriate energy efficiency actions and services available.

- Increase the number of program representatives able to provide technical energy information to consumers, help them understand how to qualify for rebate and other assistance programs and provide ongoing customer support.
- Expand emPower's customer relationship management (CRM) system to enable the program to track progress and report outcomes (energy savings, GHG reductions, etc.) for customers who have engaged with the program.
- Research and develop opportunities associated with the sale of energy savings via carbon offsets (SB 97), carbon credits and CPUC/IOU solicitations (i.e., preferred resources). Develop any necessary accounting mechanisms to allow for the acceptance of proceeds for the sale of energy savings.

Sub-Recipient Deliverables (upon request of the California Energy Commission Contract Manager):

- Results of energy analysis
- Service provider referral list
- Marketing, education and outreach materials

**Subtask 2.3 Lighting, Plug-in load and DIY Assistance
(AB 758 Strategy 1.6, 2.2)**

The goal of this task is to expand existing emPower residential program offerings to include behavioral, incentive and financing programs to address the significant savings potential obtainable through lighting, plug load and do-it-yourself (DIY) improvements for consumers in all sectors.

The Sub-Recipient shall:

- Develop lighting and plug load educational materials for consumers
- Develop a cohort education pilot (peer to peer learning) for groups of residential and non-residential consumers
- Use behavioral best practices to design an energy savings challenge (e.g., gamification, pledge, community/school competition)
- Develop lighting retrofit programs that may include an LED lighting direct install, discounted or bulk purchasing lighting pilot, building relationships with retailers such as lighting companies, home improvement stores, etc.,
- Explore feasibility of an appliance voucher program with a local retailer as an incentive to complete an energy savings challenge and develop voucher program if feasible

Sub-Recipient Deliverables (upon request of the California Energy Commission Contract Manager):

- Marketing, education and outreach materials
- Education pilot syllabus, PowerPoint presentations and other teaching materials
- Database of LED lighting pilot projects

**Subtask 2.4 Voluntary Auditing, Benchmarking and Technical Assistance
(AB 758 Strategy 4.2)**

The goal of this task is to expand emPower’s energy advising programs (i.e., Energy Coach) to provide subsidized technical assistance (including auditing and benchmarking) to consumers in all sectors, including multi-family and small/medium businesses.

The Sub-Recipient shall:

- Expand staff knowledge of auditing and benchmarking
- Develop contracts with building energy audit and benchmarking service providers
- Provide incentives to encourage benchmarking such as offering free or discounted voluntary building energy auditing services to property owners
- In exchange for receiving free or discounted benchmarking and auditing services the property owner would be required to allow data to be entered into Energy Star Portfolio Manager and reported to CEC (i.e., voluntary disclosure)
- Conduct installation of easily implemented energy improvements (e.g., LED lighting) during onsite visit.

Sub-Recipient Deliverables (upon request of the California Energy Commission Contract Manager):

- Service provider contractor list
- Database of benchmarked buildings
- Database of building where energy improvements were installed

6. Attachment 1-A, emPower Sub-Recipient Agreement Budget Detail is hereby amended to read as follows:

Santa Barbara County Sub-Recipient Agreement Budget		
Budget Roll Up	Existing Budget	Revised Budget
LLR	\$1,000,000	\$300,000
Interest Rate Buy Down		\$200,000
Staffing and overhead	\$170,000	\$745,000
Professional administrative services	\$150,000	
Professional marketing and web/IT services	\$30,000	
Incentives (150)		\$105,000
Pass-through:		
<i>Ventura County</i>	\$100,000	\$100,000
<i>SLO County</i>	\$100,000	\$100,000
TOTAL	\$1,550,000	\$1,550,000

7. Attachment 1-B, Financing Options Memo is hereby amended to read as follows:

Attachment 1-B

Financing Options Memo

Name of Program: emPower Central Coast

Total Amount for Program: \$1.55 million

Interest Rate: Unsecured loans backed by emPower loan loss reserve credit enhancement start at 5.9%, and are tiered based on creditworthiness (above 590 FICO). Interest rate buydown credit enhancement further lowers rates 200 basis points and would start at 3.9%. Other participating lenders will be engaged without direct credit enhancement and encouraged to offer discounted or competitive rates and terms.

Pay Back Period: emPower credit enhanced loans are up to 15 years

Service fees (if any): NA

Eligibility Requirements:

emPower projects are eligible if they are enrolled as an Energy Upgrade California (EUC) Home Upgrade or Advanced Home Upgrade project, a California Solar Initiative Solar Thermal project or are installing other eligible energy efficiency and applicable water efficiency measures. Homeowners can opt to add solar electric projects.

Underwriting Criteria for emPower Credit Enhanced Loan (subject to change upon negotiation):

- Borrower must be current member in good standing or become a member
- Ratio of unsecured balances to annual income should not exceed 45%
- Rates (starting at 5.90%) and tenors (up to 15 yrs) vary based on borrower’s credit score (590 or above)
- Interest rate buydown credit enhancement lowers rate 200 basis points below rates shown in chart below.

APR FOR EE Loans \$1,000 to \$5,000				
Average EE Loan Term: 60 months				
A+	A	B	C	D
760+	710-759	680-709	640-679	590-639
8.49%	12.99%	13.99%	14.99%	15.99%

APR FOR EE Loans \$5,001 to \$25,000				
Average EE Loan Term: 180 months				
A+	A	B	C	D
760+	710-759	680-709	640-679	590-639
5.90%	6.99%	8.49%	12.49%	14.49%

- Other underwriting criteria are also based on credit score:
 - Debt-to-income ratio: 30-60
 - Max credit limit: 2 – 4 X: Mo. Income up to \$25,000

Criteria for Participating Lenders Not Receiving Credit Enhancement

- Criteria for participating lenders that do not receive direct credit enhancement from emPower to be designed and developed under this contract. May include elements such as:
 - Minimum and maximum loan amounts

- Maximum interest rates
- Minimum tenor
- Ability to provide product to serve energy efficiency and renewable products and expedite qualification
- Willingness to work with emPower participating contractors and project eligibility processes
- Minimum consumer protections

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Sub-Recipient Agreement

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Authorized Signatures

IN WITNESS WHEREOF, the County and the Sub-recipient have caused this FIRST AMENDMENT TO THE CALIFORNIA ENERGY COMMISSION SUB-RECIPIENT AGREEMENT to be executed by their duly authorized representatives.

SUB-RECIPIENT:

Joan Hartman
Chair, Board of Supervisors
County of Santa Barbara

ATTEST:
MONA MIYASATO
Clerk of the Board of Supervisors

By: _____
Deputy Clerk of the Board

By: _____
Department Head

APPROVED AS TO ACCOUNTING FORM:
THEODORE A FALLATI, CPA
Auditor-Controller

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
County Counsel

By: _____
Deputy Auditor-Controller

By: _____
Deputy County Counsel

APPROVED AS TO FORM:
RAY AROMATORIO, ARM, AIC
RISK MANAGEMENT

By: _____
Risk Manager

COUNTY OF LOS ANGELES

By _____

Name

Title

APPROVED AS TO FORM:
County Counsel
Mary C. Wickham

By _____
Patrice Salseda
Principal Deputy County Counsel