

Attachment A

Ventura PUC Agreement

EMPOWER AGREEMENT

Between

COUNTY OF SANTA BARBARA

And

COUNTY OF VENTURA

Southern California Gas Company Pass-through Funding

Dated: _____, 2014

emPower Agreement
between
County of Santa Barbara
and
County of Ventura

This subrecipient agreement (herein referred to as “Agreement”) is made and entered into, on _____, 2014, by and between the County of Santa Barbara, a political subdivision of the State of California, and the County of Ventura, a political subdivision of the State of California, and is made with reference to the following:

Recitals

WHEREAS, the County of Santa Barbara developed the emPowerSBC energy efficiency program, which is dedicated to upgrading the resource efficiency of existing buildings and enabling a lasting, local high-performance building market and currently provides a voluntary and affordable way to upgrade the energy efficiency and comfort of existing homes in Santa Barbara County; and

WHEREAS, by streamlining the process of attaining low-cost unsecured loans, qualified third-party contractors, and utility rebates, the County of Santa Barbara helps homeowners overcome the high upfront cost and confusion associated with making home energy upgrades, resulting in a reduction in energy use, less expensive utility bills, enhanced properties, and homeowners who are more comfortable year-round; and

WHEREAS, per the *Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program*, by and between the County of Santa Barbara and the Southern California Gas Company, effective as of 8/1/13, the County of Santa Barbara has secured funding from the Southern California Gas Company to continue operating emPowerSBC energy efficiency program, including its residential energy efficiency loan program and related services; and

WHEREAS, the funding in the Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program, by and between the County of Santa Barbara and the Southern California Gas Company also allows the County of Santa Barbara to expand emPowerSBC services into San Luis Obispo County and Ventura County; and

WHEREAS, the County of Santa Barbara and the County of Ventura commit to an effective expansion of emPowerSBC to the citizens of Ventura County, the details of which are set forth in this Agreement; and

WHEREAS, the County of Santa Barbara intends to make funding available to the County of Ventura, not to exceed amounts outlined in the Subrecipient Budget as set forth in Exhibit B-1, for the express purpose of performing the scope of work delineated in the

Scope of Work as set forth in Exhibit A for the period commencing on the Effective Date and ending upon Termination or expiration of the Agreement in accordance with Article VIII.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the County of Santa Barbara and the County of Ventura enter into this Agreement to establish terms and conditions to provide funding to support Program delivery activities in County of Ventura as outlined in the Scope of Work (see Exhibit A).

ARTICLE I

Definitions. Unless defined otherwise in this Agreement, capitalized terms that are used in this Agreement shall have the same meanings as used in the SoCalGas Agreement (see Exhibit F). The following terms shall have meanings as defined:

“Allowable Costs” shall mean those cost items that are listed on the Allowable Costs Table in Exhibit C of Exhibit F. Allowable Costs are the only costs that can be claimed for reimbursement for ratepayer-funded energy efficiency work under the SoCalGas Agreement.

“Audit” shall mean any audit, examination or review as set forth in Section 2.08.

“Brand” shall refer to any name given to the Program, that includes variations of the name emPower and includes the goodwill created and engendered in the development of the Program, and other associated intangibles.

“Commission” shall mean the California Public Utilities Commission.

“Effective Date” shall be the date this Agreement was fully executed by the Parties, _____, 2014.

“Eligible Customer” shall refer only to those single family detached residential property owners that directly receive electricity or gas service from a Participating Utility, at the address where an eligible EEM is installed, located within the geographic boundary of Ventura County.

“Eligible Project” shall mean a home energy efficiency retrofit project that meets the criteria set forth in Exhibits C and F.

“Energy Efficient Measure” or “EEM” shall include all energy efficiency measures as used in the California Public Utility Commission’s *Energy Efficiency Policy Manual*, Version 4, August 2008, as may be supplemented or updated from time to time.

“EUC” shall mean the Energy Upgrade California program.

“Finance Program” shall mean the residential energy efficiency loan program, administered by SBC and its Lenders that is supported by the Loan Loss Reserve

Credit Enhancement and, designed to offer lower-interest home energy upgrade loans to Eligible Customers.

“Lender” shall refer to a financial institution that provides loans to Eligible Customers pursuant to the Finance Program that are supported by LLR Credit Enhancement.

“Loan Loss Reserve Credit Enhancement” or “LLR Credit Enhancement” shall mean funds that are held by the Lender to mitigate the Lender’s risk of Eligible Customers’ default on energy efficiency loans made to an Eligible Customer pursuant to the Finance Program.

“Notice” shall mean all notices, requests, demands, claims, and other communications required by this Agreement.

“PG&E shall mean Pacific Gas and Electric Company.

“Party” shall mean SBC or VC separately.

“Parties” shall mean both SBC and VC collectively.

“Participating Utilities” are SoCalGas, SCE, and PG&E.

“Program” shall mean the residential energy efficiency retrofit services offered by SBC’s emPowerSBC program, inclusive of the Finance Program, which are expanded into Ventura County through this Agreement.

“Responsible Auditing Party” shall mean SBC, the State and/or Federal governments and their authorized representatives and designees as set forth in Section 2.08.

“SBC” shall mean Santa Barbara County, a political subdivision of the State of California.

“Scope of Work” shall mean the tasks delineated in Exhibit A.

“SCE” shall mean Southern California Edison Company.

“SoCalGas” shall mean Southern California Gas Company, which is providing funds on behalf of the Commission through the SoCalGas Agreement, a portion of these funds which are passed through to VC through this Agreement.

“SoCalGas Agreement” shall mean the *Agreement to Deliver the 2013-2014 County of Santa Barbara emPower Energy Efficiency Program*, by and between SBC and SoCalGas, effective as of 8/1/13.

“Subcontractor” shall mean a person or an entity contracting with either of the Parties, or any subcontractor of such person or entity, to furnish services or materials as part of or directly related to this Agreement.

“Subrecipient Budget” shall mean the budget for the Scope of Work set forth in Exhibit B-1.

“Term” and “Termination” shall have the meanings given in Article VIII.

“Tri-County” shall refer to the collective geographic boundaries of Santa Barbara County, San Luis Obispo County, and Ventura County.

“VC” shall mean Ventura County, a political subdivision of the State of California.

ARTICLE II

Program

Section 2.01: Program Activities. Under the terms and conditions of this Agreement, SBC is providing funding to VC to perform the Scope of Work (Exhibit A) and authority to use the Brand during the Term of the Agreement. SBC shall provide access for Eligible Customers to participate in the Finance Program. The Scope of Work to be performed by VC is set forth in Exhibit A, which is attached hereto and incorporated herein by reference.

- a) The Parties shall work cooperatively throughout the Term of this Agreement to implement the Program.
- b) In consideration for the benefits offered in this Agreement, VC specifically warrants and represents that it will comply with all terms and conditions of this Agreement and perform all tasks and deliverables described in Exhibit A, the Scope of Work.
- c) Lead Role. SBC is designated lead for the Program. As project lead, SBC shall be responsible for:
 - i. Monitoring Program progress on objectives, deliverables and budget targets as set forth in this Agreement;
 - ii. Review of all Program-related documents prepared by VC, including review of all reporting required in this Agreement , and any other reporting duties as may be required; and
 - iii. Coordinating with other existing or planned Program elements, which will include oversight to minimize duplicative administrative and marketing costs.

Section 2.02: Restrictions on Branding and Marketing. It is of the essence for SBC to ensure consistent use of the Brand. SBC shall determine in its sole discretion whether the usage of the Brand is appropriate and will make available to VC a written document intended to provide general guidance on appropriate usage of the Brand and is not binding upon SBC. Any marketing materials used in connection with performing work under Exhibit A shall comply with the requirements of this Section 2.02.

- a) Use of the Brand: SBC grants VC revocable authority to use the Brand, limited by the terms and conditions of this Agreement, for the Term of this Agreement. VC shall use the Brand in performing the Scope of Work, Exhibit A.
- b) VC shall obtain SBC's approval of marketing materials prior to their distribution, publication, circulation, or dissemination in any way to the public. VC shall allow seven (7) business days for SBC review and seek additional approval by the funding source if required. If VC has not received a response from SBC within the seven (7) business day period, then it shall be deemed that SBC has disapproved such use. In addition, all advertising, marketing, or otherwise printed or reproduced materials used in VC's performance of the Scope of Work, or that refer to or are in any way related to the Program or the Brand, must contain at a minimum, the following language: *"This Program is funded by California utility ratepayers and administered by Pacific Gas and Electric Company, Southern California Edison and Southern California Gas Company under the auspices of the California Public Utilities Commission."*
- c) VC shall obtain the approval of SBC prior to conducting any Program public outreach activities (exhibits, displays, public presentations, canvassing, etc.). VC shall allow seven (7) business days for SBC review and seek additional approval by the funding source if required. If VC has not received a response from SBC within the seven (7) business day period, then it shall be deemed that SBC has disapproved such use.
- d) Use of Californian Public Utility Commission's (Commission) Name. VC may not 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, SBC must send a copy of the planned materials to the Participating Utilities who in turn must send a copy of the planned materials to the Commission requesting approval to use the Commission name and/or logo. Notwithstanding the foregoing, VC shall state prominently on marketing materials that the Program is "funded by California ratepayers under the auspices of the California Public Utilities Commission."
- e) Use of Participating Utility's Name or Logo. Through SBC, VC must receive prior review and written approval from the Participating Utility in order to use such Participating Utility's name, mark or logo on any marketing or other Program materials. VC shall allow seven (7) business days for such Participating Utility review and approval. If VC has not received a response from such Participating Utility within the seven (7) business day period, then it shall be deemed that such Participating Utility has disapproved such use. Requests to use a Participating Utility's name or logo shall be directed to SBC which will then send such request to the representative of that Participating Utility as indicated by SoCalGas.

Section 2.03: Exclusive Use. Funds made available under this Agreement are provided for the purpose of increasing participation in the Program. VC shall not use funds provided under this Agreement and identified in the Subrecipient Budget set forth in Exhibit B-1 or the Brand in any way to support activity or visibility for any other

program or effort, including any energy efficiency financing program or energy efficiency services delivery program outside of the Program.

Section 2.04: Subrecipient Budget. Upon execution of this Agreement, SBC shall provide up to \$428,617 to VC for the Scope of Work on a reimbursement basis, as set forth in Exhibit B-1 to this Agreement. SBC may require a reasonably more detailed budget breakdown than that in Exhibit B-1, and VC shall provide such supplementary budget information within one (1) week of SBC's request in the reasonable form and content prescribed by SBC. Any amendments to the budget must be approved in writing by both SBC and VC. The Community Services Director of SBC may approve subsequent line item budget changes on behalf of SBC as long as the total amount of this Agreement is not increased.

- a) VC agrees that Program funding shall only be used to perform the Scope of Work.
- b) VC shall ensure that expenditures invoiced include only Allowable Costs.
- c) VC shall take all reasonable measures, and shall require its Subcontractors to take all reasonable measures, to ensure that the funds provided under this Agreement are used solely for work related to the Scope of Work, as set forth in Exhibit A, which measures shall include the highest degree of care that VC uses to control its own funds, but in no event less than a reasonable degree of care.

Section 2.05: Payment. As described below and in Exhibit B-1, funds provided by and as described in this Agreement will be allocated and paid to VC for VC's performance of the Scope of Work.

- a) All payments from SBC to VC under this Agreement shall be made on a reimbursement basis, and drawdowns for the payment of Allowable Costs shall be made in accordance with the line item budgets specified in Exhibit B. Upon receipt of an acceptable invoice, narrative report and expense report (examples are provided in Exhibit D and Exhibit E), together with proper reporting described in 2.05(d), SBC shall review the claim and submit the claim as part of a larger SBC claim to SoCalGas. SBC will issue payment to VC once SBC's claim to SoCalGas has been approved and funds have been received by SBC from SoCalGas.
- b) It is expressly agreed and understood that the total amount to be paid by SBC under this Agreement shall not exceed \$428,617, the maximum dollar amount stated in Exhibit B-1, unless otherwise agreed to by the Parties in writing in accord with Section 9.04.
- c) SBC has no obligation to provide funding under this Agreement if for any reason there is no funding available, or if funding is discontinued for any reason, from the SoCalGas Agreement to pass through to VC, or if this Agreement is Terminated under Article VIII. Any Allowable Costs that were incurred prior to the effective date of termination will be reimbursed to VC per Section 2.05(g) of this Agreement.

- d) VC shall submit to SBC, in accord with Article VII an invoice together with all required monthly reporting requirements (examples are provided in Exhibit D and Exhibit E), for reimbursement of the reported Allowable Costs attaching all documentation, receipts, invoices, and evidence of deliverables reasonably necessary to substantiate the invoiced expenditures, including, without limitation, the following:
- i. Subcontractor Costs: Copies of all Subcontractor invoices. If only a portion of a Subcontractor's costs is for the performance of the Scope of Work, VC shall clearly indicate the line items or percentage of the invoice amount that should be applied to the Subrecipient Budget.
 - ii. 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 where applicable.
 - iii. Indirect and Salary Costs: VC shall use both the indirect rate and salary rate set forth in Exhibit B-2 when submitting claims for reimbursement for staff labor costs in performing the Scope of Work. Any changes or modifications to these rates must be approved in writing by SBC by submitting documentation as deemed sufficient by SBC.
 - iv. Travel: VC shall obtain prior written approval from SBC for any claim of reimbursable travel outside the Tri-County.
 - v. Allowable Costs: VC understands and agrees that it is solely responsible for repayment of any and all amounts reimbursed to VC that are found by SBC, SoCalGas, and/or the Commission to be ineligible under this Agreement and/or the SoCalGas Agreement.
- e) Reasonableness of Expenditures. SBC, SoCalGas, and/or the Commission shall have the authority to review all expenditures for reasonableness. VC shall bear the burden of demonstrating that its invoiced expenditures are reasonable. Reasonable shall mean actual (i.e. no mark-up for profit), expenditures of VC related to the Scope of Work that are directly identifiable to and required for Scope of Work. If any expenditure is determined or found to be unreasonable, by SoCalGas and/or the Commission, SoCalGas and/or the Commission may not approve the reimbursement of such expenditure.
- f) Accounting Standards. VC agrees to adhere to generally acceptable accounting principles and procedures, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- g) Expenses Incurred Prior to Termination. Upon the effective date of Termination, per Article VIII of this Agreement, VC shall issue a final invoice for all Allowable Costs, incurred prior to the effective date of Termination. SBC shall

review the final invoice and submit the final invoice to SoCalGas for approval. SBC will issue final payment to VC once VC's final invoice has been approved by SoCalGas and funds have been received by SBC from SoCalGas.

Section 2.06: LLR Credit Enhancement. SBC shall develop and administer the Finance Program to offer lower-interest home energy efficiency retrofit loans to Eligible Customers. VC is not a third-party beneficiary to any agreement between SBC and its Lenders.

Section 2.07: Pass-through Requirements. The SoCalGas Agreement includes certain requirements, some of which were passed through from the Commission, which in turn the Commission passed through SoCalGas to SBC, which in turn SBC now passes through to VC. These requirements, as set forth in the SoCalGas Agreement, are specifically attached to this Agreement in Exhibit F, the SoCalGas Agreement, and are incorporated herein by reference. In Exhibit F all references to "County" shall mean and include VC.

Section 2.08: Audit Disallowance. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with State and Federal law, any Responsible Auditing Party may conduct an Audit of VC regarding the funds or services provided hereunder. VC shall participate in all Audits at no charge to SBC. VC shall be responsible for all disallowances taken by a Responsible Auditing Party as a result of any Audit exception that is related to VC's responsibilities herein. VC shall reimburse all costs incurred by SBC associated with defending against the Audit exceptions or participating in any Audits, including but not limited to: Audit fees, court costs, and attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. SBC shall issue an invoice to VC for any amount due SBC after a Responsible Auditing Party issues an Audit report. The amount on the SBC invoice is due by VC to SBC within thirty (30) calendar days from the date of the invoice.

ARTICLE III

Reporting and Records

Section 3.01: Reporting. VC shall adhere to those reporting requirements set forth in Exhibit C of Exhibit F, as the same may be amended from time to time, or until SBC otherwise requires or issues different or updated reporting requirements for the Program, in which case and at which time such reporting requirements shall replace the requirements set forth in Exhibit C of Exhibit F in their entirety.

- a) In order for SBC to compile information to meet reporting deadlines, VC shall provide SBC with all required reporting as described in this Agreement and expenditures incurred from the previous month using the sample forms and formats in Exhibit D and Exhibit E, on or before the 7th calendar day of the month.

If VC fails to do so, SBC may withhold reimbursement of claimed expenditures until the required reports are received.

- b) On at least a monthly basis, VC shall also enter customer contacts and status details into the Program's online customer database, which is owned and operated by SBC to which VC will be given access.

Section 3.02: Records, Audit, and Review. VC must keep all records, documents, data and information related to or connected with this Agreement, and will maintain those records for the greater of four (4) years following the termination of this Agreement or the time frame stated in Exhibit F. All accounting records must be kept in accordance with generally accepted accounting practices. Any Responsible Auditing Party shall have the right to Audit all such documents and records at any time during VC's regular business hours or at other times, i.e. non-regular business hours upon reasonable notice. Notwithstanding the above, if there is any pending litigation, claim, Audit, dispute, or other action that has started before the expiration of the record retention period, then all records must be retained until completion of the action and final resolution of all issues or the expiration of the record retention requirement, whichever occurs later.

ARTICLE IV

Representations and Warranties

VC represents, covenants, and warrants, as of the Effective Date and thereafter during the Term of this Agreement, that:

Section 4.01: VC and its Subcontractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, and local governments, and all agencies thereof.

Section 4.02: Work performed by VC and/or its Subcontractors shall not violate or infringe upon the trade secret, trademark, trade name, copyright, patent or any proprietary rights of any person.

ARTICLE V

Insurance

VC agrees to self-insure or purchase the appropriate insurances to cover the risk exposures that may arise out of the performance of this Agreement.

ARTICLE VI

Indemnification

VC agrees to indemnify, defend (with approval of counsel not unreasonably withheld by SBC) and hold harmless SBC and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of the acts or omissions of VC in the performance of this Agreement and for any costs or expenses

(including but not limited to attorneys' fees) incurred by SBC on account of any claim except where such indemnification is prohibited by law.

ARTICLE VII

Notices

All Notices shall be in writing, shall be delivered via U.S. Mail (first class postage prepaid), commercial courier, personal delivery, or by facsimile, receipt-confirmed email, or other electronic means if the Party to be noticed agrees to delivery by these means and if requested by the receiving Party, that electronic delivery shall be followed by delivery via U.S. Mail (first class postage prepaid), commercial courier, or personal delivery the next business day. Any Notice delivered or sent as aforesaid shall be effective and deemed delivered when delivered in person. If not delivered in person, any Notice delivered or sent as aforesaid shall be effective and deemed delivered when received (or delivery is refused) by the Party to whom such Notice is directed or upon five business days after Notice has been sent, whichever comes first. All Notices under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written Notice.

SBC

County of Santa Barbara
emPower Program
Angela Hacker, Program Manager

105 E. Anapamu Street, Room 105
Santa Barbara, CA 93101
Office: (805) 568-3515
Email: Ahacker@co.santa-barbara.ca.us

VC

County of Ventura

Susan Hughes, Deputy Executive
Officer
800 South Victoria Ave
Ventura, CA
Office: (805) 654-3836
Email: Susan.Hughes@ventura.org

Each party shall have the right, from time to time, to designate a different address or other contact information by Notice given in conformity with this Article.

ARTICLE VIII

Term and Termination

Section 8.01: Term. This Agreement shall be effective as of the Effective Date and shall terminate on December 31, 2014, unless terminated earlier in accordance with the termination clauses in this Article VIII. Notwithstanding the termination of this Agreement, VC shall be subject to the wind-down obligations set forth in Section 9.07 and the survival provisions set forth in Section 9.17.

Section 8.02: Termination for Breach. Any Party may terminate this Agreement in the event of a material breach by the other Party of any of the material terms or conditions of this Agreement, provided such breach is not cured within thirty (30) days written Notice to the breaching Party thereof from the non-breaching Party. If such breach is not cured within the thirty (30) day period, upon written Notice to the breaching party, the non-breaching Party may immediately terminate the Agreement.

Section 8.03: Termination for Convenience. This Agreement may be terminated for convenience by either Party, by setting forth in writing the effective date of the termination, which unless specified shall be 30 days from the date of written Notice, but in no case shall the effective date be less than 30 days from the date of written Notice.

Section 8.04: Termination related to SoCalGas Demands. This Agreement shall be terminated immediately if the SoCalGas Agreement is terminated.

Section 8.05: Mutual Termination. This Agreement may be terminated by mutual, written agreement of the Parties.

Section 8.06: Effect of Termination. Termination of this Agreement shall constitute a termination of this Agreement in its entirety, including any authority of VC to use the Brand, any rights or obligations to use funds granted under this Agreement, and any other rights or benefits granted by SBC under this Agreement (subject, however, to the wind down provisions of Section 9.07 and survival provisions of Section 9.17).

ARTICLE IX

General Conditions

Section 9.01: Status as an Independent Entity. VC shall perform all services under this Agreement as an independent entity and not as an employee of SBC. VC understands and acknowledges that VC shall not be entitled to any of the benefits of an SBC employee, including, but not limited to, vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure. VC warrants that VC is authorized by law to perform all work contemplated in this Agreement, and VC agrees to submit, upon request, verification of licensure or registration, or other applicable evidence of official sanction.

Section 9.02: Non-Responsibility for Other Party. Notwithstanding anything contained in this Agreement to the contrary, a Party shall not be responsible for the performance or non-performance hereunder of the other Party or whether such performance meets applicable legal and regulatory requirements, nor be obligated to remedy any other Party's defaults or defective performance.

Section 9.03: Subcontractors. Each Party shall at all times be responsible for its work obligations, and acts and omissions of its Subcontractors, or any Subcontractor thereof and persons employed by such Party for services performed in connection with this Agreement. Each Party shall require its Subcontractors to be bound by terms and conditions that are the same or similar to those contained in this Agreement, as the same may be applicable to those Subcontractors.

Section 9.04: Amendments. SBC and VC may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by duly authorized representatives of each Party, and are

approved by SBC's and VC's governing body. Such amendments shall not invalidate this Agreement.

With proper Notice under Article VII, SBC may, in its discretion, amend this Agreement to conform with federal or state statutes, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies, and available funding amounts. If VC does not agree to the amendments, the Agreement may be terminated per Section 8.03 of this Agreement.

Section 9.05: Assignment. VC shall not assign any of VC's rights nor transfer any of VC's obligations under this Agreement without SBC's prior written consent, and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. If SBC is requested or required by SoCalGas to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require VC's consent, and VC shall be released from all obligations hereunder arising after the effective date of such assignment, unless VC agrees to assume such obligations, and except as otherwise provided under Section 9.17.

Section 9.06: Disclosure and Confidentiality. VC, its officials, officers, employees, agents, and Subcontractors shall not disclose any Participating Utility customer's name, address, telephone number, account number, or any and all billing and usage information, as well as any such Participating Utility customer's information that is marked "Confidential," to any third party during the term of this Agreement or after its Termination, without VC having obtained prior written consent of the Participating Utility, except as provided by law, including the California Public Records Act, California Government Code sections 6250 et seq., lawful court order or subpoena, and provided VC gives the affected Participating Utility advance written notice of such order or subpoena.

- a) VC will not issue any public news announcement or written press releases directly relating to its efforts on the Program, unless the Parties have mutually approved such public announcement or written press release in advance. However, VC is at liberty to discuss the Program as an example of its work in seminars, webinars, articles, and other public forums.

Section 9.07: Wind-down Period. VC's reporting obligations to SBC shall not end until all final report requirements, as set forth in this Agreement, are completed, even after Termination. In order for SBC to compile information to meet reporting deadlines, VC shall complete all required final reports 30 days prior to the deadlines stated in Exhibit F. SBC will issue final payment to VC once SBC's claim which includes VC final claim has been approved by SoCalGas and funds have been received by SBC from SoCalGas. No later than sixty (60) calendar days after Termination, VC must return to SBC all unused materials, equipment, and assets purchased with funds provided under this Agreement. To the extent that a particular material, equipment, or asset is purchased only partly with funds provided under this Agreement, VC must comply with requirements set forth in Exhibit F.

Section 9.08: Governing Law and Venue. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents

shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

Section 9.09: Nonexclusive Agreement. The Parties understand that this is not an exclusive contract and that the Parties have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by the Parties. Each Party must disclose to the other Party any other contracts under which each Party is providing the same or similar services to others.

Section 9.10: Nondiscrimination. VC and all of VC's subcontractors shall comply with the nondiscrimination provisions stated in Exhibit F attached hereto and incorporated herein by reference.

Section 9.11: Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

Section 9.12: Section Headings. The section headings and subheadings contained in this Agreement are included for convenience only and shall not affect the meaning, construction, or effect of the terms of this Agreement.

Section 9.13: Waiver. Either Party's failure to act with respect to a breach by the other shall not constitute or be construed as a waiver of the non-breaching Party's rights with respect to subsequent or similar breaches. Any delay or failure of either Party to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision, and every power and remedy given by this Agreement to a Party may be exercised from time to time and as often as may be deemed expedient.

Section 9.14: Entire Agreement. This Agreement constitutes the entire agreement between SBC and VC for the Program and VC's use of funds received under this Agreement, and it supersedes all prior and contemporaneous communications and proposals, whether electronic, oral, or written between SBC and VC with respect to this Agreement. Each Party waives its future right to claim, contest, or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver, or estoppel.

Section 9.15: Remedies Not Exclusive. No remedy herein conferred upon or reserved to either Party is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 9.16: Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Parties shall preserve undestroyed, shall together constitute one and the same instrument.

Section 9.17: Survival. Notwithstanding the expiration or Termination of this Agreement, for a minimum of three (3) years after the Agreement expires or is Terminated, VC shall continue to be bound by the following provisions of this Agreement that shall survive such expiration or Termination: Article II, Section 2.04(b); Article III, Section 3.02; Article V; Article VI; and Article IX, 9.06 and 9.07 of this Agreement.

Section 9.18: Precedence. In the event of an irreconcilable conflict between or among any provision contained in this Agreement and the SoCalGas Agreement, the SoCalGas Agreement shall prevail. However, any provision of the Agreement that is more restrictive or protective than the SoCalGas Agreement shall control.

[Signatures on Following Page]

9.18
A4 A

IN WITNESS WHEREOF, SBC and VC have executed this Agreement by the respective authorized officers as set forth below to be effective on the date executed by all Parties.

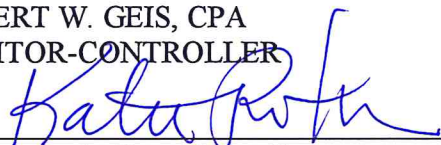
ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

COUNTY OF SANTA BARBARA:

By: 
Deputy Clerk

By: 
STEVE LAVAGNINO
Chair, Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

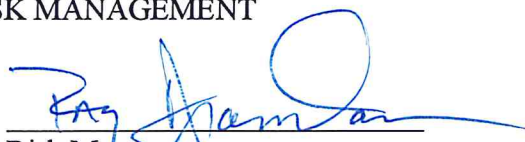
By: 
Deputy Auditor- Controller

BY: 
Department Head

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: 
Deputy County Counsel

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

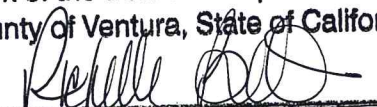
By: 
Risk Manager

IN WITNESS WHEREOF, SBC and VC have executed this Agreement by the respective authorized officers as set forth below to be effective on the date executed by all Parties.


Steve Bennett, Chair, Board of Supervisors
County of Ventura



ATTEST: MICHAEL POWERS
Clerk of the Board of Supervisors
County of Ventura, State of California

By: 

Deputy Clerk of the Board

4-15-14

List of Exhibits

- A. Scope of Work
 - B – 1. Subrecipient Budget
 - B – 2. Subrecipient Salary and Indirect Rates
 - C. Project Eligibility Design Criteria
 - D. Sample Monthly Narrative
 - E. Sample Monthly Expense Report
 - F. SoCalGas Agreement Incorporated by Reference
-

EXHIBIT A
SCOPE OF WORK

Overview

VC will assist SBC in expanding the Brand and the Program, including the Finance Program, to the residents of Ventura County. The goal of this Scope of Work is to enable Eligible Customers and building professionals in Ventura County to effectively participate in the Program. By completing Project Tasks 1-4 described below, VC is expected to increase the number of individuals that take advantage of Program services. VC's performance on this Scope of Work will be evaluated by the metrics reported in Monthly Narrative Report (see example in Exhibit D) including, but not limited to, the following activities:

- Eligible Customers that participated in the Finance Program
- Other Eligible Projects completed that are not associated with the Finance Program
- Customer calls, e-mails, newsletter sign ups
- Unique website visits
- Hosted homeowner outreach events and attendees
- Non-hosted outreach events and attendees
- Contractor trainings and attendees
- Energy coach site visits and contractor mentorship visits
- Earned media
- Additional contractors recruited and enrolled in the Program
- New customer contacts added to the online customer database

The \$428,617 budget described below and detailed in Exhibit B-1 is based on estimated costs to assist in the development and administration of the Program in Ventura County, under the guidance of SBC, subject to all appropriate approvals.

Project Task 1. LLR Credit Enhancement Implementation

While SBC will administer the Finance Program, SBC may request assistance from VC in the design, development and implementation of the Finance Program. Activities to be funded under this project task are by request of SBC only and may include the following (see Exhibit B-1 for budget detail):

- Review and provide input on Finance Program operation, application processes, work flows and Eligible Projects.
- Attend meetings with Lender and SBC.
- Once Finance Program is implemented in Ventura County, coordinate with Lender branches in Ventura County as needed to ensure proper customer service to Eligible Customers and Program participating contractors.
- Other financing-related tasks necessary to implement and deliver the Finance Program to Ventura County residents.

Project Task 2. Workforce Education and Training (WE&T)

VC will recruit and support building professionals (i.e., contractors) that serve at least one County in the Tri-County region to become eligible to participate in the Program and the EUC program. Activities to be funded for this project task include the following (see Exhibit B-1 for budget detail):

- Assist SBC in conducting trainings related to industry-recognized building performance standards, which may include energy modeling; building performance institute courses and exams; Participating Utilities training; and sales and marketing training,
- Promote, schedule, and support emPower energy coach services, which are administered directly by SBC. Energy coach services in VC may include working with participating contractors to provide technical assistance during assessments, bid development, EnergyPro modeling, and EUC program and Program project enrollment. The energy coach may also work to mentor prospective contractors, assisting them in becoming building performance institute certified and enrolled in the Program and EUC program.

Project Task 3. Marketing, Education, and Outreach (ME&O)

VC shall inform homeowners in Ventura County about the benefits of home energy upgrades and how the Program can help them make these upgrades. Activities to be funded for this project task include the following (see Exhibit B-1 for budget detail):

- Coordinate print and on-line media buys for local outreach and marketing activities, and to promote workforce, education, and training opportunities. Marketing and design consulting will be centrally administered by SBC to develop and modify the Brand. VC will help to deploy marketing and outreach campaign activities. VC shall conduct at least one homeowner workshop, one outreach presentation, or one community event booth exhibit in Ventura County each month, until ME&O funds provided in this Agreement are exhausted.

- Distribute collateral/promotional materials, as approved by SBC. VC will develop and deploy local customized collateral/promotional materials, customer service, and outreach events.
- Promote, schedule, and support emPower energy coach services, which are administered directly by SBC. In addition to supporting local contractors, the energy coach will assist homeowners through the process of applying for funding for EEMs and receiving EUC program and Program assistance.

Project Task 4. Administrative Tasks

Activities to be funded for this project task include the following (see Exhibit B-1 for budget detail):

- Prepare, review, and submit reports, invoice processing, document development, and general program administration;

EXHIBIT B -1

SUBRECIPIENT Budget

VC	Subrecipient Budget
Administration	\$ 37,362
WE&T	\$ 75,123
ME&O	\$ 293,327
LLR Credit Enhancement Implementation	\$ 22,805
VC Total	\$ 428,617

EXHIBIT B -2

SUBRECIPIENT Salary and Indirect Rates

Approved Labor and Indirect Rates for VC			
Indirect Rate*	23.00%		
Fringe Rate	52.46%		
Position Title	Pay Rate	Fringe Benefits	Loaded Bill Rate
Deputy Executive Officer	\$73.13	\$38.36	\$111.49
Technical Specialist IV- MB	\$28.18	\$14.79	\$42.97
Program Administrator I	\$35.55	\$18.65	\$54.20
Program Administrator II	\$42.55	\$22.32	\$64.87

* For invoicing and reporting purposes, the indirect rate shall be applied as a percentage of the loaded bill rate

EXHIBIT C

PROJECT ELIGIBILITY DESIGN CRITERIA

VC shall administer the Program as it applies to Ventura County pursuant to the Scope of Work. Program funding shall only be used for activities in a Participating Utility's service territory in Ventura County.

A prospective residential energy efficiency project will be deemed an Eligible Project if it meets the following criteria:

- a. The applicant is an owner of a single-family detached home in Ventura County.
- b. The prospective project is an EEM approved by EUC or SBC. SBC will provide VC with a written document describing Eligible Project requirements, which is intended to provide guidance and is not binding upon SBC;
- c. The applicant receives electricity service from SCE or PG&E or gas service from SoCalGas or PG&E at the Eligible Customer address where the EEM is installed;
- d. The applicant uses a contractor on SBC's approved contractor list as provided by SBC;
- e. The applicant and contractor submit all project documentation required to apply for and receive financing through the Finance Program.

EXHIBIT D

SAMPLE MONTHLY NARRATIVE REPORT

Reporting Period:

Program Overview

Activities (You must report specific numbers for the metrics bulleted below):

Administrative Tasks

Loan Loss Reserve Credit Enhancement Implementation

- Eligible Customers that participated in the Finance Program

Workforce Education and Training

- Contractor Trainings and attendees
- Energy coach contractor mentorship visits
- Additional contractors recruited and enrolled in the Program

Outreach, Education and Marketing

- Other Eligible Projects completed that are not associated with the Finance Program
- Customer calls, e-mails, newsletter sign ups
- Unique website visits
- Hosted homeowner outreach events and attendees
- Non-hosted outreach events and attendees
- Earned media
- Energy coach site visits
- New customer contacts added to the online customer database

EXHIBIT E

SAMPLE MONTHLY EXPENSE REPORT

As noted in Section 2.05, along with monthly expense report, VC shall submit an invoice. Invoice shall be attached as a cover page to the monthly expense report. Invoice shall contain VC's vendor number issued by SBC, an invoice number, and invoice date.

Cost Documentation - Expense and Receipt Explanation and Tracking Spring Month 2013-14 Funding Period - emPower SBC 512 County - ARRA Construction Program						
			Total Program Budget 2013-14	\$	\$4,844	
Expenditure Category	Expense Line	Vendor/Invoice	Budget Amount	Cost Amount	Subtotal	Explanation of Expense
SA	SA Admin Support Services for Expenses					
	SA Admin Support - Staff Time & Travel Expenses					
	SA Admin Support - Office Supplies & Travel					
	SA Admin Support - Office Supplies & Travel					
	SA Admin Support - Office Supplies & Travel					
Subtotal for Administration						
School Education & Training	School Education & Training Expenses					
	School Education - Staff Time & Travel Expenses					
	School Education - Office Supplies & Travel					
	School Education - Office Supplies & Travel					
	School Education - Office Supplies & Travel					
Subtotal for Education						
Spring and Outreach	Spring and Outreach Expenses					
	Spring and Outreach - Staff Time & Travel Expenses					
	Spring and Outreach - Office Supplies & Travel					
	Spring and Outreach - Office Supplies & Travel					
	Spring and Outreach - Office Supplies & Travel					
Subtotal for Outreach						
SBC	SBC Expenses					
	SBC - Staff Time & Travel Expenses					
	SBC - Office Supplies & Travel					
	SBC - Office Supplies & Travel					
	SBC - Office Supplies & Travel					
Subtotal for SBC						
Total Monthly Program Expenditures						

EXHIBIT F

SOCALGAS AGREEMENT INCORPORATED BY REFERENCE

NB: All provisions of the following attached SoCalGas Agreement are incorporated herein to this Agreement by reference. All references to “County” shall mean and include VC, and VC shall comply with all provisions of the SoCalGas Agreement as if it is a signatory to the SoCalGas Agreement.

AGREEMENT TO DELIVER THE 2013-2014 COUNTY OF SANTA BARBARA EMPOWER
ENERGY EFFICIENCY PROGRAM

BETWEEN

COUNTY OF SANTA BARBARA

AND

SOUTHERN CALIFORNIA GAS COMPANY

Dated: 8/1, 2013

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 DELIVER THE 2013-2014 COUNTY OF SANTA BARBARA EMPOWER ENERGY EFFICIENCY PROGRAM (the "Agreement") by and between THE COUNTY OF SANTA BARBARA (the "County") and SOUTHERN CALIFORNIA GAS COMPANY ("SoCalGas" or "Utility"), is effective as of 8/1/13 ("Effective Date"). The Utility and the County may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on May 10, 2012, the California Public Utilities Commission (the "Commission") issued its Decision Providing Guidance On 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach, which included the "continuation of successful financing programs that were originally supported by American Recovery and Reinvestment Act ("ARRA") stimulus funding in 2011 and 2012 and implemented by third parties, local governments, and/or via the California Energy Commission";

WHEREAS, the Commission stated that the Utility should choose for continued funding in 2012, as well as in 2013-2014, those programs that best exemplify the following criteria:

- Potential for scalability to larger target markets.
- Ability to leverage ratepayer funds (e.g., with reasonable budgets for outreach to prospective borrowers or for modest levels of credit enhancement) with private loan capital.
- Ability to test unique and/or new program design and delivery options (i.e., effects of requiring bill neutrality, offering longer loan terms, assessing tradeoffs between rebates and financing, etc.)
- Ability to serve previously-unserved or under-served markets (such as multifamily residential).
- Ability to offer low interest rates to consumers, including loan programs that make use of "flexible capital" (from foundations, small business sources, etc.)
- Effective utilization of total combined ratepayer funding support from all sources – utility programs, local or state government partnerships, third-party programs, and financing (in other words, "best bang for the buck").

WHEREAS, Utility has the following additional criteria and may add others in the future:

1. Reduce overall level of administrative costs (target <10%).
2. Coordinate with and enhance Participating Utilities Energy Upgrade California program ("EUC Program") to drive customer participation.
3. Expand ability to serve eligible utility customers.

4. Implement programs by the end of 2014 (funds will be fully expended/committed).

WHEREAS, the Parties have previously executed an agreement ("2012 Agreement") effective August 1, 2012 to deliver the 2012 Program, as amended by that First Amendment to the 2012 Agreement ("2012 First Amendment") to extend the 2012 Program until either December 31, 2013 or the Effective Date of 2013-2014 Agreement, whichever comes first, provided that there are provisions of the 2012 Agreement that shall remain in full force and effect as specified in the 2012 Agreement and 2012 First Amendment. The 2012 Agreement and the 2012 First Amendment are collectively referred to as 2012 Program;

WHEREAS, on November 8, 2012, the Commission issued its Decision Approving 2013-2014 Energy Efficiency Programs and Budgets, D. 12-11-015 (the "Decision"). The Decision approves a portfolio of energy efficiency programs and budgets to be implemented in 2013-2014, including certain successful financing programs previously funded by ARRA, which are the source of the funds to be used for the 2013-2014 Program;

WHEREAS, County has requested funding for 2013-2014 to continue the emPower energy efficiency program (the "Program") and expand the Program into San Luis Obispo County and Ventura County, upon authorization of the Santa Barbara County Board of Supervisors;

WHEREAS, the County has expressed a commitment, and is qualified, to deliver the Program;

WHEREAS, the Program is designed to encompass initially the geographic boundary of County of Santa Barbara and subsequently expand its geographic coverage to County of San Luis Obispo and County of Ventura. Such Program expansion intended to reach larger target markets requires explicit authorization by the County's Board of Supervisors and execution of a Memorandum of Understanding ("MOU") with County of San Luis Obispo and County of Ventura per the scope of work and budget in Exhibits 1 and 2; and

WHEREAS, the County has passed, approved and adopted a motion supporting and authorizing execution of this Agreement.

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 by Participating Utilities of the County's administration of the Program.
- 1.4. Authorized Finance Program Lender: A financial institution that provides loans supported by Loan Loss Reserve Credit Enhancement funds to Customers.
- 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. Customers or Eligible Customers: Residential customers eligible for Program services, which are SoCalGas and Southern California Edison Company ("SCE") or Pacific Gas and Electric Company ("PG&E") customers located within the geographic boundary of the Tri-County.
- 1.8. Default Loss: The loss to the Authorized Finance Program Lender associated with unpaid principal on a defaulted loan, not including any accrued interest or penalties..
- 1.9. Deposit Holding Account: One of two segregated accounts or sub-accounts of a Loan Loss Reserve Fund held at an Authorized Finance Program Lender as described in Section 9.
- 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. Finance Agreement: Agreement(s) between County and Authorized Finance Program Lender(s) which governs the administration of the loans supported by the Loan Loss Reserve Credit Enhancement funds as described in Section 9 and which sets forth the obligations and responsibilities of the Authorized Finance Program Lender and the County.
- 1.12. Finance Program: Program activities specifically related to the County's administration of the Loan Loss Reserve Credit Enhancement funded under this Agreement to support residential energy efficiency loans.

- 1.13. Gas Surcharge: The funds collected from gas utility ratepayers pursuant to Section 890 et seq. of the California Public Utilities Code for public purpose programs, including energy efficiency programs approved by the Commission.
- 1.14. 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.
- 1.15. Loan Loss Reserve ("LLR") Credit Enhancement: Funds that are provided by and held on behalf of the Participating Utilities to support loans made to Customers pursuant to the Finance Program administered by the County. The funds will be held in a Loan Loss Reserve Fund as described below. LLR Credit Enhancement funds are to be returned to the Utility at the expiration or termination of the Agreement unless withdrawn from the account in accordance with Section 9.
- 1.16. Loan Loss Reserve Fund: A set of two segregated accounts, a Deposit Holding Account and a corresponding Reserve Operating Account, funded with LLR Credit Enhancement funds.
- 1.17. Participating Utilities: Southern California Gas Company, Southern California Edison Company, and Pacific Gas and Electric Company, who intend to enter into a co-funding agreement that governs their respective rights and obligations with respect to the Program.
- 1.18. Program: The 2013-2014 County of Santa Barbara emPower Energy Efficiency Program.
- 1.19. Program Expenditures: Actual (i.e., no mark-up for profit), reasonable expenditures of the County related to the Program that are pre-approved, directly identifiable to and required for any work in accordance with Exhibit A.
- 1.20. Program Funding: The funding provided by Utility to County in support of the Program.
- 1.21. Procurement Energy Efficiency: The funds collected from electric utility ratepayers for public purpose programs, including energy efficiency programs approved by the Commission.
- 1.22. Reserve Operating Account: One of two segregated accounts or sub-accounts of a Loan Loss Reserve Fund held at an Authorized Finance Program Lender as described in Section 9.
- 1.23. Subcontractor: A person or an entity contracting with the County, or any subcontractor thereof, to furnish services or materials as part of or directly related to this Agreement.
- 1.24. Third-Party Contractor: A person or an entity participating in the Program to furnish services or materials as part of or directly related to the Program. To be a Third-Party Contractor, the following conditions must be met: (1) the person or

entity is not an employee, Subcontractor, or agent of the County, (2) the person or entity does not have a contractual relationship with the County relating to the Program, and (3) the person or entity's participation in the Program is not controlled by the County.

- 1.25. Tri-County: the collective geographic boundary of Santa Barbara County, San Luis Obispo County and Ventura County.

2. PURPOSE

The Program is funded by California utility ratepayers and is administered by the Utility on behalf of the Participating Utilities who are third-party beneficiaries of this Agreement under the auspices of the Commission. The purpose of this Agreement is to set forth the terms and conditions under which the Utility will provide funding for the Program. The LLRCredit Enhancement funding authorized pursuant to this Agreement is not to be used to generate revenue for County and shall not be considered revenue for the County.

3. PROGRAM DESCRIPTION

The Program is County's comprehensive energy efficiency program, dedicated to upgrading the resource efficiency of existing buildings and enabling a lasting, local high performance building market. The Program provides a voluntary and affordable way to upgrade the energy efficiency and comfort of existing homes. By streamlining the process of attaining low-cost unsecured loans, qualified Third-Party Contractors, and utility rebates, the Program helps homeowners overcome the high upfront cost and confusion associated with making home energy upgrades. The result is a reduction in energy use, less expensive utility bills, enhanced properties and homeowners who are more comfortable year-round. Program activities funded by this Agreement are described in Exhibit A.

4. LIMITATION ON SERVICE TERRITORY

The Parties agree that Program Funding shall only be for activities in a Participating Utility's service territory in the Tri-County area, with energy savings and demand reduction claims applicable solely to Participating Utilities' utility systems. Customers that do not directly receive electricity service from SCE or PG&E or gas service from SoCalGas or PG&E at the Customer address where the Measure is installed will not be eligible to participate in the Finance Program. Customers of SoCalGas who are not customers of PG&E or SCE are solely eligible for the LLR Credit Enhancement funding made available by SoCalGas for the Finance Program. Nothing in this Section 4 is intended to preclude Program coordination between County and other municipal utilities.

5. OBLIGATIONS OF THE PARTIES

5.1. Obligations of the County.

- 5.1.1. County shall appoint a Program representative ("County Representative") who will be the primary contact between the Utility and the County, and who will be authorized to act on behalf of the

County in carrying out its obligations under this Agreement. Such appointment shall be communicated in writing to the Utility within 10 Business Days following execution of this Agreement.

- 5.1.2. The County Representative shall communicate regularly with the Utility Representative (defined below), and shall advise the Utility immediately of any problems or delays associated with the Program.
- 5.1.3. The County shall prepare all Program-related documents, including all required reporting pursuant to Section 7, and any such other reporting as may be requested by the Utility or the Commission.
- 5.1.4. County shall obtain the approval of the Utility 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 at a minimum, the following language: *"This Program is funded by California utility ratepayers and administered by Pacific Gas and Electric Company, Southern California Edison and Southern California Gas Company under the auspices of the California Public Utilities Commission."* County shall allow five (5) Business Days for Utility's review and approval.
- 5.1.5. The County shall obtain the approval of the Utility 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 21.
- 5.1.6. The County shall administer a Finance Program using LLR Credit Enhancement funds as described in Section 9 of the Agreement and in accordance with all legal and regulatory requirements.
- 5.1.7. The County shall perform Program implementation and development work, including marketing, education and outreach to support the Program over the term of this Agreement, as specified and authorized in accordance with Exhibit A.

5.2. Obligations of the Utility.

- 5.2.1. Utility will appoint a Program representative ("Utility Representative") who will be the primary contact for Utility, and who will be authorized to act on behalf of Utility in carrying out Utility's obligations under this Agreement. Such appointment shall be communicated in writing to the County within 10 Business Days following execution of this Agreement.

- 5.2.2. Utility shall administer each Participating Utility's Procurement Energy Efficiency funds or Gas Surcharge funds authorized by the Commission for the Program in accordance with this Agreement.

6. ADMINISTRATION OF PROGRAM

6.1. Decision-Making and Approval.

- 6.1.1. Except as specifically provided in this Agreement, any action that materially impacts the agreed-upon schedule for implementing the Program requires consent of both Parties.
- 6.1.2. Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, 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.

6.2. Lead Utility. SoCalGas is acting on behalf of the Participating Utilities. The Participating Utilities have authorized and appointed SoCalGas to be the primary administrator of the Program. The Utility shall be responsible for:

- 6.2.1. Monitoring the Program;
- 6.2.2. Coordinating the preparation of all Program-related documents, including all required reporting pursuant to Section 7 and any such other reporting duties as may be required; and,
- 6.2.3. As applicable, coordinating with other existing or selected programs that the Participating 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.

6.3. Non-Responsibility for Other Party. Notwithstanding anything contained in this Agreement to the contrary, a Party shall not be responsible for the performance or non-performance hereunder of the other Party or whether such performance meets applicable legal and regulatory requirements, nor be obligated to remedy any other Party's defaults or defective performance.

7. REPORTING

The Parties shall implement those reporting requirements set forth in Exhibit C 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 C in their entirety.

8. PROGRAM DATA

- 8.1. Customer Financing and Loan Application Data. County shall provide the information indicated in Section 9.3.1(b) to Utility. The Utility or the Commission may, in their sole discretions and at any time, request from County information or data relating to the Program and any Loan Loss Reserve Fund, including, but not limited to, a customer financing and loan application. County shall use its best efforts, to provide such information or data within the time requested by the Utility or Commission. Reasonable costs associated with responding to such request will be deemed reimbursable under this Agreement.
- 8.2. County acknowledges that the Commission may request additional reporting and/or Program Data from the County during the effective period of this Agreement and County shall comply with any such requests.

9. LLR Credit Enhancement

- 9.1. Overview. The County shall administer a residential energy efficiency Finance Program that is dedicated to support the EUC Program upgrades or other Measures approved by the Commission and the Utility, and targeted to residential homes in a Participating Utility's service territory within the Tri-County. The Finance Program shall have a LLR Credit Enhancement feature as described below.

9.1.1. The County shall:

- a. Execute a Finance Agreement(s) with Authorized Finance Program Lender(s). The Finance Agreement(s) and any amendment(s) thereto must be approved by the Utility. County shall comply with the Utility approved Finance Agreement and all amendments thereto.
- b. Upon execution of a Finance Agreement approved by the Utility, request the Utility to make available initial funds for deposit into the Deposit Holding Account(s) established for this Finance Program, per section 9.2. The County shall provide documentation to the Utility confirming receipt of deposit(s).
- c. The LLR Credit Enhancement funds shall only be used to support loans solely funding EUC Program projects for Eligible Customers. However with prior written approval from the Utility, LLR Credit Enhancement funds may also be used to support loans

for other eligible energy efficiency measures outside of EUC Program projects.

- d. Develop a ramp-down plan for the Program for the Utility approval prior to December 31, 2014. The County's ramp-down plan will indicate that all services described in Exhibit A must be completed by December 31, 2014.
 - e. County shall require Authorized Finance Program Lender(s) to be bound by the terms and conditions set forth in Section 9 of this Agreement. In the event a breach of the terms and conditions set forth in Section 9 of this Agreement by the Authorized Finance Program Lender(s) causes a reduction in the amount of LLR Credit Enhancement funds to be available for return to Utility as required by Section 9 of this Agreement, County shall be liable for such return.
 - f. The Finance Agreement shall include provisions allowing Participating Utilities to (i) bring an action against an Authorized Finance Program Lender for a breach of the Finance Agreement that causes a reduction in the amount of the LLR Credit Enhancement funds available for return to Utility; and (ii) file a claim in an Authorized Finance Program Lender's bankruptcy proceedings to recover LLR Credit Enhancement funds that would otherwise be returned to Utility under this Agreement.
- 9.1.2. Unless otherwise specified in this Agreement or authorized by the Utility, at the expiration or termination of this Agreement, any unexpended funds in the Deposit Holding Account will be returned to the Utility in accordance with prevailing Commission direction on treatment of unused ratepayer-funded loan loss reserves or other unused ratepayer credit enhancement funding during and across Energy Efficiency program cycles.
- 9.1.3. If the County opts to terminate the Program, it may do so without Utility's consent and funds in the Deposit Holding Account shall be returned to the Utility. The funds in the Reserve Operating Account shall continue to be held as described in the Finance Agreement. The County will provide 30 Calendar Days advance written notification to the Utility prior to such termination.

- 9.1.4. The County shall require as a term and condition of the Finance Agreement(s) that Authorized Finance Program Lender shall not make any new loans supported by LLR Credit Enhancement funds after December 31, 2014.
- 9.1.5. The County will complete reporting requirements by January 31, 2015 and submit the final report no later than March 31, 2015.
- 9.1.6. The Authorized Finance Lender shall administer LLR Credit Enhancement funds pursuant to the Authorized Finance Lender Agreement.

9.2. Loan Loss Reserve Account Funding.

- 9.2.1. For each Loan Loss Reserve Fund, the following accounts shall be established in order to segregate LLR Credit Enhancement funds allocated to specific loans made by Authorized Finance Program Lender from unencumbered funds:
 - a. A Deposit Holding Account for unencumbered LLR Credit Enhancement funds
 - b. A Reserve Operating Account for LLR Credit Enhancement funds allocated to specific loans.
- 9.2.2. Each LLR Fund shall be held at an Authorized Finance Program Lender for the benefit of the Participating Utilities and shall be held in the name of the County.
- 9.2.3. The County shall establish procedures as necessary to achieve the reporting requirements specified in Exhibit C.
- 9.2.4. Initial Funding of Loan Loss Reserve Funds.
 - a. Upon execution of the Finance Agreement each Loan Loss Reserve Fund shall be funded by the Utility in the amount of Two Hundred Thousand Dollars (\$200,000), which amount shall be deposited into the Deposit Holding Account, unless otherwise approved by the Utility.
 - b. The County may fund each Reserve Operating Account with an initial transfer of Twenty Thousand Dollars (\$20,000) (or other amount with prior written authorization from the Utility) from the corresponding Deposit Holding Account.

9.2.5. Deposits into the Deposit Holding Account(s) by the County or transfers from the Reserve Operating Account(s) by the Authorized Finance Program Lender must be made according to the terms and conditions of the Finance Agreement(s).

9.2.6. Subsequent Funding of Loan Loss Reserve Funds.

- a. The County may request the Utility provide funds for County's deposit into any of the Deposit Holding Accounts to bring the account balance up to the initial funding amount. Requests for deposits into the Deposit Holding Account shall only be made when the Deposit Holding Account Balance falls below One Hundred Thousand Dollars (\$100,000). In no event shall the cumulative total contributed to all Deposit Holding Accounts by Utility exceed One Million Dollars (\$1,000,000).
- b. Funding for each Reserve Operating Account shall only be by transfer from the corresponding Deposit Holding Account. Funds transferred shall (i) correspond to loans made by an Authorized Finance Program Lender supported by LLR Credit Enhancement funds pursuant to a Finance Agreement, (ii) be no more than ten percent of the amount of the principal of such loan that is supported by LLR Credit Enhancement funds, and (iii) be subject to return to Utility in accordance with Section 9.3.4. Such transfers shall not be made until the total amount of such transfers to be made exceeds that amount initially transferred into the Reserve Operating Account pursuant to Section 9.2.4(b) above.

9.3. Loan Loss Reserve Account Withdrawals

9.3.1. Withdrawals from a Reserve Operating Account by an Authorized Finance Program Lender in accordance with a Finance Agreement for the purpose of covering an Authorized Finance Program Lender's Default Losses shall be considered expended and not subject to return to the Utility at the expiration or termination of the Agreement and shall be subject to the following restrictions:

- a. Withdrawals for Default Losses must be made based on the terms and conditions of the applicable Finance Agreement(s). All funds withdrawn by an Authorized Finance Program Lender from the Reserve Operating Account for the purpose of covering the Authorized Finance Program Lender's Default Losses, not otherwise recovered, shall not be returned to the Utility.

- b. In no event may the total withdrawals made from a Reserve Operating Account exceed the amount remaining in the account.
 - c. In no event may the total withdrawal(s) made from a Reserve Operating Account and in connection with any one loan exceed 100 percent of the outstanding balance on the loan at the time of the withdrawal. In the Finance Agreement, the County shall endeavor to require the Authorized Finance Program Lender to share a portion of the loss to encourage best practices in avoiding defaults.
 - d. A maximum of one withdrawal may be made for a defaulted loan.
 - e. The withdrawal must be made within the time period set forth in the Finance Agreement. If no time period is set forth, the withdrawal must be made within thirty (30) Calendar Days of the date that the Authorized Finance Program Lender suffers a Default Loss.
 - f. The Authorized Finance Program Lender shall attempt to recover Default Losses based on the terms and conditions of the Finance Agreement.
- 9.3.2. Withdrawals from the Deposit Holding Account by the Authorized Finance Program Lender will be allowable throughout the term of this Agreement. The Authorized Finance Program Lender shall be bound by the Finance Agreement requirements for the remaining life of any outstanding loans under this Finance Program. Any balance in a Deposit Holding Account at any time after the expiration of this Agreement shall be managed based upon direction from the Commission on treatment of unused Loan Loss Reserve Credit Enhancements during and across Commission Energy Efficiency Program cycles. If no direction from the Commission is provided, LLR Credit Enhancement funds no longer required by the Finance Agreement(s) to be deposited in the Deposit Holding Account(s) shall be returned to the Utility by March 31, 2015. Funds in the Deposit Holding Account obligated against active loan applications shall not be returned to the Utility until such loans are no longer active.
- 9.3.3. Funds transferred to the Reserve Operating Accounts shall not be used for or allocated to any purpose except as provided for in this Agreement. The Reserve Operating Accounts shall remain open and operating for the remaining life of any outstanding loans under the Finance Program in accordance with the Finance Agreement. Such

funds shall remain the property of the Participating Utilities.

- 9.3.4. Funds that are no longer required by the Finance Agreement(s) that are remaining in the Reserve Operating Account(s) shall be returned to its respective Deposit Holding Account, or if this Agreement has terminated, returned to the Utility as directed by the Commission, or if no direction from the Commission is provided, returned to the Utility on not less than a quarterly basis.
- 9.3.5. Funds deposited in the Deposit Holding Account(s) and Reserve Operating Account(s) shall accrue interest. Such interest shall be deposited in the Deposit Holding Account.
- 9.3.6. No funds deposited in the Deposit Holding Account(s) or Reserve Operating Account(s) shall be used to pay any costs, points or fees associated with a loan made by Authorized Finance Program Lender that is supported by LLR Credit Enhancement funds.

9.4. Loan Loss Reserve Funds – Monthly Reporting

- 9.4.1. The County shall provide, as part of the monthly invoice and reporting submittal, information to the Utility for tracking overall loan activities under the Finance Program, in a form and format consistent with the reporting requirements in this Agreement as part of monthly reporting.
- 9.4.2. Without limiting any reporting required under this Agreement or this Section 9.4, the information to be provided shall at a minimum include for each new loan and each loan that has defaulted: (i) information sufficient to determine the Customer name and Participating Utility account number, installation site address, name of Measure or service rendered, and description of Measure or service such as the EUC Program project number; (ii) the original principal amount of the loan; (iii) the amount of the unpaid principal that is in default and the amount of funds withdrawn from the Reserve Operating Account in connection with the Default Loss (if applicable). Additionally, County shall provide the total remaining principal of all loans currently outstanding and the balances of all Loan Loss Reserve Funds.
- 9.4.3. The Utility reserves the right to request changes and modifications to the reporting format.
- 9.4.4. The County shall report to the Utility any breach of a Finance Agreement that causes a reduction in the amount of the LLR Credit Enhancement funds available for return to Utility within seven Business Days of discovery by County.

10. PAYMENTS

10.1. Authorized Budget: The Authorized Budget is set forth in Exhibit B to this Agreement in the table entitled "2013-2014 Program Authorized Budget" and represents the maximum funding by the Participating Utilities for County's approved activities related to the Program. The County shall not be eligible for funding and Utility shall not be required to fund the Loan Loss Reserve Fund(s) in excess of the amounts set forth in the Authorized Budget, without written authorization by such Utility and mutual approval of a revised Exhibit B. Consistent with Commission directives to maximize cost-effectiveness and energy savings, the Authorized Budget set forth in Exhibit B may be reallocated or adjusted at any time by the Utility in its reasonable discretion upon consulting with the Participating Utilities, based upon Utility's evaluation of the County's commitment to, and progress toward its Program goals set forth herein.

10.1.1. Tracking: Utility will track the County's performance against the goals and objectives set forth in Exhibit A, including tracking (or estimating) achievement towards the specific goals set forth in Exhibit A. The tracking will enable Utility to (i) report Program status and achievement of respective goals and objectives, and (ii) confirm or amend the Authorized Budget based on County's performance of the goals and objectives set forth in Exhibit A.

10.1.2. 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 County's commitment to attain such goals and its desire to provide leadership to its community. To this end, in the event that Utility determines, in its sole discretion and through the tracking mechanism set forth in 10.1.1 above, that the County is not performing in accordance with the goals and objectives set forth in Exhibit A, then, upon consulting with the Participating Utilities, such Utility shall have the right to reduce, eliminate, or otherwise adjust the Authorized Budget for the remainder of the Program by amending Exhibit B and providing the amended Exhibit to the County. Pursuant to this Section, any such amended Exhibit B shall automatically be incorporated into this Agreement and take effect immediately upon delivery from such Utility to the County. An adjusted Authorized Budget shall not preclude reimbursement for allowable, reimbursable Program Expenditures already incurred.

10.2. Program Expenditures of the County. The County shall not be entitled to reimbursement of Program Expenditures for any item (i) not specifically identifiable to the Program, (ii) not previously approved by Utility, (iii) not

expended within the terms of this Agreement, or (iv) not otherwise reimbursable under this Agreement.

10.2.1. Time and Materials Basis. All work will be performed on a time and materials basis and subject to the general provisions set forth below in Section 10.2.2. In the event work is performed on a basis other than time and materials, the Parties shall agree on general provisions for invoicing and reporting such work, and incorporate such provisions into this Agreement by subsequent amendment of Section 10.2.2 below, prior to the County invoicing Utility for such work.

10.2.2. General Provisions

- a. All charges shall be directly identifiable to, and required for the authorized work or activity.
- b. The County Representative shall notify Utility Representative at such time that it becomes reasonably apparent that the forecasted cumulative charges may exceed any Authorized Budget. The County shall not proceed with or be reimbursed for any work performed, either beyond the effective period of this Agreement, or exceeding the Authorized Budget in Exhibit B, without written approval of the Utility.
- c. The County shall request authorization from Utility Representative prior to any fund-shifting or re-allocation of the authorized amounts in Exhibit B.
- d. All labor related costs shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.
- e. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.
- f. Material costs shall be substantiated with an invoice stating the unit price, quantity, and other information as required to identify the authorized work.
- g. Subcontracted work or activities shall be charged at the rates actually paid by the County. The County shall provide SoCalGas invoices for any County invoice that includes Subcontractor costs. The County shall at all times be responsible for the services or deliverables, and for the acts and omissions of Subcontractors and

persons directly or indirectly engaged by the Subcontractors. All expenses shall be charged at cost, without mark-up.

- h. Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, ordinary computer software and in-house technical software that are not included in the Authorized Budget are deemed to be included in the County's overhead costs and will not be reimbursed.
- i. Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available. A copy of airfare receipt indicating the final expense for the trip and applicable supporting documents showing the starting point, travel destination, departure and return dates, and the purpose of the trip are required for each air travel reimbursement. Automobile travel from County offices to any Program job site, function or activity shall be paid at the fixed mileage rate stated in this Agreement or if not stated, at applicable internal revenue service (IRS) standard mileage reimbursement rate. Either a mileage log showing miles driven for each trip or a Google/Mapquest printout showing the travel path is required for each mileage reimbursement request.
- j. Any activities undertaken by County that are outside of the scope of this Agreement, but that are otherwise invoiced by the County shall not require payment by the Utility. The County may seek permission to amend Exhibit A and/or written work authorization, and if such amendment is formally approved by the Participating Utilities and executed in writing by both Parties, and those amendments are included in the amended Exhibit A and/or written work authorization, any activities or work covered under such amendment shall be invoiced and paid in accordance with this Agreement.

10.2.3. The Authorized Budget shall be reduced by amounts paid on invoices related to the 2012 Program for work completed between January 1, 2013 and the Effective Date.

10.3. Payment to the County. In order for the County to be entitled to Procurement Energy Efficiency funds or Gas Surcharge funds for Program Expenditures (other than LLR Credit Enhancement funds):

10.3.1. The County shall submit monthly activity reports to Utility in a format acceptable to the Utility and containing such information as may be required for the reporting requirements set forth in Sections 7

and 9.4.1above ("Monthly Reports"), by the tenth (10th) Calendar Day of the calendar month following performance, setting forth all Program Expenditures.

10.3.2. The County shall submit a monthly narrative that includes a discussion on the following Program activities occurring during the reporting month:

- a. Administration activities;
- b. Marketing, education and outreach activities;
- c. Workforce education and training activities
- d. LLR Credit Enhancement implementation activity; and,
- e. Other activities which support the review and approval of the County's invoices.

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

10.4.1. Subcontractor Costs: Copies of all Subcontractor invoices. If only a portion of Subcontractor costs applies to the Program, the County shall clearly indicate the line items or percentage of the invoice amount that should be applied to the Program as provided in Exhibit C.

10.4.2. 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.

10.4.3. Other expenditures: As pre-approved by the Utility, with sufficient documentation to support the expenditure.

10.4.4. Allowable Costs: Only those costs as listed in the Allowable Cost Table contained in the Reporting Requirements attached as Exhibit C can be submitted for payment. All invoices submitted to the Utility must report all costs using the allowable cost elements shown on the Allowable Cost Table.

10.5. Invoice Review. In the event the Utility determines that the County's (or any of its Subcontractors' that are included for payment) invoices do not meet the invoicing requirements of the Agreement, lacks accounting transparency, and/or

lacks sufficient material support, the Utility will notify the County of the deficiencies and County shall correct such deficiencies promptly. The Utility has the right to review and approve the data and methods used to develop the invoice documentation. However, the failure to conduct such review or grant such approval shall not relieve the County from its responsibilities and obligations under this Agreement.

10.5.1. The County understands and acknowledges that all invoices for the Program and the Monthly Report shall be submitted to Utility.

10.5.2. Utility reserves the right to reject a County invoiced amount for any of the following reasons:

- a. The invoiced amount, when aggregated with previous Program Expenditures, exceeds the amount budgeted therefor in the amounts as set forth in Exhibit B.
- b. There is a reasonable basis for concluding that such invoiced amount is unreasonable or is not directly identifiable to or required for the Program.
- c. The invoiced amount, in 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.

10.5.3. The County shall maintain for a period of not less than ten (10) years all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the documentation set forth in Sections 10.3 and 10.4 above. The County shall promptly provide, upon the reasonable request by Utility, any documentation, records or information in connection with the Program.

10.5.4. 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. Utility shall pay all undisputed amounts after the ten (10) Business Day period, but within thirty (30) Calendar Days of receiving the Monthly Report and corresponding invoice.

10.5.5. The County may respond to or rebut the rejection of an invoiced amount by providing the Utility additional documentation supporting invoiced expenditures.

10.6. Reasonableness of Expenditures. The County 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 Procurement Energy Efficiency funds or Gas Surcharge funds paid in the reimbursement of such Program Expenditure, the County 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 reporting requirements by no later than March 31, 2015.

12. FINAL INVOICES

County must submit final invoices to Utility no later than March 31, 2015.

13. INDEMNITY

13.1. Indemnity by the County. County shall indemnify, defend and hold harmless the Participating Utilities, and their 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 County's negligence or willful misconduct in the County's activities under the Program or performance of its obligations hereunder, (b) the County's breach of this Agreement or of any representation or warranty of the County contained in this Agreement, or (c) County's violation of applicable laws in carrying out its obligations under this Agreement.

13.2. 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 OR TERMINATION OF THIS AGREEMENT.

13.3. Provided County has not caused any of the following events through a breach of this agreement or through its negligence, it shall not be in breach under this Agreement by the County, and the Utility and/or Participating Utilities shall not hold the County liable for any expenses, claims, losses, damages or liabilities resulting from the following events:

13.3.1. Loan defaults, Default Losses, and/or any other risk associated with the making of any loan to a Customer by an Authorized Program Finance Lender that meets the requirements of the Finance Program.

13.3.2. Authorized Finance Program Lender's: (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) insolvency; (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

13.3.3. An Authorized Finance Program Lender's violations of laws, rules, or regulations; unsafe or unsound banking practices; breaches of fiduciary duty; and, violations of final orders, conditions imposed in writing or written agreements; or (2) termination of an Authorized Finance Program Lender's deposit insurance for violation of a law, rule, regulation; condition imposed in writing, or written agreement; or (3) for being in an unsafe or unsound condition or engaging in unsafe or unsound banking practices.

13.4. Section 13.3 shall not limit or otherwise effect County's obligations to indemnify the Participating Utilities under Section 13.1.

14. OWNERSHIP OF DEVELOPMENTS

The Parties acknowledge and agree that the Participating Utilities, on behalf of their respective 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 County 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) Business 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) Business 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 35.

16. REPRESENTATIONS AND WARRANTIES

Each Party represents, covenants and warrants, as of the Effective Date and thereafter during the term of this Agreement, that:

- 16.1. Any work related to the Program performed by a Party and/or its Subcontractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, and local governments, and all agencies thereof.
- 16.2. The work performed by a Party and/or its Subcontractors 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.

- 16.3. 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.
- 16.4. County shall contractually require each Subcontractor it hires to perform any work related to the Program to indemnify the Participating Utilities to the same extent County has indemnified the Participating Utilities under the terms and conditions of this Agreement.
- 16.5. Each Party shall retain, and shall cause its Subcontractors to retain, all records and documents pertaining to its Program obligations for a period of not less than ten (10) years beyond the termination or expiration of this Agreement.
- 16.6. Each Party shall contractually require all of its Subcontractors to provide the other Parties reasonable access to relevant records and staff of Contractors concerning the Program.
- 16.7. Each Party will maintain, and its Subcontractors are required 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 limits.
 - (ii) Employer's Liability coverage: \$1 million limit each accident, each employee/disease, and policy limit/disease.
 - (iii) Commercial General Liability: \$2 million per occurrence/\$4 million aggregate limits.
 - (iv) Commercial or Business Auto (if applicable): \$1 million combined single limit.
 - (v) Professional Liability (if applicable): \$1 million per claim limit.
- 16.8. Each Party shall take all reasonable measures, and shall require its Subcontractors to take all reasonable measures, to ensure that the Program funds in its possession are used solely for work related to the Program, 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 Utility's request at any time during the term of this Agreement, County shall provide evidence that its insurance policies (and the insurance policies of any Subcontractor, as provided in Section 16.7) are in full force and effect, and provide the coverage and limits of insurance that County has

represented and warranted herein to maintain at all times during the term of this Agreement.

- 17.2. Self-Insurance. If County is self-insured, County shall upon request forward documentation to the Utility that demonstrates to the Utility's satisfaction that County self-insures as a matter of normal business practice before commencing any work related to the Program. Utility will accept reasonable proof of self-insurance comparable to the above requirements.
- 17.3. Notice of Claims. County shall immediately report to Utility, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by County or its Subcontractors or County'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 County, its employees, agents and Subcontractors 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 County having obtained the prior written consent of the Participating Utility, except as provided by law, including the California Public Records Act, California Government Code sections 6250 et seq., lawful court order or subpoena and provided the County gives the affected Participating Utility advance written notice of such order or subpoena.
- 18.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, a Participating Utility Customer's name, address, telephone number, account number and all billing and usage information, as well as any such Participating Utility customer's information that is marked "confidential". If the County is uncertain whether any information should be considered Confidential Customer Information, the County shall contact such Participating 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 County to enter into a nondisclosure agreement. Nothing in this Agreement shall require a Participating Utility to disclose Confidential Customer Information.
- 18.4. Commission Proceedings. This provision does not prohibit the County from disclosing non-confidential information concerning the Program 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 County by the Utility, and any and all documents and materials containing such Confidential Customer Information or produced by the County 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 17 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 17 by the County, the affected Participating Utility shall be entitled to seek and obtain an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

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 the requirements under this Agreement may constitute a material breach of this Agreement, resulting in its termination, payments being withheld, funding redirected by the Participating Utilities to other programs or partners, or other Program modifications as determined by 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 ten (10) Business Days of receipt by the County to the 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 Utility 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 Participating Utility's Name or Logo. The County must receive prior review and written approval from the Participating Utility in order to use such Participating Utility's name, mark or logo on any marketing or other Program materials. The County shall allow five (5) Business Days for such Participating Utility review and approval. If the County has not received a response from such Participating Utility within the five (5) Business Day period, then it shall be deemed that such Participating Utility has disapproved such use. Requests to use a

Participating Utility's name or logo shall be directed to the representative of that Participating Utility as indicated by SoCalGas.

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

22. RIGHT TO AUDIT

The Participating Utilities and the Commission shall have the right to audit County at any time during the term of this Agreement and for ten (10) years thereafter. The County agrees that the Participating Utilities, 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 any work related to the Program, during normal business hours, and to allow reasonable access in order to interview any staff of the County who might reasonably have information related to such records. Further, the County agrees to include a similar right of the Participating Utilities and/or the Commission to audit records and interview staff in any subcontract related to performance of any work related to the Program or this Agreement.

23. STOP WORK PROCEDURES

Utility may suspend the work being funded by Program Funding in a Participating Utility's 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 County in writing to suspend any work being performed in such Participating Utility's service territory. Any performance of work by the County in such Participating Utility's service territory shall stop immediately, and the County may resume its work only upon receiving written notice from such Participating Utility that it may resume its work.

24. MODIFICATIONS

Except as otherwise provided in this Agreement, changes to this Agreement shall 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 and shall terminate on March 31, 2015, unless extended in writing by mutual agreement of the Parties.
- 25.2. Termination for Breach. Any Party may terminate this Agreement in the event of a material breach by the other Party of any of the material terms or conditions of this Agreement, provided such breach is not remedied within sixty (60) days

written notice to the breaching Party thereof from the non-breaching Party or otherwise resolved pursuant to the dispute resolution provisions set forth in Section 15.

- 25.3. Effect of Termination. Any termination by the County or by the Utility shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 37).

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:

County:

emPowerSBC, County of Santa Barbara
Angie Hacker, Program Manager
105 E. Anapamu Street, Suite 105
Santa Barbara, CA 93101
Tel: 805-568-3515
Fax: 805-568-2289

SoCalGas:

Southern California Gas Company
Paulo Morais, Energy Programs Supervisor
555 W. Fifth Street, GT20B4
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. SUBCONTRACTORS

Each Party shall, at all times, be responsible for its work obligations, and acts and omissions of Subcontractors, or any Subcontractor thereof and persons directly or indirectly employed by such Party for services in connection with any work related to the Program. Each Party shall require its Subcontractors 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 Subcontractors.

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. County is not and shall not be considered as being a fiduciary of Utility and/or any and all of the Participating Utilities. County is not and shall not be considered as being a guarantor or surety of any and all loans made by Authorized Finance Program Lenders to Customers or any other obligations or responsibilities of Authorized Finance Program Lenders.

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.

30. COMMISSION 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 or the Utility's ability to perform, the Utility shall have the right to terminate this Agreement in accordance with the provisions of Section 24 above by providing at least ten (10) days' prior written notice to the County 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. To the extent final Program operation and details differ from Program implementation plans submitted by the Participating Utilities, the Participating Utilities shall submit Program implementation plan addendums ("PIP Addendums") to the Commission. In the event the Commission does not approve the PIP Addendums, the Utility shall have the right to negotiate an amendment to this Agreement to conform the Agreement to the Commission-approved Program implementation plan, or if the Parties cannot reach an agreement, terminate pursuant to this Section 25.

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 purported 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 County'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 Los Angeles County, 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 until three (3) years after the Agreement is completed or terminated, whichever comes last. Such provisions shall include, but are not limited to, Sections 7, 8, 9, 13, 14, 15, 18, 22, 35 and 38 of this Agreement.

Reporting requirements connected with outstanding loans supported by LLR Credit Enhancement funds shall survive so long as the related loan remains outstanding.

In the event that County is unable to remedy a breach of this provision within the time allowed by the dispute resolution procedures of Section 15, at the request of the Utility, the County shall cause all information and return of funds due from the Authorized Lender(s) to the County to be provided directly to the Utility to the extent allowable under the Finance Agreement(s). This remedy is in addition to all other remedies that may be available to the Utility.

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.

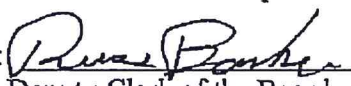
COUNTY:



SALUD CARBAJAL
Chair, Board of Supervisors
County of Santa Barbara

ATTEST:

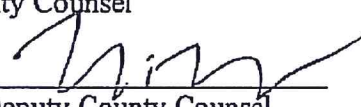
Chandra L. Wallar
Clerk of the Board of Supervisors

By: 

Deputy Clerk of the Board

APPROVED AS TO FORM:

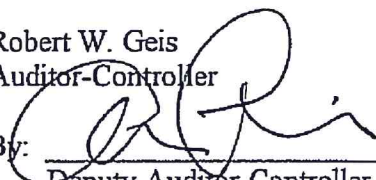
Dennis A. Marshall
County Counsel

By: 

Deputy County Counsel

APPROVED AS TO FORM:

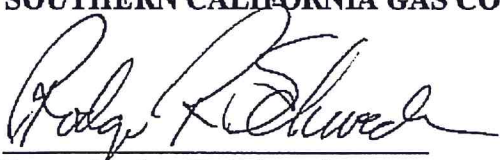
Robert W. Geis
Auditor-Controller

By: 

Deputy Auditor-Controller
Deputy Auditor-Controller
Gregory Eric Levin
Advanced and Specialty Accounting

UTILITY:

SOUTHERN CALIFORNIA GAS COMPANY



By: Rodger R. Schwecke
Title: Vice President, Customer Solutions
Date: 7/29/13

EXHIBIT A

WORK SCOPE

Overview

The County, on behalf of the Participating Utilities, will administer a LLR Credit Enhancement Financing Program that offers home upgrade loans to eligible customers of Participating Utilities. The County will attempt to leverage the amount of lending available through the Finance Program at a ratio of \$20 private capital loan dollars for every \$1 of initial Loan Loss Reserve Credit Enhancement funds provided by Participating Utilities. The County shall also provide contractor education and marketing activities as provided below. The County will centrally administer the Program on behalf of the Tri-County. As described below and in Exhibit B funds provided in this agreement will be allocated to San Luis Obispo and Ventura Counties to assist with regional implementation.

The \$3.7 million budget described below is based on estimated costs for the following general activities:

- Continuation of the Program, including complementary services and EUC Program support/promotion in Santa Barbara County
- Development and administration of expanded the Program in Ventura and San Luis Obispo County, subject to all appropriate approvals.
- Development and administration of financing products for new markets (multi-family, small business), subject to all appropriate approvals, and Commission financing decisions.

Project Task 1. LLR Credit Enhancement Implementation

The County shall engage one or more lenders to promote home upgrade loans utilizing LLR Credit Enhancements to eligible single-family residential Customers in the Tri-County Area. LLR Credit Enhancement will be funded by the Utility as described in the Agreement. Interest rates and loan terms may vary by lender, amount borrowed, length of the loan, and credit rating of the borrower. The County will attempt to negotiate below-market rates and/or terms (i.e. loan size and term) reflecting the value of the LLR Credit Enhancement.

Funding (as shown in Exhibit B) is requested to support additional loans supported by LLR Credit Enhancement funds, to be centrally administered by Santa Barbara County. Depending on Commission and Utility direction and approval, the County may utilize these funds to support expanded residential financing products and/or to explore new markets (e.g., multi-family, small business).

Additional funding, as shown in Exhibit B, is requested to support staff time (salary, benefits, and overhead), for each county. The funding will be used to develop and administer the

Program. Funding is also requested for staff travel time related to the Program, which would be split 50% for Santa Barbara County and 25% each for Ventura and San Luis Obispo Counties.

Project Task 2. Workforce Education and Training (WE&T)

The County will recruit, train and support building professionals (i.e. contractors) that serve the Tri-County region to become eligible to participate in the Program and the EUC Program. Activities to be funded for this project task include the following (see Exhibit B for budget detail):

- Trainings related to building performance, which may include energy modeling, Building Performance Institute courses and exams, support for IOU training, and sales and marketing training;
- Workforce education and training-related travel costs, supplies, and materials.
- Santa Barbara County Energy Coach service, developed based on national best practices. The Energy Coach works with participating contractors providing technical assistance during assessments, bid development, EnergyPro modeling, and EUC Program and Program project enrollment. The Energy Coach will also work as a “mentor” to prospective contractors, assisting them in becoming Building Performance Institute certified and enrolled in the Program and EUC Program.
- Staffing costs, including overhead charges.

Project Task 3. Marketing, Education and Outreach (ME&O)

The County shall inform homeowners in the Tri-County area about the benefits of home energy upgrades and how the Program can help them make these upgrades. Activities to be funded for this project task include the following (see Exhibit B for budget detail):

- TV, radio, print and on-line media buys. The County will centrally administer a portion of the allocated funding as part of the comprehensive Tri-County media buy campaign. San Luis Obispo and Ventura will also receive funding for their specific areas.
- Marketing and design consulting will be centrally administered by the County to develop and deploy branding, marketing and outreach campaigns and activities.
- emPower website maintenance and updates, including updates to reflect expansion into Ventura and San Luis Obispo Counties.
- Collateral/promotional materials. The County will centrally administer a portion of the allocated funding to develop comprehensive Tri-County collateral/promotional materials, while all counties will also receive funding for local customized collateral/promotional materials and outreach events

- Energy Coach position. In addition to supporting local contractors, the Energy Coach would assist homeowners through the process of applying for funding for home energy efficiency Measures and receiving EUC Program and the Program assistance
- Staffing costs, including overhead charges.

Project Task 4. Administration Costs

Activities to be funded for this project task include the following direct program costs (see Exhibit B for budget detail):

- Staff time (salary, benefits, overhead) for preparing, reviewing, and submitting reports, invoice processing, document development and review by County Counsel and Auditor Controller, and general program administration.
- Office supplies and materials
- Travel costs
- Postage costs, and
- Information Technology (IT) and Communication related costs.

As the Program administrator, the County will receive approximately 80% of the administration funding, with Ventura and San Luis Obispo Counties receiving approximately 10% each, to cover the administration costs referenced above.

EXHIBIT B

2013-2014 Authorized Budget

County of Santa Barbara	2013	2014	2013-2014
Administration	\$ 146,915	\$ 146,915	\$ 293,830
WE&T	\$ 172,120	\$ 215,808	\$ 387,928
ME&O	\$ 398,914	\$ 498,207	\$ 897,121
LLR Credit Enhancement Implementation	\$ 95,999	\$ 67,461	\$ 163,460
LLR Credit Enhancement	\$ 500,000	\$ 500,000	\$ 1,000,000
Santa Barbara Total	\$ 1,313,948	\$ 1,428,391	\$ 2,742,339
County of San Luis Obispo	2013	2014	2013-2014
Administration	\$ 18,828	\$ 18,680	\$ 37,507
WE&T	\$ 62,270	\$ 64,050	\$ 126,321
ME&O	\$ 157,250	\$ 160,310	\$ 317,560
LLR Credit Enhancement Implementation	\$ 12,423	\$ 10,232	\$ 22,655
LLR Credit Enhancement	\$ -		\$ -
San Luis Obispo Total	\$ 250,772	\$ 253,272	\$ 504,044
County of Ventura	2013	2014	2013-2014
Administration	\$ 18,840	\$ 18,521	\$ 37,362
WE&T	\$ 36,366	\$ 38,757	\$ 75,123
ME&O	\$ 158,218	\$ 160,109	\$ 318,327
LLR Credit Enhancement Implementation	\$ 12,323	\$ 10,482	\$ 22,805
LLR Credit Enhancement	\$ -	\$ -	\$ -
Ventura Total	\$ 225,747	\$ 227,870	\$ 453,617
emPower Tri-County	2013	2014	2013-2014
Administration	\$ 184,583	\$ 184,116	\$ 368,699
WE&T	\$ 270,756	\$ 318,615	\$ 589,371
ME&O	\$ 714,382	\$ 818,627	\$ 1,533,009
LLR Credit Enhancement Implementation	\$ 120,746	\$ 88,175	\$ 208,921
LLR Credit Enhancement	\$ 500,000	\$ 500,000	\$ 1,000,000
Tri-County Total	\$ 1,790,467	\$ 1,909,532	\$ 3,700,000

EXHIBIT C

REPORTING REQUIREMENTS

1. Reporting Requirements

1.1 The County shall provide each Participating Utility with the requisite information, in accordance with the Agreement, on the prior month's activities, accomplishments and expenditures related to its respective authorized work, for purposes of preparing the monthly, quarterly and annual reports.

1.2 Each Participating Utility shall file its monthly, quarterly and annual report in accordance with Commission schedules and provide the County in accordance with the provisions of the Agreement, a copy of County's filed monthly report within five (5) Business Days after filing.

2. Quarterly Report

2.1 Portfolio Benefit/Cost Metrics (Cumulative to Date)

- a. PLACEHOLDER (pending a Commission decision on whether this will be required for financing programs).

2.2 [Intentionally Omitted]

2.3 **Expenditures** for the Program per cost reporting format below (Section 6 below contains list of allowable costs)

- a. Authorized Budget
- b. Operating Program Budget
- c. Total Expenditures
 - i. Administration Cost
 - ii. Marketing, Education and Outreach Costs
 - iii. Loan Loss Reserve Credit Enhancement Implementation

2.4 [Intentionally Omitted]

2.5 **Program Narratives** – For the Program, a description of the Program activities occurring during the quarter.

- a. Administrative activities
- b. Marketing activities
- c. Direct Implementation activities
- d. The County's assessment of Program performance and Program status (is the Program on target, exceeding expectations, or falling short of expectations, etc.)
- e. For non-resource programs and program elements (programs or program elements that are not claiming direct energy impacts), a discussion of the status of program achievements.
- f. Discussion of changes in Program emphasis (new Program elements, less or more emphasis on a particular delivery strategy, Program elements discontinued, Measure discontinued, etc.)
- g. Discussion of near term plans for Program over the coming months (e.g., marketing and outreach efforts that are expected to significantly increase Program participation, etc.)

- h. Changes to staffing and staff responsibilities, if any
- i. Changes to contacts, if any
- j. Changes to Subcontractors and Subcontractor responsibilities, if any
- k. Number of Customer complaints received
- l. Program Theory and Logic Model if not already provided in the Program's implementation plan, or if revisions have been made.

2.6 Quarterly Reports – Each Participating Utility shall provide the County a copy of its filed Quarterly Report within five (5) Business Days after filing with the Commission in accordance with the Agreement.

3. Annual Reports

County will be required to fulfill annual report requirements as set forth by the Commission.

4. Reporting Terminology Definitions

Adopted Program Budget – The Program budget as it is adopted by the Commission. Inclusive of costs (+/-) recovered from other sources.

Operating Program Budget – The Program budget as it is defined by the County for internal Program budgeting and management purposes. Inclusive of costs (+/-) recovered from other sources.

Direct Implementation Expenditures – Costs associated with activities that are a direct interface with the Customer or Program recipient (e.g., third party contractor receiving training on EUC Program).
(Note: This is still an open issue, the items included in this definition may be changed by the Commission pending discussion on the application of the State's Standard Practice Manual.)

Report Month – The month for which a particular monthly report is providing data and information. For example, the report month for a report covering the month of July 2010, but prepared and delivered later than July 2010, would be July 2010.

Program Strategy – The method deployed by the Program in order to obtain Program participation.

Program Element – A subsection of the Program, or body of Program activities within which a single Program strategy is employed. (Example: A body of program activities employing both an upstream rebate approach and a direct install approach is not a single program element.)

5. Measure Classification

Measure End-Use Classification

Each energy efficiency Measure reported should be classified into one of the following end-use categories

Residential End Uses

Detailed End Use

Clothes Dryer
 Clothes Washer
 Consumer Electronics
 Cooking
 Dishwasher
 Other Appliance

Aggregated End Use

Appliances
 Appliances
 Consumer Electronics
 Cooking Appliances
 Appliances
 Appliances

Building Shell	HVAC
Space Cooling	HVAC
Space Heating	HVAC
Interior Lighting	Lighting
Exterior Lighting	Lighting
Pool Pump	Pool Pump
Freezers	Refrigeration
Refrigeration	Refrigeration
Water Heating	Water Heating
Other (User Entered Text String Description)	Other

Measure Market Sector/Market Segment Classification

Where reports require market sector or market segment classification, the following classification scheme should be used.

<i>Market Sector</i>	<i>Market Segment</i>
Residential	NA
Single Family	NA
Multi Family	NA
Mobile Homes	NA
Unknown	NA

6. Allowable Costs

Allowable Costs Table	
The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the Utility. If there is a desire to include additional Allowable Cost elements, the Utility should be contacted in order for the County to seek approval from the Commission.	
Cost Categories	Allowable Costs
Administration Cost Category	Managerial and Clerical Labor
	IOU Labor - Clerical
	IOU Labor - Program Design
	IOU Labor - Program Development
	IOU Labor - Program Planning
	IOU Labor - Program/Project Management
	IOU Labor - Staff Management
	IOU Labor - Staff Supervision
	Subcontractor Labor - Clerical
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the Utility. If there is a desire to include additional Allowable Cost elements, the Utility should be contacted in order for the County to seek approval from the Commission.

Cost Categories	Allowable Costs
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	Human Resource Support and Development
	IOU Labor - Human Resources
	IOU Labor - Staff Development and Training
	IOU Benefits - Administrative Labor
	IOU Benefits - Direct Implementation Labor
	IOU Benefits - Marketing/Advertising/Outreach Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Pension - Administrative Labor
	IOU Pension - Direct Implementation Labor
	IOU Pension - Marketing/Advertising/Outreach Labor
	Subcontractor Labor - Human Resources
	Subcontractor Labor - Staff Development and Training
	Subcontractor Benefits - Administrative Labor
	Subcontractor Benefits - Direct Implementation Labor
	Subcontractor Benefits - Marketing/Advertising/Outreach Labor
	Subcontractor Payroll Tax - Administrative Labor
	Subcontractor Payroll Tax - Direct Implementation Labor
	Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
	Subcontractor Pension - Administrative Labor
	Subcontractor Pension - Direct Implementation Labor
	Subcontractor Pension - Marketing/Advertising/Outreach Labor
	Travel and Conference Fees
	IOU Conference Fees
	IOU Labor - Conference Attendance
	IOU Travel - Airfare
	IOU Travel - Lodging
	IOU Travel - Meals
	IOU Travel - Mileage
	IOU Travel - Parking
	IOU Travel - Per Diem for Misc. Expenses
	Subcontractor - Conference Fees

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the Utility. If there is a desire to include additional Allowable Cost elements, the Utility should be contacted in order for the County to seek approval from the Commission.

Cost Categories	Allowable Costs
	Subcontractor Labor - Conference Attendance
	Subcontractor - Travel - Airfare
	Subcontractor - Travel - Lodging
	Subcontractor - Travel - Meals
	Subcontractor - Travel - Mileage
	Subcontractor - Travel - Parking
	Subcontractor - Travel - Per Diem for Misc. Expenses
	Overhead (General and Administrative) - Labor and Materials
	IOU Equipment Communications
	IOU Equipment Computing
	IOU Equipment Document Reproduction
	IOU Equipment General Office
	IOU Equipment Transportation
	IOU Food Service
	IOU Office Supplies
	IOU Postage
	IOU Labor - Accounting Support
	IOU Labor - Accounts Payable
	IOU Labor - Accounts Receivable
	IOU Labor - Administrative
	IOU Labor - Facilities Maintenance
	IOU Labor - Materials Management
	IOU Labor - Procurement
	IOU Labor - Shop Services
	IOU Labor - Transportation Services
	IOU Labor - Automated Systems
	IOU Labor - Communications
	IOU Labor - Information Technology
	IOU Labor - Telecommunications
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage
	Subcontractor Labor - Accounting Support
	Subcontractor Labor - Accounts Payable

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the Utility. If there is a desire to include additional Allowable Cost elements, the Utility should be contacted in order for the County to seek approval from the Commission.

Cost Categories	Allowable Costs
	Subcontractor Labor - Accounts Receivable
	Subcontractor Labor - Facilities Maintenance
	Subcontractor Labor - Materials Management
	Subcontractor Labor - Procurement
	Subcontractor Labor - Shop Services
	Subcontractor Labor - Administrative
	Subcontractor Labor - Transportation Services
	Subcontractor Labor - Automated Systems
	Subcontractor Labor - Communications
	Subcontractor Labor - Information Technology
	Subcontractor Labor - Telecommunications
Marketing/ Education/Outreach Cost Category	
	IOU - Advertisements / Media Promotions
	IOU - Bill Inserts
	IOU - Brochures
	IOU - Door Hangers
	IOU - Print Advertisements
	IOU - Radio Spots
	IOU - Television Spots
	IOU - Website Development
	IOU Labor - Marketing
	IOU Labor - Media Production
	IOU Labor - Business Outreach
	IOU Labor - Customer Outreach
	IOU Labor - Customer Relations
	Subcontractor - Bill Inserts
	Subcontractor - Brochures
	Subcontractor - Door Hangers
	Subcontractor - Print Advertisements
	Subcontractor - Radio Spots
	Subcontractor - Television Spots
	Subcontractor - Website Development
	Subcontractor Labor - Marketing
	Subcontractor Labor - Media Production
	Subcontractor Labor - Business Outreach
	Subcontractor Labor - Customer Outreach
	Subcontractor Labor - Customer Relations
LLR Credit Enhancement Implementation Cost Category	
	Financial Incentives to Customers
	Activity - Direct Labor

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the Utility. If there is a desire to include additional Allowable Cost elements, the Utility should be contacted in order for the County to seek approval from the Commission.

Cost Categories	Allowable Costs
	IOU Labor - Curriculum Development
	IOU Labor - Customer Education and Training
	IOU Labor - Customer Equipment Testing and Diagnostics
	IOU Labor - Facilities Audits
	Subcontractor Labor - Facilities Audits
	Subcontractor Labor - Curriculum Development
	Subcontractor Labor - Customer Education and Training
	Subcontractor Labor - Customer Equipment Testing and Diagnostics
	Installation and Service - Labor
	IOU Labor - Customer Equipment Repair and Servicing
	IOU Labor - Measure Installation
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Direct Implementation Hardware and Materials
	IOU Audit Applications and Forms
	IOU Direct Implementation Literature
	IOU Education Materials
	IOU Energy Measurement Tools
	IOU Installation Hardware
	Subcontractor - Direct Implementation Literature
	Subcontractor - Education Materials
	Subcontractor - Energy Measurement Tools
	Subcontractor - Installation Hardware
	Subcontractor - Audit Applications and Forms
	Rebate Processing and Inspection - Labor and Materials
	IOU Labor - Field Verification
	IOU Labor - Site Inspections
	IOU Labor - Rebate Processing
	IOU Rebate Applications
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing
	Subcontractor - Rebate Applications