

# **Attachment 1**

## **Sample SCE On-Bill Financing Agreement**



**On-Bill Financing Agreement  
Local Government/Institutional Customer Projects**

This On-Bill Financing Agreement ("OBF Agreement") is entered into on [REDACTED], (the "Effective Date") by and between the undersigned customer ("Customer") and Southern California Edison Company ("SCE") (each a "Party", collectively the "Parties").

**Recitals**

1. Customer and SCE entered into the Energy Management Solutions Incentives Application for Business Customers on or about [REDACTED] and if applicable, the Customized Solutions Agreement (individually or collectively referred to as "EMS Agreement"), which is/are attached hereto and incorporated herein by reference.
2. Customer owns, leases or rents the property listed in the EMS Agreement as the Site and maintains a service account(s) with SCE for electric service. Customer has completed installation of eligible energy efficient equipment ("Equipment") at the Site as set forth in the EMS Agreement and has accepted the equipment as being operational and in good working order.
3. In Decision 12-11-015, the California Public Utilities Commission authorized SCE to provide zero-percent interest financing for the installation of certain energy efficient equipment, which is to be repaid over a specified period through the Customer's electric utility bill(s) ("On-Bill Financing").
4. Customer desires to enter into this OBF Agreement in order to participate in SCE's On-Bill Financing program and Customer agrees to repay SCE the Amount Financed (as defined under "Loan Terms", below) through the Customer's SCE utility bill(s) pursuant to the terms and conditions of this OBF Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

**Terms and Conditions**

**Defined Terms:** Except as the context otherwise requires, capitalized terms used in this OBF Agreement without definition shall have the same meanings as are set forth in the EMS Agreement.

**Amount Financed:** Within thirty (30) days after the Effective Date, SCE will provide a payment for the Amount Financed to Customer or to a third-party payee designated by Customer under the Loan Terms, below. Customer's designation of a third-party payee may not be changed or revoked.

**Loan Terms:**

Amount Financed ("Amount Financed"):	[REDACTED]
Interest Rate:	0%
Fees:	0
Months to Pay:	[REDACTED]
First Month Payment:	[REDACTED]
Remaining Monthly Payments:	[REDACTED]
Loan ID:	[REDACTED]
Designated Third-Party Payee (if any):	[REDACTED]
Address of Designated Third-Party Payee:	[REDACTED]





**Promise to Pay:** Customer promises to pay SCE the Amount Financed in equal monthly installments as set forth in the section above and/or Schedule A (Customer's "Loan Obligation"). The first Monthly Payment of Customer's Loan Obligation will appear within sixty (60) days from the Effective Date on Customer's SCE utility(s) bill for the Service Account(s) listed above. The Parties expressly acknowledge and agree that funding for the OBF Loan Obligation repayment shall not be raised by the levy of additional taxes but shall instead be obtained by Customer's savings in energy costs paid for solely by the loan proceeds. The Parties further acknowledge and agree that energy savings from conservation measures are not susceptible to precise calculation and actual savings may vary according to weather and utility rates, among other things. Therefore Customer's energy savings have been determined at the outset of this Agreement and calculated by comparing estimates of energy usage for the facilities in question with and without the conservation measure, as set forth specifically in the EMS Agreement. Customer's actual future energy savings are not guaranteed and the OBF Loan Obligation must be repaid in full irrespective of actual future SCE utility bill(s) amounts.

**Manner of Payment:** Customer's Monthly Payment amount will appear as a line item labeled "EE/OBF Installment Charge" on the monthly SCE utility bill(s) for Customer's Service Account(s). **Customer may pay the Loan Obligation in the monthly installments or pre-pay the Loan Obligation in one lump sum without penalty, but pre-payments for less than the remaining balance will not be allowed.** Customer's Loan Obligation will appear on Customer's monthly SCE utility bill(s) for the number of months set forth above, or until the Loan Obligation is paid in full by Customer, whichever occurs first. Customer shall make payments to SCE as directed in the SCE utility bill(s).

**Partial Payments:** If Customer is unable to make a full payment of the Loan Obligation in any given month, payment arrangements may be made at SCE's sole discretion. Any partial payments will be applied in equal proportion to the energy charges and the Loan Obligation, and Customer will be considered to be delinquent and in default of both the energy bill and the Loan Obligation.

**Late Payments:** No late payment charges or interest will be assessed for delinquent payments on the Loan Obligation. However, SCE may assess late payment charges for delinquent payments of energy charges pursuant to SCE's Rule 9 which is incorporated herein by reference.

**Returned Payments:** SCE may require payment of a \$8.00 Returned Check Charge for any check returned from Customer's financial institution unpaid. The Returned Check Charge will also apply to any forms of payment that are subsequently dishonored.

**Discontinuance of Service:** Amounts due under this OBF Agreement will be amounts deemed due under each SCE utility bill to the Customer's Service Account(s), and a default under this OBF Agreement will be treated as a default under the Customer's Service Account(s). Customer's Loan Obligation is subject to the discontinuance provisions of SCE's Rule 11, Discontinuance and Restoration of Service, Section B, Nonpayment of Bills or Summary Bills which is incorporated herein by reference.

**Breach and Acceleration:** Any breach by Customer under the EMS Agreement or this OBF Agreement shall constitute a breach under all of the above referenced agreements. For purposes herein, SCE may determine the OBF Agreement to be breached and Customer to be in default if Customer: (1) sells, assigns or otherwise transfers ownership, possession or title of the Site or the Equipment, (2) fails to pay the Monthly Payment amount when due, (3) closes, discontinues or otherwise causes the termination of the Service Account(s), or (4) otherwise breaches this OBF Agreement and/or the EMS Agreement, and the breach is not cured as specified therein. Notwithstanding anything to the contrary in the EMS Agreement, a breach and default as set forth in this section shall not be subject to any additional cure period. Following a breach as set forth in this section, SCE shall have the right to declare the entire unpaid balance of the Loan Obligation immediately due and payable.



**Modification:** Any change to this OBF Agreement must be in writing and signed by Customer and SCE; except that during any given month, if Customer is unable to make full payment on the Loan Obligation, payment arrangements may be made at SCE's sole discretion without modifying this OBF Agreement in writing. Any written modification or amendment will not be effective unless and until signed by SCE or such condition is waived by SCE in its sole and absolute discretion.

**Term and Termination:** It is the Parties intent that the term of this OBF Agreement and the EMS Agreement run concurrently. Therefore, the OBF Agreement shall continue in effect until the Loan Obligation is paid in full.

**Assignment:** Notwithstanding anything herein, Customer may not assign its rights or delegate its duties under this Agreement without SCE's express written consent.

**Additional Representations:** Each person signing this OBF Agreement represents and warrants that he or she is duly authorized and has the legal capacity to execute and deliver this OBF Agreement on behalf of Customer, and to perform their obligations under this OBF Agreement. Customer further represents and warrants that if it is a legal entity, it is in good standing in its state of formation.

**Miscellaneous:** Except as otherwise specifically provided herein, all terms, provisions, covenants, representations, warranties, agreements and conditions of the EMS Agreement shall remain unchanged and in full force and effect. Should a conflict exist between this OBF Agreement, the EMS Agreement and the documents incorporated by reference, this OBF Agreement shall control. This OBF Agreement shall be construed and interpreted in accordance with, and shall be governed and enforced in all respects according to, the laws of the State of California. This OBF Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. If any one or more of the provisions contained in this OBF Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then this OBF Agreement shall be construed as if such invalid, illegal or unenforceable term or provision had never been contained herein and all other provisions of this OBF Agreement shall be construed to remain fully valid, enforceable and binding on the parties. The Recitals set forth above are hereby incorporated herein by reference.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, the Parties have executed this OBF Agreement as of the Effective Date.

**Customer:** [Redacted]

**Southern California Edison:**

Authorized Representative:

Authorized Representative:

[Redacted]

[Redacted]

Title:

Title:

[Redacted]

[Redacted]

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_

Business Address:

Business Address:

[Redacted]

[Redacted]

Telephone No.

Telephone No.

[Redacted]

[Redacted]

Fax No.

Fax No.

[Redacted]

E-Mail Address:

E-Mail Address:

[Redacted]

[Redacted]

