

FORM APPROVED COUNTY COUNSEL  
 BY: S. S. Keenan 7/25/10  
 MARSHAL VICTOR DATE

726



**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
 July 29, 2010

**SUBJECT:** Approval of the 2010-2012 Energy Efficiency Partnership Program Agreement Between Riverside County, Southern California Edison and the Southern California Gas Company

Departmental Concurrence

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached Partnership Program Agreement; and
2. Authorize the undersigned Assistant County Executive Officer/EDA, or designee, to administer all actions to participate in the partnership and utilize resources provided through the partnership.

**BACKGROUND:** (Commences on Page 2)

Robert Field  
 Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$0	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$0	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$0	<b>For Fiscal Years:</b>	2009/10- 2012/13

<b>SOURCE OF FUNDS:</b> N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE  
 BY:   
 Jennifer L. Sargent  
 County Executive Office Signature

Policy  Policy  
 Consent  Consent  
 Dept's Recomm.:  
 Per Exec. Ofc.:

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Buster, Tavaglione, Stone, Benoit and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** August 10, 2010  
**xc:** EDA

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

Economic Development Agency

Approval of the 2010-2012 Energy Efficiency Partnership Program Agreement Between  
Riverside County, Southern California Edison and the Southern California Gas Company  
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## **BACKGROUND:**

In 1996, the passage of AB 1890 created funding for energy efficiency through the establishment of a "Public Goods" charge on the utility bills for customers of California investor-owned utilities (Southern California Edison, Pacific Gas & Electric, San Diego Gas & Electric, and the Southern California Gas Company). The California Public Utilities Commission (CPUC) oversees all Energy Efficiency Programs funded by the Public Goods charge, and allows the Investor-Owned Utilities (IOU's) to administer the programs.

One type of program administered by the IOU's is local government partnerships for cities and counties. The goal of these partnerships is to help local government pursue Energy Efficiency Projects by providing free engineering and consulting support, as well as enhanced rebates and incentives, above what the general public receives. These partnerships provide resources and rebates for retrofits of existing facilities, as well as support and incentives for designing new facilities that are energy efficient.

In 2006, Southern California Edison (SCE) began an energy-efficiency partnership with Riverside County. All government partnerships occur in three year cycles with the county's first partnership running from 2006 to 2008. The CPUC declared 2009 a "bridge funding" year and has now authorized funding for the next cycle of government partnerships from 2010 to 2012 (calendar years). For this new cycle, the Southern California Gas Company (SCGC) will join SCE in Riverside County's partnership, with both IOU's offering free engineering and technical support, as well as enhanced rebates and incentives for both electrical and natural gas energy efficiency project in SCE's and SCGC's service territories.

## **Partnership Resource Highlights:**

- Free technical support services for building energy audits, energy savings calculations, project engineering, and new building design consulting.
- A three-year budget of \$1,036,354 from SCE and SCGC to cover costs of services and incentives, with three year energy reduction goals of over 2,877,000 kWh and 493 kW.
- Project incentives and rebate rates are as follows:
  - All lighting retrofit projects: \$0.15 / kWh saved
  - All retrofits involving motors, VFDs, and compressors: \$0.18 / kWh saved
  - All retrofits involving HVAC with electrical savings: \$0.24 / kWh saved
  - All retro-commissioning or monitoring-based commissioning of facilities: \$0.24 / kWh saved
  - All natural gas efficiency projects: \$1.00 / therm saved
  - Partnership New Construction Program: \$0.10 / kWh reduced above the standard incentive earned under the standard New Construction Program, in addition to funding of Design Team Incentives

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**FINANCIAL DATA:**

There is no dollar cost associated with participating in this partnership. Staff time is required on a regular basis to plan energy efficiency projects, set goals, and ensure coordination of resources. This is currently being handled by the staff in the Economic Development Agency. Thus, there is no impact to the General Fund and no additional net county cost will be incurred as a result of this transaction.

# County of Riverside Energy Efficiency Partnership Program

## 2010-2012 PROJECT AGREEMENT

### District Information

For Program Administration use only  
AGREEMENT NUMBER

ORGANIZATION NAME

ADDRESS

CITY/STATE

ZIP CODE

CONTACT NAME

TITLE

( )

( )

PHONE NO.

FAX NO.

E-MAIL

FEDERAL TAX ID NUMBER

TAX STATUS:  Corp.  Non-Corp.  Exempt

EXEMPT REASON

### Project Information

PROJECT NAME

FACILITY

ADDRESS

CITY/STATE

ZIP CODE

BUILDING TYPE

GROSS SQ. FT.

CONDITIONED SQ. FT.

FACILITY SIC

EST. COMPLETION DATE

ELECTRIC UTILITY

GAS UTILITY

ATTACHED CALCS/DOCUMENTATION

- Forms
- Calculations
- Hourly Energy Analysis

- Metering Data
- Other \_\_\_\_\_

PROJECT TYPE:

- Retrofit
- RCx/MBCx
- New Construction
- Emerging Technology
- Other: \_\_\_\_\_

### Proposed Energy Savings, Demand Reduction, and Incentive Estimate

Project #	Measure #	Description	Complete Date	kW	kWh	Therms	\$ Amount
		<b>Examples:</b>					
		Lighting, Lighting Controls, Daylighting Systems	1/1/2010	23	250,000	15	37,500
		<i>TOTALS</i>					

**X**

\_\_\_\_\_  
[IOU] Reviewer/Authorized Signature

\_\_\_\_\_  
Date

Estimated Incentive:

\$ \_\_\_\_\_

**TERMS AND CONDITIONS:**

The projects implemented under this Project Agreement ("PA") shall comply with the terms and conditions of the Agreement to Jointly Deliver the 2010-2012 Riverside County Partnership Energy Efficiency Partnership Program ("Master Agreement") between the County of Riverside ("County") and Southern California Edison Company ("SCE"). All activities performed pursuant to this PA are subject to the terms of the Master Agreement, and this PA shall be executed between the County of Riverside and the respective Utility according to the project location.

Upon execution of this PA, the Utility shall return the fully executed PA to the County of Riverside. Thereafter, the County of Riverside shall invoice the Utility Contracted Amount, according to the schedule set forth in the Master Agreement.

The Utility shall transfer the Project Funds as applicable, to the County of Riverside, within thirty (30) Calendar Days of the Utility's receipt of an invoice, provided that the invoice complies with the approved PA form and has sufficient supporting documentation to substantiate equipment installations and energy savings, and as otherwise required or set forth in the Master Agreement.

The County of Riverside shall use all payments received solely for the purpose of developing and installing the Project(s). The County of Riverside shall use reasonable efforts to ensure installation of the Project(s) by the Projected Completion Date. The County of Riverside shall provide the Utility with Project information needed for Utility reports to the California Public Utilities Commission (CPUC).

If the Master Agreement is terminated, then the County of Riverside shall reconcile any Program Expenditures incurred for the Approved Projects up to the effective date of termination against any remaining Project Funds, and shall promptly return any unspent Program funds to the respective Utility, as appropriate.

In witness whereof, the parties have executed this Agreement as of the date last set forth below.

**COUNTY OF RIVERSIDE**

**Southern California Edison**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
COUNTY REPRESENTATIVE (Print Name from Above)

\_\_\_\_\_  
[IOU] REPRESENTATIVE (Print Name from Above)

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

WHEN DOCUMENT IS FULLY EXECUTED RETURN

CLERK'S COPY

Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

**AGREEMENT TO JOINTLY DELIVER THE 2010-2012  
RIVERSIDE/IOU  
ENERGY EFFICIENCY PARTNERSHIP PROGRAM**

**BY AND AMONG**

**RIVERSIDE COUNTY,**

**SOUTHERN CALIFORNIA GAS COMPANY**

**AND**

**SOUTHERN CALIFORNIA EDISON COMPANY**

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

AUG 10 2010 3.22

THIS AGREEMENT TO JOINTLY DELIVER THE 2010-2012 RIVERSIDE COUNTY /IOU ENERGY EFFICIENCY PARTNERSHIP PROGRAM (the "Agreement") is effective as of January 1, 2010 ("Effective Date") by and among SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), SOUTHERN CALIFORNIA GAS COMPANY ("SCG"), and RIVERSIDE COUNTY ("RIVERSIDE"). SCE and SCG may be referred to herein individually as the "Utility" or collectively as the "Utilities". The Utilities and Riverside may be referred to herein individually as a "Party" and collectively as the "Parties."

### RECITALS

WHEREAS, on July 21, 2008, as amended on March 2, 2009, the Utilities submitted their respective applications (Applications") for the implementation of energy efficiency programs to be delivered to California utility customers for the years 2009 through 2011, which included the Riverside/IOU Energy Efficiency Partnership Program (hereinafter referred to as the "Program"), involving the joint delivery of energy efficiency projects at Riverside County facilities located in SCE and SCG service territories;

WHEREAS, on October 1, 2009 in D.09-09-047, the California Public Utilities Commission approved the Applications for an extended cycle for the years 2010 through 2012; and

WHEREAS, the Parties desire to enter into an agreement that sets forth the terms and conditions under which the Program shall be implemented for the cycle 2010-2012.

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 are not intended to be exclusive, or to limit the generality of the preceding words, and means "including without limitation." The following terms, when used herein with initial capitalization, will have the meaning specified in this Section 1:

- 1.1. Agreement: This document and all exhibits attached hereto and incorporated herein, 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. Approved MBCx or RCx Project: Those certain MBCx or RCx projects on or for a specified Riverside facility that have been approved by the Management Team in accordance with Section 5.2.2 below and this Agreement.

- 1.4. Approved New Construction Project: Those certain new construction projects on or for a specified Riverside facility that have been approved by the Management Team in accordance with Section 5.2.3 below and this Agreement.
- 1.5. Approved Project(s): An Approved MBCx, RCx Project, Approved New Construction Project or Approved Retrofit Project.
- 1.6. Approved Retrofit Project: Those certain retrofit projects on or for a specified Riverside facility that have been approved by the Management Team in accordance with Section 5.2.1 below and this Agreement.
- 1.7. Authorized Budget: The Commission-approved total for performance by Riverside of Authorized Work is \$1,036,354 which includes the following:
  - a. the budget for Riverside facilities in SCG's service territory is \$251,974
  - b. the budget for Riverside facilities in SCE's service territory is \$784,380
- 1.8. Authorized Project Budget: The maximum approved budget for each Approved Project, as the case may be, which shall be funded by the Utility(ies) that service Riverside facilities where such Approved Retrofit Project, Approved MBCx or RCx Project, or Approved New Construction Project is located.
- 1.9. Authorized Work: The work authorized by the Commission for the Program as set forth in Exhibit A, and as further agreed by the Parties to be performed pursuant to Section 4.1 of this Agreement.
- 1.10. Business Day: The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
- 1.11. 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.
- 1.12. Riverside Project Package: The documents attached hereto as Exhibit C which shall be submitted for each Approved Retrofit or MBCx or RCx Project, describing the project, the Authorized Project Budget, estimated energy savings, projected completion date, invoice procedures, Utility payment schedule, and a sample Project Invoice.
- 1.13. Commissioning Agent: A Contractor hired to perform such Approved MBCx or RCx Projects as authorized herein.
- 1.14. Contractor: An entity contracting directly or indirectly with a Party to furnish services or materials as part of or directly related to such Party's Authorized Work obligations.



- 1.15. Cost Share: Each Utility's share of Riverside's non-incentive Program Expenditures based on such Utility's contribution to Riverside's aggregate Authorized Budget as set forth in Section 1.7 (a) and (b) and provided that such Program Expenditure is to be borne by all Utilities. Each Utility's Cost Share shall be, as of the Effective Date, 25% for SCG, and 75% for SCE for non-incentive expenditures. In the event any Program Expenditure is made for the benefit of only one Utility or its service territory, then such Program Expenditure shall be borne entirely by that Utility. Each Utility shall process and pay its incentives based on such Utility's incentive level and guidelines.
- 1.16. Eligible Customers or Customers: All Riverside facilities taking electric and/or gas service from the Utilities,.
- 1.17. Energy Efficiency Measure (or Measure): As used in the latest version of the Commission's Energy Efficiency Policy Manual, currently Version 4, August 2008.
- 1.18. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.
- 1.19. Gas Surcharge: The funds collected from gas utility ratepayers pursuant to Section 890 et al. of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.
- 1.20. Management Team: A team comprised of a representative of each Party, which shall have the authority vested to it herein, and which shall perform the duties specified herein.
- 1.21. MBCx or RCx Project: The Program element consisting of: (a) installation of energy system monitoring equipment in designated Riverside facilities, at the building system and/or building subsystem level, in order to identify energy efficiency savings opportunities and (b) implementing the Energy Efficiency Measures/actions needed to achieve those savings.
- 1.22. PIP or Program Implementation Plan: The Parties' plans for implementing the Program in each Utility's service territory, submitted to the Commission as part of each Utility's Compliance Filing for 2010-2012 energy efficiency programs, and attached hereto and incorporated herein for each Utility as follows: Exhibit A-1 for SCG, Exhibit A-2 for SCE.
- 1.23. Program Funds: The monies which fund Riverside/IOU Program including PGC and/or Gas Surcharge and/or other approved funding sources (e.g., authorized procurement funds).
- 1.24. Project Team: A team comprised of a representative of each Party, which shall have the authority vested to it herein, and which shall perform the duties specified herein.

- 1.25. Public Goods Charge (PGC): The funds collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.
- 1.26. Savings By Design (SBD): Savings By Design is a state-wide program encouraging high-performance building design and construction.  
<http://www.savingsbydesign.com/overview.htm>

## **2. PURPOSE**

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

Notwithstanding the use of the word “partnership” or “partner” in this Agreement, this Agreement is not intended to and does not form any “partnership” within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

## **3. PROGRAM DESCRIPTION**

The Program was designed to achieve immediate, long-term peak energy and demand savings and establish a permanent framework for sustainable, comprehensive energy management programs. The Program will offer incentives for retrofit projects, monitoring based commissioning, retro-commissioning, and funding for educational training for Riverside personnel.

The Utilities will implement the 2010-2012 program with the goal of extending the reach and effectiveness of traditional utility programs by using Riverside Energy Management Office to provide communication and outreach channels to achieve broad penetration of energy efficiency services at Riverside facilities. The Utilities would like to continue the engagement of Riverside Energy Management Office as strategic partners that help reach facilities and end-use customers through Program activities, and as channels for the Utilities’ other energy efficiency and demand reduction programs.

The Program will leverage the experience gained from past program cycles to improve delivery and increase participation. This will include:

- Improved outreach to facilities for a more effective training and education program.
- Offering funding levels that encourage Riverside projects with energy savings and demand reduction potential.
- Capitalizing on the infrastructure developed from past program cycles to reduce administrative costs and improve cost effectiveness.

## **4. AUTHORIZED WORK**

- 4.1. Scope. The over-arching scope of work authorized by the Commission for the Program is set forth in the Program Implementation Plans (PIPs) attached hereto as Exhibit A (i-ii) for each respective Utility’s service territory. From the PIPs, the

Utilities and Riverside shall mutually agree on the specific work to be performed pursuant to the terms of this Agreement, which shall be the Authorized Work.

4.2. Objectives. The Program shall meet the objectives and goals set forth in the PIPs.

## 5. OBLIGATIONS OF THE PARTIES

5.1. Generally. Each Party shall perform its Authorized Work obligations in conformance with the deliverables, schedules and budgets associated with such Authorized Work as set forth in this Agreement and the respective PIP of each Utility, and shall furnish the required labor, equipment and material with the degree of skill and care that is required by current professional standards.

5.2. Procedures for Engaging in Authorized Work.

5.2.1. Energy Efficiency Retrofits.

- a. Riverside shall identify proposed retrofit projects at its facilities and each respective Riverside facility shall provide the Project Team with a completed Riverside Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any Riverside facility requesting a project under this Agreement may request assistance from the Utilities in developing project documentation as needed.
- b. Upon receiving all necessary or requested information from the respective facility, the Project Team shall submit the requested retrofit project to the Management team for review, and the Management Team shall review the proposed retrofit projects with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each proposed project, provided however, that the Utility(ies) that provide service to the proposed project facility may overrule any Management Team decision due to regulatory or CPUC-related issues. The Management Team shall set the Authorized Project Budget for each Approved Retrofit Project.
- c. Riverside, through its facilities, shall be responsible for installing the Approved Retrofit Projects, and, if necessary, selecting and hiring Contractors to install the Approved Retrofit Projects.

5.2.2. Monitoring-Based Commissioning (MBCx) or Retro-Commissioning (RCx).

- a. Riverside shall identify proposed MBCx or RCx Projects at its respective facilities and each respective facility shall provide the Project Team with a completed Riverside Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any facility requesting a MBCx or RCx Project under this Agreement may request assistance from the Utilities in developing project documentation as needed.

- b. Upon receiving all necessary or requested information from the respective facility, the Project Team shall submit the requested MBCx or RCx Project to the Management team for review, and the Management Team shall review the MBCx or RCx Projects with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each MBCx or RCx Project, provided however, that the Utility(ies) that provide service to the facility requesting the MBCx or RCx Project may unilaterally overrule any Management Team decision due to regulatory or CPUC-related issues. The Management Team shall set the Authorized Project Budget for each Approved MBCx or RCx Project.
- c. Riverside, in consultation with the Management Team, shall conduct a public competitive selection process to select one or more qualified Commissioning Agents to perform or assist in the completion of the Approved MBCx or RCx Project. The Management Team shall unanimously approve each and any Contractor's scope of work for any Approved MBCx or RCx Project(s) authorized or undertaken under this Agreement.
- d. Subject to the requirements of California State law, upon the recommendation of a member of the Management Team it is deemed necessary for one Party to conduct a bid process for (i) the purchase of equipment/software, (ii) the hiring of any Contractor(s) or Commissioning Agent(s), needed for the Approved MBCx or RCx Projects, or (iii) any other work or materials authorized herein, the Management Team shall select one Party who shall conduct such bid process, with the advice and consent of the other Parties, provided however, that the selection of any such equipment/software and Contractor(s) or Commissioning Agent(s) shall be subject to the unanimous approval of the Management Team.
- e. Riverside, through its facilities, with assistance as needed from the MBCx or RCx service providers, shall:
  - (i) install as needed the monitoring systems that will be used to identify energy savings opportunities in the buildings of the Approved MBCx or RCx Projects;
  - (ii) monitor energy usage in the buildings of the Approved MBCx or RCx Projects;
  - (iii) prepare a report of the actions and/or Energy Efficiency Measures that can be taken or implemented to reduce energy usage;
  - (iv) implement Energy Efficiency Measures and take actions sufficient to achieve savings;
  - (v) identify additional retrofit or other projects that could be undertaken to achieve additional savings; and
  - (vi) provide the Utilities with information as needed for the reports required in Section 8 below, by the Commission, for other Commission purposes or at the request of the Utilities.

- f. The Utilities, at the request of Riverside may assist in the implementation of Approved MBCx or RCx Projects.

#### 5.2.3. New Construction.

- a. Riverside, individually or collectively, may identify proposed new construction projects at their respective facilities, and each facility shall sign a letter of intent (LOI) to start the review and approval process. The facility shall develop the proposed new construction project via its own design team or with assistance from the applicable Utilities to develop the project with estimated energy savings and demand reduction in order to establish the project agreement. At such point, the facility will provide the Project Team with a completed Riverside Project Package, which shall include without limitation documentation regarding feasibility, schedule, projected costs and projected energy savings. Any facility requesting a project under this Agreement may request assistance from the Utilities in developing project documentation as needed.
- b. Upon receiving all necessary or requested information from Riverside, the Project Team shall submit the requested new construction project to the Management Team, and the Management Team shall review the proposed new construction project with regard to overall project feasibility, schedule, costs, and projected energy savings. The Management Team must reach a unanimous decision on whether to approve or reject each proposed new construction project, provided, however, that the Utility(ies) that provide service to the proposed project facility may overrule any Management Team decision due to regulatory or CPUC-related issues. The Management Team shall set the Authorized Project Budget for each Approved New Construction Project.
- c. For each Approved New Construction Project, Riverside, on behalf of its respective facilities, shall utilize each applicable Utility(ies)'s Partnership New Construction Program Agreement ("PNCP") process (or other similar Savings By Design process) in obtaining commitment and approval from such Utility(ies) for such Approved New Construction Project. Details for the PNCP are substantially similar to those set forth at [[www.savingsbydesign.com](http://www.savingsbydesign.com)]. Neither Riverside County nor its facilities shall be entitled to any payments under this Agreement or Application for an Approved New Construction Project unless and until all such documentation required to be submitted to and executed by the applicable Utility(ies) under the PNCP process have been so submitted and executed by the applicable Utility(ies). Upon receipt of such documentation, incentive payments shall be made by the Applicable Utility(ies) to the respective facilities in accordance with the PNCP Program and as referenced in Exhibit D to this Agreement.

#### 5.2.4. Energy Efficiency Education and Best Practices Development and Training.

- a. The Parties will develop and implement a Training and Education ("*T&E*") program for Riverside facilities that offers energy efficiency training in the

following areas: new construction, retrofits, and commissioning/retro-commissioning.

- b. If, upon the unanimous consent of the Management Team, it is deemed necessary to engage one or more Contractors to assist in development and delivery of the T&E program, then the Management Team shall unanimously select one or more of the Utilities to engage a Contractor.
  - c. The Parties will develop and share case studies of best practice operating methods and technologies applicable to Riverside facilities, including the development of a best practices manual covering such topics as new construction, retrofits, and retro-commissioning (RCx) and monitoring-based commissioning (MBCx).
- 5.3. EM&V Plan. Once the Commission has approved and issued an EM&V plan for the Program, such EM&V plan shall be attached to this Agreement as Exhibit B and shall be incorporated herein by this reference. Any subsequent changes or modifications to such EM&V plan by the Commission shall be automatically incorporated into Exhibit B.

## **6. ADMINISTRATION OF PROGRAM**

### **6.1. Decision-making and Approval**

- 6.1.1. Unless otherwise specified in this Agreement, the following actions and tasks require approval of the affected Parties:
  - a. Any action that materially deviates from a PIP.
  - b. Any action that materially impacts a PIP's schedule.
  - c. Any action that materially impacts the Authorized Budget, the applicable Authorized Project Budget or the Program's budgets described in the PIPs.
  - d. Selection of any Contractor not previously approved by the Parties.
- 6.1.2. Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, including, without limitation, all actions specified in Section 6.1.1 above, in meeting minutes or if taken outside a meeting, through written communication, which shall be maintained in hard copy form on file by the Parties for a period of no less than five (5) years after the expiration or termination of this Agreement.

### **6.2. Lead Utility**. The Utilities hereto authorize and appoint SCE to be the primary administrator of the Program ("Lead Utility"). The Lead Utility shall be responsible for:

- 6.2.1. Monitoring the overall progress of the Authorized Work, to ensure that the Program remains on target (including achieving the Program's energy savings and demand reduction goals) and on schedule, and meeting all reporting and other filing requirements;

- 6.2.2. Administering PGC and Gas Surcharge funds authorized by the Commission for the Program, and if applicable, reimbursing Riverside for Program Expenditures authorized in accordance with such Riverside Authorized Budget and Section 9 below;
- 6.2.3. Coordinating the preparation of all Program-related documents, including all required reporting pursuant to Section 8, and any such other reporting duties as may be required, provided however, that each Party shall be solely responsible for complying with any Commission reporting requirements in their entirety;
- 6.2.4. Coordinating the Parties' Program activities to ensure that the Program remains on target and on schedule, and meets all reporting and other filing requirements;
- 6.2.5. Coordinating with other existing or selected programs that the Utilities offer, including programs targeting low-income customers, to enhance consistency in rebates and other Program details, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing expenditures; and
- 6.2.6. As applicable, coordinating with Riverside, to facilitate Program implementation.

Notwithstanding the above, the Lead Utility shall not be responsible for the performance or non-performance hereunder of any other Party, nor shall the Lead Utility be obligated to remedy any other Party's defaults or defective performance.

- 6.3. Regular Meetings. The Parties, the Management Team and the Project Teams shall meet on a regular basis during the term of this Agreement, but no less than quarterly, at a location reasonably agreed upon by the Parties, to review the status of the Program's deliverables, schedules and the budgets, and plan for upcoming Program implementation activities. Any decision-making shall be reached and documented in accordance with the requirements of Section 6.1 above.
- 6.4. Regular Communication. The Parties agree to communicate regularly with the other Parties and to advise the other Parties of any problems associated with successful implementation of the Program.
- 6.5. Limitation on Responsibility. Notwithstanding the foregoing, a Party shall not be responsible for the performance or non-performance hereunder of any other Party, nor be obligated to remedy any other Party's defaults or defective performance.

## **7. DOUBLE DIPPING PROHIBITED**

- 7.1. No Party shall knowingly provide an incentive to a Customer, or make payment to a Contractor who is receiving compensation for the same product or service either

through another ratepayer-funded program, or through any other ratepayer-provided funding source.

- 7.2. The Parties shall take reasonable steps to minimize or avoid the provision of incentives or services for the same measures provided under this Program from another program or other funding source (“double-dipping”).
- 7.3. Riverside and its respective facilities represent and warrant that they have not received ratepayer-provided incentives or services for the measures provided for under this Agreement or the Program from another utility, state or local program.
- 7.4. Neither Riverside nor its facilities shall apply for or take incentives or services for the measures provided for under this Agreement or the Program from another utility, state or local program.
- 7.5. Riverside agrees that the Program shall receive 100% of the related energy benefits specified in the PIPs for the life of each measure provided for under the Program.
- 7.6. No Utility shall knowingly provide an incentive or service for a measure to a Riverside facility that is receiving incentives or services for the same measure through another PGC or Gas Surcharge funded program or any other ratepayer provided funding source.

## **8. REPORTING**

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

## **9. PAYMENTS**

- 9.1. Authorized Budget. The total Authorized Budget for performance by all Parties of the Authorized Work is provided in Section 1.7 of this Agreement and further delineated in each PIP. No Party shall be entitled to compensation in excess of the amounts approved in Section 1.7 or the PIPs’ budget worksheets, or as increased or amended with additional funding, for such Party’s Authorized Work obligations. However, if the Parties agree to and execute any fund shift in accordance with Section 9.7 below, then each Party shall be entitled to compensation up to, but not exceeding, the total amounts in the amended PIPs’ budget worksheets, as revised to reflect such fund shift, for such Party’s Authorized Work obligations.
- 9.2. Payment of Approved Project Incentives.
  - 9.2.1 Incentive Payments for Approved Projects. The respective Riverside facility upon which an Approved Project has or will be performed shall invoice the applicable Utility for 100% of the Approved Project’s incentive payment, upon the demonstration by Riverside to the reasonable satisfaction of the applicable Utility



that the Approved Project has been installed and/or completed and is ready for its intended use.

9.3. Payment of Approved Program Expenditures. On occasion, Riverside may be entitled to reimbursement for the actual cost (i.e., no mark-up for profit or other indirect costs) of certain reasonable and documented expenditures of Riverside that are pre-approved in writing by the Utilities, and directly identifiable to and required for the Authorized Work under this Agreement (but excluding administrative, labor or overhead costs of the Agency). Program Expenditures may be included as part of an Authorized Project Budget for an Approved Project, or may be related to training, technical support or other Authorized Work as described in the PIP.

9.4. Approved Project Invoices.

9.4.1 To be entitled to PGC and/or Gas Surcharge Funds for Incentives or Program Expenditures related to or for Approved Projects, Riverside shall prepare and submit an invoice to the applicable Utility(ies), using the Project Invoice format contained in Riverside Project Package, which is attached hereto as Exhibit C, and which shall include all documentation reasonably necessary to substantiate the invoice, including all such costs as set forth in Section 7 of Exhibit E, and this Section 9.2, including without limitation, the following:

- (i) Customer name, address, telephone number and utility account number;
- (ii) The type, quantity and cost of each measure installed or received;
- (iii) NAICS code per meter per facility; affected square footage for each measure;
- (iv) The date each payment was provided and/or each measure was installed or received; and
- (v) Copies of all Contractor, Commissioning Agent and/or subcontractor invoices. If only a portion of the subcontractor costs applies to the Program, clearly indicate the line items and/or percentage of the invoice amount that should be applied to the Program.

9.4.2. Rejection of Invoice. Each Utility reserves the right to reject any invoiced amount for any of the following reasons:

- (i) The invoiced amount, when aggregated with previous Program Expenditures or previous payments to Riverside for the Approved Project, exceeds the amount budgeted therefore in the Authorized Project Budget, the Authorized Budget, or any invoiced amounts, in whole or in part, are in excess of the amounts approved pursuant the Authorized Project Budget or such other amounts provided for in this Agreement.
- (ii) There is a reasonable basis for concluding that such invoiced amount(s) is/are unreasonable or not directly identifiable to or required for the Approved Project or Authorized Work, the PIP or the Program.

- (iii) The invoiced amount, in whole or in part, in the Utility(ies)' sole discretion, contains charges for any item not authorized under this Agreement, by the Utility(ies) or by the Commission, or is deemed untimely, unsubstantiated or lacking proper documentation, provided however, that such Utility shall not unreasonably withhold such approval.

Each Utility shall review each submitted invoice, and either approve or reject for payment within thirty (30) Calendar Days of receiving of the invoice.

- 9.4.3. Dispute of Invoice. Each Utility may dispute any Program Expenditure that it has received an invoice for by submitting to Riverside a written explanation of the dispute within thirty (30) Calendar Days of the date that the Utility received the invoice. Thereafter, the Utility shall determine the additional performance required from Riverside, modification required to Riverside's invoice, or such other action as may be required of Riverside, which the Utility shall then request from Riverside. Disputed or rejected amounts will be resolved pursuant to Section 14.
- 9.4.4. Maintenance of Documentation. Riverside shall maintain for a period of not less than five (5) years beyond the date of expiration or termination of this Agreement, all documentation reasonably necessary to substantiate payments of Incentives or Program Expenditures, including, without limitation, the documentation set forth in this Section 9, provided however, that Riverside shall promptly provide, upon the reasonable request by the Lead Utility, any documentation, records or information requested in connection with the Program, an Approved Project or the Authorized Work.
- 9.5. Reconciliation of Program Expenditures. If this Agreement is terminated pursuant to Section 23, then Riverside shall reconcile any Incentives or Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for each Approved Retrofit Project, Approved New Construction Project or Approved MBCx/RCx Project as of the effective date of termination against any remaining Program Funds for such Project, and shall promptly return any unspent Program funds to each Utility, as appropriate.
- 9.6. Shifting Funds. The Utilities may shift Program funds, among all 2010-12 energy efficiency categories and programs authorized by the Commission to the maximum extent permitted under, and in accordance with, Commission decisions and rulings to which the Program relates; provided, however, that any such fund-shifting shall not become effective unless and until notification of such fund-shift is provided to the Lead Utility. Upon such notice, the Lead Utility shall increase or reduce the Authorized Budget accordingly.

- 9.7. Reasonableness of Expenditures. Each Party shall bear the burden of ensuring that its Program Expenditures are objectively reasonable. The Commission has the authority to review all Program Expenditures for reasonableness. Should the Commission, at any time, issue a finding of unreasonableness as to any Program Expenditure, and require a refund or return of the PGC or Gas Surcharge funds paid in the reimbursement of such Program Expenditure, the Party who incurred such Program Expenditure and received reimbursement under this Agreement shall be solely and severally liable for such refund or return.
- 9.8. Refund of Program Funds. With respect to any amount subject to refund to the Commission pursuant to any subsequent Commission decision or ruling, should the Commission determine that a refund is due and seeks to recover such refund, the amount due shall be returned as directed by the Commission, within 30 days of receipt of written notice that payment is owed, as follows: (1) if the refund is attributable to an overpayment of Program funds to a Party, then that Party shall be solely liable for such refund; (2) if the refund is attributable to an unreasonable expenditure, then the Party who (i) incurred such Program expenditure and received reimbursement therefore under this Agreement, or (ii) was otherwise entitled to receive reimbursement under this Agreement but did not actually receive reimbursement due to receipt of an equivalent offset, shall be solely liable for such refund; (3) for any other refund, each Party shall be solely liable for its pro-rata share, determined by calculating the percentage of the total overall Program expenditures represented by each Party's reimbursements of Program expenditures (both actual reimbursements and those to which the Party was otherwise entitled but did not receive due to receipt of an equivalent offset). Nothing in this provision is intended to limit a Party's right to pursue administrative or other remedies available with respect to a Commission decision or ruling. A Party's approval of any action which is the responsibility of another Party under this Agreement shall not shift the corresponding responsibility with respect to any overpayment or unreasonable Program Expenditure. Notwithstanding the foregoing, any overpayment of Program funds to a Party (the "Receiving Party") shall be immediately due and payable by the Receiving Party, upon demand therefor, to the Party who made the overpayment, and the Party who made the overpayment shall have the right to set the overpayment off from any other Program funds payable to the Receiving Party, if possible, or otherwise pursue any available remedies for the recovery of the overpayment.

## **10. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES**

Unless this Agreement is terminated pursuant to Section 23 below, the Parties shall complete all Program administrative activities (as defined by PIPs' workbooks and reporting requirements) by no later than June 30, 2013, including submission of the Final Report(s), unless otherwise agreed to by the Parties or so ordered by the Commission, provided, however that all Direct Implementation and Marketing & Outreach activities (as defined in the PIPs) must be completed no later than December 31, 2012.

## **11. FINAL INVOICES**

All Parties must submit final invoices no later than March 31, 2013.

## 12. INDEMNITY

- 12.1. Indemnities by Riverside. Riverside shall indemnify, defend and hold harmless each other Party, and their respective successors, assigns, affiliates, subsidiaries, 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 and reasonably allocated cost of in-house counsel) to the extent arising from Riverside's negligence or willful misconduct Riverside's performance of its obligations hereunder or arising from Riverside's breach of this Agreement.
- 12.2. Indemnity by the Utilities. Each Utility shall indemnify, defend and hold harmless each other Party, and their respective successors, assigns, affiliates, subsidiaries, 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 and reasonably allocated cost of in-house counsel) to the extent arising from such Utility's negligence or willful misconduct in such Utility's performance of its obligations hereunder or arising from such Utility's breach of this Agreement.
- 12.3. LIMITATION OF LIABILITY. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS AGREEMENT.

## 13. OWNERSHIP OF DEVELOPMENTS

The Parties acknowledge and agree that the 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 Riverside shall retain no ownership, interest or title in the Developments except as may otherwise be provided in the PIPs, they will have a permanent, royalty free, non-exclusive license to use such Developments.

## 14. DISPUTE RESOLUTION

- 14.1. 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 14.

- 14.2. 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 Parties written notice of any dispute. Within twenty (20) 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) 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 all Parties and shall conclude within sixty (60) 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.
- 14.3. Confidentiality. All negotiations and any mediation conducted pursuant to Section 14.2 above 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.
- 14.4. 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.
- 14.5. 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.
- 14.6. Failure of Mediation. If, after good faith efforts to mediate a dispute under the terms of this Agreement as provided in Section 14.2 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 33.

## **15. REPRESENTATIONS AND WARRANTIES**

- 15.1. Each Party represents and warrants, individually and not jointly, that it has the authority to contract or otherwise commit to perform the obligations herein.
- 15.2. Riverside represents and warrants that it has the authority to contract on behalf of or otherwise commit any Riverside facility under its jurisdiction to perform the obligations herein, including without limitation the Approved Projects.

15.3. Each Party represents and warrants, individually and not jointly, that if such Party has Authorized Work obligations under this Agreement or for the Program, or if such Party hires a Contractor to perform Authorized Work under this Agreement or for the Program, that:

15.3.1. The Authorized Work performed by such Party and its Contractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, local and foreign governments, and all agencies thereof.

15.3.2. The Authorized Work performed by such Party and its Contractors shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any proprietary rights of any person.

15.3.3. Such 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.

15.3.4. Such Party shall contractually require each Contractor it hires to perform the Authorized Work to indemnify each other Party to the same extent such Party has indemnified each other Party under the terms and conditions of this Agreement.

15.3.5. Such Party shall retain, and shall cause its Contractors to retain, all records and documents pertaining to its Authorized Work obligations for a period of not less than five (5) years beyond the termination or expiration of this Agreement.

15.3.6. Such Party shall contractually require all of its Contractors to provide the other Parties reasonable access to relevant records and staff of Contractors concerning the Authorized Work.

15.3.7. Such Party will take all reasonable measures, and shall require its Contractors to take all reasonable measures, to ensure that the Program funds in its possession are used solely for Authorized Work, which measures shall include the highest degree of care that such Party uses to control its own funds, but in no event less than a reasonable degree of care.

15.3.8. Such Party will maintain the following insurance coverage or self insurance coverage at all times during the Term of this Agreement:

- (i) Workers' Compensation: statutory minimum.
- (ii) Employers' Liability: \$1 million minimum.
- (iii) Commercial General Liability: \$2 million minimum per occurrence, \$4 million in aggregate.
- (iv) Business Auto (if applicable): \$1 million minimum.
- (v) Professional Liability (if applicable): \$1 million minimum.

Such Party will also require its Contractors to maintain adequate insurance for performance of work under the Program.

## 16. PROOF OF INSURANCE

- 16.1. Evidence of Insurance. The Parties agree that each Party, at its sole option, may utilize a program of self-insurance, commercial insurance, or any combination thereof, to satisfy its Indemnity obligations herein. Upon request at any time during the term of this Agreement, each such Party shall provide evidence that its Contractors maintain adequate coverage and insurance in accordance with this Agreement. If Riverside is self-insured, Riverside shall upon request forward documentation to the other Parties that demonstrates to each other Party's satisfaction that Riverside self-insures as a matter of normal business practice before commencing the Authorized Work. Each Party will accept reasonable proof of self-insurance comparable to the above requirements.

## 17. CUSTOMER CONFIDENTIALITY REQUIREMENTS

Each Party agrees, individually and not jointly, that:

- 17.1. Non-Disclosure. Each Party, its employees, agents and Contractors shall not disclose any Confidential Customer Information (defined below) to any third party during the Term of this Agreement or after its completion, without such Party having obtained the prior written consent of the respective Utility, except as provided by law, lawful court order or subpoena and provided such Party gives the Utility advance written notice of such order or subpoena.
- 17.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, a Utility customer's name, address, telephone number, account number and all billing and usage information, as well as any Utility customer's information that is marked confidential (except that a Utility seeking to disclose such information of its own customer shall not be deemed to be disclosing Confidential Customer Information for purposes of this Section 17). If a Party is uncertain whether any information should be considered Confidential Customer Information, such Party shall contact the Utility prior to disclosing any of the customer information.
- 17.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, a Utility may require the disclosing Party to enter into a nondisclosure agreement.
- 17.4. Commission Proceedings. This provision does not prohibit a Party from disclosing non-confidential information concerning the Authorized Work to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.
- 17.5. Return of Confidential Information. Confidential Customer Information materials provided to a Party by another Party during the performance of this Agreement shall be returned upon written request to the original owner of the documents.

- 17.6. 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 any Party, the Party whose Confidential Customer Information is implicated in such breach 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.

## **18. TIME IS OF THE ESSENCE**

The Parties hereby acknowledge that time is of the essence in performing their obligations under the Agreement. Failure to comply with deadlines stated in this Agreement may result in termination of this Agreement, payments being withheld or other Program modifications as directed by the Commission.

## **19. RESTRICTIONS ON MARKETING**

- 19.1. Program Materials. Riverside shall obtain the written approval of each Utility when developing Program marketing materials prior to any distribution, publication, circulation or dissemination in anyway to the public. In addition, all advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in anyway related to the Program must contain the respective logo of each Utility and the following language: "This [program] is funded by California utility ratepayers and administered by Southern California Gas Company and Southern California Edison, under the auspices of the California Public Utilities Commission.
- 19.2. 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 Lead 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 may disclose their source of funding for the Program by using the language described in Section 19.1 on advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in any way related to the Program.
- 19.3. Use of Utilities' Names. Riverside must receive prior review and written approval from a Utility for the use of such Utility's name or logo on any marketing or other 2010-2012 Program materials. Riverside shall allow a minimum of five (5) Business Days for such Utility review and approval. If written approval is not received by Riverside within five (5) Business Days, then such request shall be deemed "not approved".
- 19.4. Use of Riverside's Name. Utilities must receive prior written approval from Riverside for use of Riverside's name or logo on any marketing or other 2010-2012 Program materials. The Utilities shall allow five (5) Business Days for Riverside review and approval. If written approval is not received by the Utilities within five (5) Business Days, then such submittal shall be deemed "not approved".



## **20. RIGHT TO AUDIT**

The Parties agree that the Parties, and/or the Commission, or their respective designated representatives, shall have the right to review and to copy any records or supporting documentation pertaining to their performance of this Agreement or the Authorized Work, during normal business hours, and to allow reasonable access in order to interview any employees of the Party who might reasonably have information related to such records. Further, the Parties agree to include a similar right of the Parties and/or the Commission to audit records and interview staff in any contract related to performance of the Authorized Work or this Agreement.

## **21. STOP WORK PROCEDURES**

The Utilities may suspend the Authorized Work being performed in its service territory for good cause, including, without limitation, concerns relating to program funding, implementation or management of the Program, safety concerns, fraud, or excessive Customer complaints, by orally notifying each other Party to suspend the Authorized Work being performed in its service territory. Each Party performing Authorized Work in such Utility's service territory shall stop work immediately, and may resume Authorized Work only upon receiving written notice from the Utility that it may resume the Authorized Work.

## **22. MODIFICATIONS**

Changes to this Agreement shall only be made by mutual agreement of all Parties through a written amendment to this Agreement.

## **23. TERM AND TERMINATION**

23.1. Term. This Agreement shall be effective as of January 1\_\_, 2010. The Agreement shall continue in effect until August 31, 2013 ("Term") unless otherwise terminated in accordance with the provisions of Section 23.2 or Section 28 below.

23.2. Termination for Breach. Any Party may, upon approval of all non-breaching Parties, terminate this Agreement in the event of a material breach by one Party of any of the material terms or conditions of this Agreement, provided such breach is not remedied within sixty (60) days notice to a breaching Party thereof from a non-breaching Party or otherwise cured pursuant to the dispute resolution provisions set forth in Section 14 herein.

23.3. Effect of Termination. Termination by Riverside or by all of the Utilities shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 35).

23.3.1. The terminating Party (in the event such termination by such Party does not completely terminate this Agreement) or each Party (in the event this Agreement is terminated in its entirety) shall be entitled to PGC or Gas Surcharge Funds for all Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for Authorized Work up to the effective date of termination of this Agreement, provided that any Monthly Reports or other reports, invoices, documents or information required under this Agreement or by the Commission are submitted in

accordance with the terms and conditions of this Agreement. The provisions of this Section 23.3.1 shall be a Party's sole compensation resulting from any termination of this Agreement.

23.3.2. In the event of a partial termination of this Agreement by a Utility or Riverside, Riverside and the remaining Utilities, at their sole option without waiving any other rights as may be provided for in this Agreement, or in law or equity, may elect to continue the Program jointly as continuing parties to this Agreement, in which case, the Cost Share of each remaining Utility shall be revised to reflect the revised pro rata share. If the terminating party is the Lead Utility, then the remaining Utilities shall work together in good faith to appoint the continuing Lead Utility.

23.3.3. In the event of termination of this Agreement in its entirety, Riverside shall stop any Authorized Work in progress and take action as directed by the Lead Utility to bring the Authorized Work to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and any applicable contracts for Authorized Work.

**24. 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:

<p><b>Riverside County:</b>          Janet Purchase          Energy Manager          County of Riverside          Economic Development Agency          3403 10th Street, Suite 300          Riverside, CA 92501          951-955-4898 (office)          951-955-9289 (fax)  <a href="mailto:jpurchase@rivcoeda.org">jpurchase@rivcoeda.org</a></p>	
<p><b>SCG</b>          Paulo Morais          Southern California Gas Company          555 W. 5<sup>th</sup> Street, GT28A4          Los Angeles, CA 90013          (213) 244-3246 office          213-244-8252 fax  <a href="mailto:Pmorais@semprautilities.com">Pmorais@semprautilities.com</a></p>	<p><b>SCE:</b>          Michael Schwonke          Southern California Edison          Program Manager          6042A North Irwindale Avenue          Irwindale, CA 91702          626-815-5604 office          626-633-3408 fax  <a href="mailto:michael.schwonke@sce.com">michael.schwonke@sce.com</a></p>

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.

## **25. CONTRACTS**

Each Party shall, at all times, be responsible for its Authorized Work obligations, and acts and omissions of Contractors and persons directly or indirectly employed by such Party for services in connection with the Authorized Work.

## **26. 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.

## **27. NON-DISCRIMINATION CLAUSE**

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

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

## **28. COMMISSION AUTHORITY TO MODIFY**

This Agreement 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 for good cause, 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, the Utilities shall have the right to terminate this Agreement in accordance with the provisions of Section 23 above by providing at least thirty (30) days' prior written notice to Riverside setting forth the effective date of such termination.

### **29. NON-WAIVER**

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

### **30. ASSIGNMENT**

No Party shall assign this Agreement or any part or interest thereof, without the prior written consent of the other Parties, and any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, if a 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 any Party'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.

### **31. 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 reasonably beyond the control of such Party.

### **32. 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.

### **33. 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.

### **34. SECTION HEADINGS**

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

### **35. SURVIVAL**

Notwithstanding completion or of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement which by their nature survive such completion or termination. Such provisions shall include, but not be limited to, Sections 8, 9, 12, 14, 17, 20, 33 and 35 of this Agreement.

**36. 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.

**37. COOPERATION**

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

**38. ENTIRE AGREEMENT**

This Agreement (including the Exhibits hereto) 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.

**39. 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.

[Remainder of Page Left Intentionally Blank]

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

**RIVERSIDE COUNTY:**

**Approved as to Form:**

By: Marsha Victor 7/8/10  
**Marsha Victor**  
**Deputy County Counsel**

**BOARD OF SUPERVISORS:**

Marian Ashley  
**Chairman, Board of Supervisors** MARIAN ASHLEY

Date: August 10, 2010

ATTEST:

KECIA HAPPER-IHEM, Clerk

By: [Signature]  
DEPUTY

SCG:

SCE:

**SOUTHERN CALIFORNIA GAS  
COMPANY**

**SOUTHERN CALIFORNIA EDISON  
COMPANY**

By: [Signature]  
**Name Printed: Anne Smith**  
**Its: Senior Vice President,**  
**Customer Services**

By: [Signature]  
**Name Printed: Lynda Ziegler**  
**Its: Senior Vice President,**  
**Customer Services**

Date: 8/30/10, 2010

Date: 9/17, 2010

WHEN DOCUMENT IS FULLY EXECUTED RETURN  
CLERK'S COPY  
to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

## ATTACHMENTS

Exhibit A: Utility Program Implementation Plans (Not Attached...refer to PUC website)  
A-1: Southern California Gas Company  
A-2: Southern California Edison Company

Exhibit B: EM&V Plan approved by the Commission  
(Not attached: Refer to PUC website)

Exhibit C: Riverside Project Package  
Agency Project Package – RETROFIT, MBCX AND RCX  
C-1: Form of Project Application  
C-2: Form of Project Agreement  
C-3: Project Payment Form  
C-4: Form of Project Invoice  
C-5: Form of Project Completion

Agency Project Package – NEW CONSTRUCTION  
C-6: Form of Letter of Interest  
C-7: Form of Partnership New Construction Agreement for Customer Incentives  
C-8: Form of Partnership New Construction Agreement for Design Team  
Incentives  
C-9: New Construction Project Payment Form for Customer Incentives  
C-10: New Construction Project Payment Form for Design Team Incentives  
C-11 Form of Project Invoice  
C-12: Form of Project Completion

Exhibit D: Incentive Rates

Exhibit E: Reporting Requirements

## EXHIBIT C

### Agency Project Package – RETROFIT, MBCX AND RCX

- C-1: Form of Project Application
- C-2: Form of Project Agreement
- C-3: Project Payment Form
- C-4: Form of Project Invoice
- C-5: Form of Project Completion

### Agency Project Package – NEW CONSTRUCTION

- C-6: Form of Letter of Interest
- C-7: Form of Partnership New Construction Agreement for Customer Incentives
- C-8: Form of Partnership New Construction Agreement for Design Team Incentives
- C-9: New Construction Project Payment Form for Customer Incentives
- C-10: New Construction Project Payment Form for Design Team Incentives
- C-11 Form of Project Invoice
- C-12: Form of Project Completion



EXHIBIT D  
INCENTIVE RATES

The incentive rates for Riverside shall be as follows:

<u>Category</u>	<u>Rate</u>
Lighting	\$0.15/kWh
Motors/VFDs/Compressors/Others	\$0.18/kWh
HVAC with electrical savings	\$0.24/kWh
All gas savings	\$1.00/Therm
RCx/MBCx	\$0.24/kWh
Partnership New Construction Program	\$0.10/kWh in addition to the standard incentive earned under the Partnership New Construction Program, and any applicable Design Team Incentives.

## EXHIBIT E

### REPORTING REQUIREMENTS

#### 1. Reporting

1.1 Riverside shall provide each respective 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 or Approved Project obligations, for purposes of preparing the Monthly, Quarterly and Annual Reports.

1.2 Each Utility shall provide Riverside in accordance with the provisions of the Agreement, a copy of its filed Monthly Report within five (5) Business Days after filing.

#### 2. Quarterly Report

##### 2.1 Portfolio Benefit/Cost Metrics (Cumulative to Date)

- a. Total cost to billpayers (TRC, administrative cost and incremental cost per the Standard Practice Manual)
- b. Total savings to billpayers (TRC)
- c. Net benefits to billpayers (TRC)
- d. TRC Ratio
- e. PAC Ratio
- f. Cost per kWh saved (cents/kWh) (PAC)
- g. Cost per therm savings (\$/therm) (PAC)

2.2 **Measure List** –A spreadsheet table for each program or program element<sup>1</sup> containing each measure installed, service rendered, or measure/service committed during the report month for which the Program intends to claim savings. Riverside should include any new measures as part of the quarterly report. The list should display each measure as it is tracked and recorded by Riverside, and should include the following parameters at a minimum:

- a. Name of Measure or Service Rendered
- b. Measure or Service Description
- c. DEER Measure ID (where applicable)
- d. DEER Run ID (where applicable)
- e. Unit Definition
- f. Unit gross kWh savings
- g. Unit gross Therms savings
- h. Unit gross kW demand reduction
- i. Incremental Measure Cost
- j. Net to Gross Ratio
- k. Effective Useful Life
- l. Detailed end use classification (using classification scheme in section 6)
- m. Quantity Installed during report period
- n. Quantity Committed during report period
- o. Rebate amount paid
- p. Market Sector classification (using classification scheme in section 6)
- q. Market Segment classification (using classification scheme in section 6)

2.3 **Expenditures** for the program per cost reporting format below (Section 7 below contains list of allowable costs)

- h. Commission Authorized Budget
- i. Operating Budget
- j. Total Expenditures

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<sup>1</sup> Identification of distinct programs and program elements may be determined by CPUC staff at a later time.

- i. Administrative Cost
- ii. Marketing/Advertising/Outreach Costs
- iii. Direct Implementation

**2.4 GBI Report** – Progress towards achieving goals of the Green Building Initiative, if applicable (Cumulative results)

- a. Estimate of expenditures on program activities that contribute towards GBI goals (including both public and non-public commercial participants)
- b. Net cumulative achieved kW, kWh and Therm savings contributing towards GBI goals.
- c. Net achieved kW, kWh and Therm savings contributing towards GBI goals for the quarter.
- d. A description of non-resource program activities that support the Green Building Initiative, including marketing and outreach activities.
- e. Estimate of square footage affected by program activities supporting the Green Building Initiative
- f. Items b, c and e above disaggregated by:
  - i. 2-digit NAICS code
  - ii. Aggregated end use classification (using classification scheme in section 5)

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

- k. Administrative activities
- l. Marketing activities
- m. Direct Implementation activities
- n. Implementer's assessment of program performance and program status (is the program on target, exceeding expectations, or falling short of expectations, etc.)
- o. 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.
- p. Discussion of changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, measure discontinued, etc.)
- q. 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.)
- r. Changes to staffing and staff responsibilities, if any
- s. Changes to contacts, if any
- t. Changes to subcontractors and subcontractor responsibilities, if any
- u. Number of customer complaints received
- v. 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 Utility shall provide Riverside 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**

The format and content of the annual report is expected to be developed by the CPUC in fall 2006. Riverside will be required to fulfill these reporting obligations for their program.

**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 program administrators 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 participant or recipient (e.g., contractor receiving training). *(Note: This is still an open issue, the items included in this definition may be changed by the CPUC 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 2006, but prepared and delivered later than July 2006, would be July 2006.

**Program Strategy** – The method deployed by a program in order to obtain program participation.

**Program Element** – A subsection of a 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  
Building Shell  
Space Cooling  
Space Heating  
Interior Lighting  
Exterior Lighting  
Pool Pump  
Freezers  
Refrigeration  
Water Heating  
Other (User Entered Text String Description)

##### ***Aggregated End Use***

Appliances  
Appliances  
Consumer Electronics  
Cooking Appliances  
Appliances  
Appliances  
HVAC  
HVAC  
HVAC  
Lighting  
Lighting  
Pool Pump  
Refrigeration  
Refrigeration  
Water Heating  
Other

#### *Nonresidential End Uses*

##### ***Detailed End Use***

Building Shell  
Space Cooling  
Space Heating  
Ventilation  
Daylighting  
Interior Lighting  
Exterior Lighting  
Office Equipment  
Compressed Air  
Cooking  
Food Processing  
Motors  
Process Cooling  
Process Heat  
Process Steam  
Pumps

##### ***Aggregated End Use***

HVAC  
HVAC  
HVAC  
HVAC  
Lighting  
Lighting  
Lighting  
Office  
Process  
Process  
Process  
Process  
Process  
Process  
Process  
Process

Refrigeration  
Other (User Entered Text String Description)

Refrigeration  
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
Nonresidential	NAICS CODE (greater than 2 digit not required)
Commercial	NAICS CODE (greater than 2 digit not required)
Industrial	NAICS CODE (greater than 2 digit not required)
Agricultural	NAICS CODE (greater than 2 digit not required)
Unknown	NA

**6. Allowable Costs**

<b>Allowable Costs Table</b>	
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 program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.	
	3/30/2006
<b>Cost Categories</b>	<b>Allowable Costs</b>
Administrative Cost Category	<b>Managerial and Clerical Labor</b>
	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
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	<b>Human Resource Support and Development</b>
	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

**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 program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

Cost Categories	Allowable Costs <span style="float: right;">3/30/2006</span>
	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
	<b>Travel and Conference Fees</b>
	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
	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
	<b>Overhead (General and Administrative) - Labor and Materials</b>
	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

**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 program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

3/30/2006

**Cost Categories**

**Allowable Costs**

	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
	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
<b>Marketing/Advertising/Outreach Cost Category</b>	
	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

<b>Allowable Costs Table</b>	
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 program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.	
	3/30/2006
<b>Cost Categories</b>	<b>Allowable Costs</b>
	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
<b>Direct Implementation Cost Category</b>	
	<b>Financial Incentives to Customers</b>
	<b>Activity - Direct Labor</b>
	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
	<b>Installation and Service - Labor</b>
	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
	<b>Direct Implementation Hardware and Materials</b>
	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
	<b>Rebate Processing and Inspection - Labor and Materials</b>
	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