



**Marin Clean Energy
Board of Directors Meeting
Thursday, February 6, 2014
7:00 P.M.**

**San Rafael Corporate Center, Tamalpais Room
750 Lindero Street, San Rafael, CA 94901**

Agenda Page 1 of 2

Dawn Weisz
Executive Officer

Damon Connolly
Chair
City of San Rafael

Kathrin Sears
Vice Chair
County of Marin

Bob McCaskill
City of Belvedere

Sloan C. Bailey
Town of Corte Madera

Larry Bragman
Town of Fairfax

Kevin Haroff
City of Larkspur

Ken Wachtel
City of Mill Valley

Denise Athas
City of Novato

Tom Butt
City of Richmond

Carla Small
Town of Ross

Ford Greene
Town of San Anselmo

Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

1 (888) 632-3674
mceCleanEnergy.org

781 Lincoln Ave., #320
San Rafael, CA 94901

- 1. Swearing in of New Board Members (Discussion/Action)**
- 2. Board Announcements (Discussion)**
- 3. Public Open Time (Discussion)**
- 4. Report from Executive Officer (Discussion)**
- 5. Consent Calendar (Discussion/Action)**
 - C.1 12.5.13 Board Minutes**
 - C.2 Monthly Budget Report**
 - C.3 Approved Contract Update**
 - C.4 Regulatory Assistant Position**
 - C.5 Annual COLA Adjustments for Staff Compensation Ranges**
 - C.6 First Amendment to and Restatement of Operating Agreement with First Community Bank**
 - C.7 Fourth Agreement with Lehman, Levi Pappas & Sadler**
- 6. Resolution 2014-01 Honoring Director Ken Wachtel (Discussion/Action)**
- 7. Resolution 2014-02 with River City Bank to Name Officials Authorized to Transact Business on Existing Accounts (Discussion/Action)**
- 8. Proposed Budget for FY 2014/15 (Discussion/Action)**



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Agenda Page 2 of 2

- 9. Proposed Rates for FY 2014/15 (Discussion/Action)**
- 10. Energy Efficiency Update and Expansion of Home Utility Report Pilot Program (Discussion)**
- 11. Amendment to First Agreement with Strategic Energy Innovations for the Schools Energy Efficiency Program (Discussion/Action)**
- 12. Communications Update (Discussion)**
- 13. Regulatory Update (Discussion)**
- 14. Board Members & Staff Matters (Discussion)**
- 15. Adjourn**



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**MARIN CLEAN ENERGY
BOARD MEETING
THURSDAY, December 5, 2013
7:00 P.M.
SAN RAFAEL CORPORATE CENTER, TAMALPAIS ROOM
750 LINDARO STREET, SAN RAFAEL, CA 94901**

Roll Call

Present: Damon Connolly, City of San Rafael, Chair
Kathrin Sears, County of Marin
Bob McCaskill, City of Belvedere
Sloan Bailey, Town of Corte Madera
Larry Bragman, Town of Fairfax
Len Rifkind, City of Larkspur
Ken Wachtel, City of Mill Valley
Ford Greene, Town of San Anselmo
Ray Withy, City of Sausalito
Emmett O'Donnell, Town of Tiburon

Absent: Denise Athas, City of Novato
Tom Butt, City of Richmond
Carla Small, Town of Ross

Staff: Dawn Weisz, Executive Officer
Elizabeth Kelly, Legal Director
Jamie Tuckey, Communications Director
Justin Kudo, Account Services Manager
Greg Brehm, Resource Coordinator
Greg Morse, Business Analyst
Meaghan Doran, Energy Efficiency Specialist
Emily Goodwin, Internal Operations Coordinator
Darlene Jackson, Clerk

Public Session: 7:08PM

Agenda Item #1- Board Announcements (Discussion)

None

Agenda Item #2 – Public Open Time (Discussion)

None

Agenda Item #3 – Report from Executive Officer (Discussion)

Executive Officer Dawn Weisz reported on the following:

- LEAN Conference held in Chicago last month was a success with many representatives from around the country convening to discuss CCA's in the marketplace.
- Solar Rebate Press Release went out today targeting low-income customers.
- The Request for Information for the Energy Efficiency Program's vendor selection went out today soliciting a range of product/program offerings including smart meter data storage and management, a web-based customer interface and other important features that could be used in the new Energy Efficiency program cycling.
- Bidgley HAN – 50 devices were made available to the public with immediate interest; all were taken within a 2-hour period. Customers will be able to keep the devices and will have a lifetime membership in Bidgley. It is worth noting that there was a Thanksgiving alert for some customers and those devices were able to pinpoint appliances in the customer's residence showing spikes in consumption. Eligible customers included non-solar MCE residential customers. MCE is looking to expand this pilot project in the future.
- Home Utility Reports were mailed to approximately 5,000 customers. The mailing will be going out to the same customers on a regular basis and tracking of response to the mailer and program uptake will occur.
- MCE staff and Board members received misleading correspondence from member of the public, Jim Phelps. A response went out to him today to clear up the misinformation and Board members were copied.
- Town of San Anselmo will hold a Ribbon Cutting Ceremony on December 13th at 10:30AM unveiling their EV charging station. Director Green will be attending the ceremony.
- A memorial service will be held for Barbara George in February 2014. Details of the memorial will follow as we receive them.
- Reminder of Holiday Party December 20th at 6:30PM at Falkirk Mansion in San Rafael.
- Due to holiday schedule we will not be holding a Board meeting in January unless there is a need for a Special Meeting. Technical Committee and Executive Committee items were included in January agendas, respectively.

Ms. Weisz responded to questions from the Board specifically related to the correspondence received from Mr. Phelps.

Agenda Item #4 – Consent Calendar (Discussion/Action)

- C.1 Minutes from 11.7.13 Board Meeting
- C.2 Monthly Budget Report
- C.3 Approved Contract Update
- C.4 Records Retention (item pulled for further discussion)
- C.5 Second Addendum to Second Agreement with Jay Marshall
- C.6 First Agreement with Micro-Documentaries (item pulled for further discussion)
- C.7 Addendum to Second Agreement with Planet Ecosystem
- C.8 Agreement with Pacific Energy Advisors, Inc. for Technical and Advisory Services
- C.9 First Addendum to Power Purchase Agreement with EDF Renewable Energy. (Item pulled for further discussion)
- C.10 Job Descriptions and Compensation Studies for MCE Staff

Consent calendar items #C.4, C.6 and C.9 were pulled for further discussion. It was agreed that C.4 Records Retention policy would be revisited and more consideration to proposed timeframes for document retention

analyzed by the Executive Committee. It was agreed on C.9 that the date on First Addendum to PPA with EDF would be changed to reflect time allocation from 30 days to 60 days.

Ms. Weisz responded to questions from the Board.

M/s Sears/Greene (passed 10-0-0) approved all items on the consent calendar. Directors Athas, Butt and Small were absent.

Agenda Item #5 – Resolution 2013-10 Honoring Board Member Leonard Rifkind (Discussion/Action)

Chair Connolly presented the resolution to Director Rifkind and shared kind words about Director Rifkind and for his many contributions to the Board as well as to Marin Energy Authority.

M/s Greene/Sears (passed 10-0-0) approved Resolution 2013-10 Honoring Board Member Leonard Rifkind. Directors Athas, Butt and Small were absent.

Agenda Item #6 Membership Changes for Technical Committee and Executive Committee (Discussion/Action)

Dawn Weisz, Executive Officer introduced this item.

Director Larry Bragman will rotate off Technical Committee.

Directors Len Rifkind and Ken Wachtel will rotate off Executive Committee and Directors Bob McCaskill and Sloan Bailey will be added.

Ms. Weisz responded to questions from the Board.

M/s Sears/Bragman (passed 10-0-0) approved Membership Changes for Technical Committee and Executive Committee. Directors Athas, Butt and Small were absent.

Agenda Item #7 Creation of Ad Hoc Ratesetting Committee (Discussion/Action)

Dawn Weisz, Executive Officer presented this item. She reminded the Board that ratesetting is coming up in January and the initial Ad Hoc Ratesetting Committee meeting should take place in early January 2014 with a possible follow up meeting in February.

The following persons agreed to serve on the 2014 Ad Hoc Ratesetting Committee:
Ford Greene as Chair, Denise Athas, Sloan Bailey, Emmett O'Donnell and Bob McCaskill.

Ms. Weisz responded to questions from the Board.

M/s Sears/Greene (passed 10-0-0) approved Creation of Ad Hoc Ratesetting Committee (Discussion/Action) Directors Athas, Butt and Small were absent.

Agenda Item #8 – Resolution 2013-11 Adopting Amendment No. 7 to JPA Changing the Name Marin Energy Authority to Marin Clean Energy (Discussion/Action)

Dawn Weisz, Executive Officer introduced this item. External parties and community members frequently asked

about the difference between Marin Energy Authority, our governing board and Marin Clean Energy, our program. In recent months a considerable amount of time has been spent to determine what works best in terms of a uniform formal name that best represents the communities we serve, our governing body and program brand. It was recommended that consistent use of the name, Marin Clean Energy for our program and our governing body would simplify communications with the community and stakeholder groups. Ms. Weisz noted that the Marin Clean Energy name and brand was used even before the Marin Energy Authority governing body was formed; therefore, it seemed natural to simplify by transitioning uses of Marin Energy Authority to Marin Clean Energy.

Jamie Tuckey, Communications Director answered questions from the Board and discussed communication issues, customer communications and how combining the two names into one, will help strengthen the Marin Clean Energy brand with consistency. It is expected to be a simple and easy transition because Marin Clean Energy has been used for so long.

M/s McCaskill/Wachtel (passed 10-0-0) approved Resolution 20-13-11 Adopting Amendment No. 7 to JPA Changing the Name Marin Energy Authority to Marin Clean Energy. Directors Athas, Butt and Small were absent.

Agenda Item #9 Resolution 2013-12 Approving Revisions to Net Energy Metering Tariff (Discussion/Action)

Justin Kudo, Manager of Account Services introduced this item.

Mr. Kudo explained Net Energy Metering as being the billing mechanism used by solar customers in their homes and/or businesses to receive credit for energy generation. He also explained that credits are provided in dollars, not units of electricity

Mr. Kudo further explained the Billing of Net Energy Metering and how PG&E assesses customers on a monthly bill containing a “minimum bill charge” for electric service, as well as any gas charges. Each monthly bill contains “Net Metering Statement” of year-to-date credits from electric production and charges for electric usage with no balance due.

At the end of each annual billing cycle, PG&E issues customers a “true-up”, which is a bill in the amount of the balance indicated by their Net Metering Statement, if any amount is due. Any excess credits at the annual true-up are forfeited.

MCE customers are billed in the same manner, except MCE charges/credits for electric generation are settled monthly instead of annually, reducing large annual true-up bills. MCE provides bonus credits and incentives for NEM customers.

Mr. Kudo discussed how NEM is billed for PG&E customers versus how NEM is billed for MCE Customers. He explained that MCE NEM Incentives include net electricity production being credited at Deep Green rate. On rollover or cash-out, PG&E NEM excess credits are forfeited at true-up whereas MCE NEM excess generation credits are kept year-to-year. For MCE NEM, there is an April cash-out for credits over \$100. The bottom line being: most customers get better compensation with MCE’s NEM program.

Mr. Kudo explained the proposed revised tariff would: (1) allow customers which opt-out to remain eligible for cash-out of any available MCE generation credits, (2) enable MCE to internally track these credits and correctly apply them against MCE charges only, (3) remove current Net Generator Credit, with suggestion to reallocate

funding to solar installation rebates in FY2015 and, (4) replace defined eligibility requirements with reference to PG&E tariff and would increase flexibility and adaptability.

Ms. Weisz responded to questions from the Board. Director Rifkind indicated he would like to see some language/marketing material that would simplify the program for those customers wanting to put solar on their roof. Director McCaskill indicated he would like better communication surrounding delivery charges. He further stated it is important to help this subset of customers better understand the nuances of the program, especially because they are renewable energy generating customers, a generally more engaged group, and it is important to retain them in the customer base.

M/s Sears/Greene (passed 10-0-0) approved Resolution 2013-12 Approving Revisions to Net Energy Metering Tariff. Directors Athas, Butt and Small were absent.

Agenda Item #10 – Budget Adjustment for FY 2013-14 (Discussion/Action)

Greg Morse, Business Analyst introduced this item. He reported there is no impact to overall budget.

Ms. Weisz responded to questions from the Board. She noted that MEA's legal team has taken on a significant amount of duties formerly managed by outside consultants and, as a result, saved funds that can be reallocated to the communications budget.

M/s McCaskill/Wachtel (passed 10-0-0) approved Budget Adjustment for FY 2013-14. Directors Athas, Butt and Small were absent.

Agenda Item #11 – Request from the County of Napa and City of Albany for Membership Analysis and Consideration as a Member of MCE (Discussion/Action)

Executive Officer, Dawn Weisz presented this item.

Ms. Weisz summarized the history of MCE's expansion process which included addition of the City of Richmond and the outcome of the Richmond rollout. Following completion of the Richmond rollout, future expansion options were discussed. At MEA's 2013 Board Retreat, the Board approved adopting Policy 007: New Customer Communities, which describes MEA's policy to explore and support electric service in new communities.

Policy 007 delineates two channels of service offerings: (1) Affiliate Membership and, (2) Special Consideration Membership.

For membership consideration under the affiliate membership, all applicable membership criteria must be satisfied, the new community must be located in a county that is not more than 30 miles from MCE existing jurisdiction, and the projected customer base in the new community must be approximately 40,000 or less.

Based on affiliate membership, two communities meeting the membership consideration criteria have applied for membership by submitting letters to MEA requesting consideration as a member. They are the County of Napa and the City of Albany.

Ms. Weisz pointed out that a special-consideration category is available, but will not be discussed tonight, as a process has not yet been developed for special-consideration membership. The San Francisco Local Agency Formation Commission (SFLAFCO) has expressed verbal interest in exploring membership in MCE and based on population in their jurisdiction, would fall under

the special-consideration membership category. If further requests are received from San Francisco then MCE staff could develop the special consideration membership process more fully.

Under the affiliate membership category, there are seven (7) steps a community needs to take to be added as a member. That 7-step process is included in your Board packet. The County of Napa and the City of Albany have completed Steps 1 and 2 of the process which brings them to Step #3 and, if approved by the Board, the membership analysis would be the next step in the process. The new community would then enter into an Agreement with MCE to cover costs of the membership analysis. The membership analysis would include a technical analysis to look at economic impact of including the new customer base to determine whether the economic impact to MCE would be positive or negative. Funds would also be included in the Agreement to cover any staff time costs to participate in meetings or respond to questions during the exploratory process.

Ms. Weisz pointed out MCE would be looking at qualitative and quantitative criteria and briefly discussed the criteria MCE would be assessing, as set out in the Board packet. She also spoke briefly about characteristics of the two communities who have applied for membership.

Ms. Weisz's recommendation to move forward with the expansion process of adding the County of Napa and the City of Albany is grounded in MEA's mission statement, cost differential impacts, and a stronger voice which impacts decisions at the state level.

Ms. Weisz responded to questions from the Board.

M/s McCaskill/Rifkind (passed 10-0-0) approved Request from the County of Napa and the City of Albany for Membership Analysis and Consideration as a Member of MCE. Directors Athas, Butt and Small were absent.

Agenda Item #12 – Policy 009: Information Technology Security (Discussion/Action)

Emily Goodwin, Internal Operations Coordinator presented this item. The purpose of the proposed policy is to enhance Information Security (IT) infrastructure, staff awareness and procedures related to customer and organizational data which align with industry best practices. Incorporating customized IT Security measures within the proposed formalized policy further supports the organization's tradition of creating customized, best practice approaches that uniquely fit MCE's needs and build upon existing goals and practices regarding strong IT security and internal controls. Key factors leading to the development of this proposed policy include:

- Key staff recruited during FY2013/14 to provide program to a growing customer base and expand services.
- MEA has increased the number of working contractors to facilitate a larger scope of services to an increased customer base.
- MEA has undergone expert and customized information technology (IT) security consultation, an IT and internal controls assessment, and relevant staff training to manage security functions effectively.
- Audit process was completed approximately 30 days ago by a company referred by MEA partner, River City Bank.
- In an ongoing effort to further strengthen the organization based on growth both internally and externally, MEA seeks to incorporate customized IT Security measures in a formalized policy.
- Policy will support MEA's growth in the future as we prepare to use SmartMeter data, create new programs in demand response, energy storage or other fields, all while considering an even broader customer base both geographically and demographically.

Ms. Goodwin responded to questions from the Board.

M/s Sears/Greene (approved 10-0-0) approved Policy 009: Information Technology Security. Directors Athas, Butt and Small were absent.

Agenda Item #13 – Policy 010: Infants in the Workplace (Discussion/Action)

Emily Goodwin, Internal Operations Coordinator introduced this item. The purpose of this propose policy is to encourage new mothers or fathers within MCE staff to return to work sooner by allowing new parents to bring their infant to work with them until the child is 6 months old or begins to crawl, whichever comes first.

Key factors leading to the development of this policy include:

- Key staff recruited during FY2013/14 to provide programs to a growing customer base and expand services.
- MEA seeks to enhance core values and goals by implementing Infants in the Workplace Policy in an ongoing effort to further strengthen the organization, bolster employee morale and enhance staff retention strategies.
- MEA is looking to provide a positive work environment that recognizes parents' responsibilities to their jobs and to their infants by acknowledging that, when an infant is able to stay with a parent, this benefits the family, the employer, and society.
- Program benefits include:
 - ✓ Allowing infants in the workplace costs an organization almost nothing and provides extensive business benefits, such as employees voluntarily returning to work early after the birth of their child.
 - ✓ Creates an increase in morale, employee retention, and increases overall productivity by limiting long-term absence from the work environment.

Ms. Goodwin responded to questions from the Board.

M/s Green/Sears (passed 10-0-0) approved Policy 010: Infants in the Workplace. Directors Athas, Butt and Small were absent.

Agenda Item #14 – Regulatory Update (Discussion)

Elizabeth Kelly, Legal Director introduced this item.

CCAs and Energy Efficiency

Ms. Kelly discussed proposed decisions effecting CCAs and Energy Efficiency (electrical vs. gas) and how those programs are run. The proposed decision has been held, no modifications have been made but there is an expectation that modifications are forthcoming. Currently there is no true indication where the CPUC is going with this decision.

Cost Allocation and Procurement Affecting CCA

Ms. Kelly spoke briefly about San Onofre Nuclear Generation Station (SONGS) outage in Southern California and the proposal in that area is to have all replacement resources for SONGS receive cost allocation mechanism treatment (CAM). This non-bypassable charge treatment would impact future CCA customers within the SCE and SDG&E territories. MCE is paving the way for other CCAs to be able to operate within those territories.

Green Tariffs (SDG&E SunRate and PG&E Green Option)

Ms. Kelly briefly discussed the Green Option proceedings. SB 43 was passed which allows investor-owned utilities provide green options to their customers. PG&E and SDG&E are taking totally different approaches to their proposed programs following this legislation. SDG&E appears to be taking the approach that they are making necessary modifications to their proposed green program in order to comply with the law. PG&E's approach is that

they claim the legislation is theirs and as a result their proposed program is “ipso facto” compliant with the law.

Director Sears inquired as to who sets the PCIA Workshop agenda. Ms. Kelly advised that Energy Division sets the agenda and MCE is currently in discussions about being able to request items for the agenda.

Ms. Kelly responded to questions from the Board.

Agenda Item #15 – Members and Staff Matters (Discussion)

None

Agenda Item #16 – Adjourn

9:47PM

Damon Connolly, Chair

ATTEST:

Dawn Weisz, Executive Officer



February 6, 2014

TO: Marin Clean Energy Board
FROM: Greg Morse, Business Analyst
RE: Monthly FY 14 Budget Report (Agenda Item #5 - C.2)
ATTACHMENT: MCE Budget Reports 2013-12 (Unaudited)

Dear Board Members:

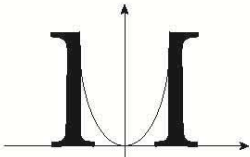
SUMMARY:

The attached budget update compares the FY 2014 budget to the unaudited revenue and expenses of MCE for the month ending December 2013.

Expenditures over the last month have been stable and in keeping with budgets. The Cost of Energy line expenditure is higher than usual due to reconciliations from September. Communications Consultants and Related Expenses are staying well within their revised budget. General and Administration line items were up due to multiple subscription costs coming due at the end of the year.

Overall, MCE continues to spend below projections, as reflected in year-to-date figures.

Recommendation: No action needed. Informational only.



MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

Financial Plumbline

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Marin Clean Energy

We have compiled the accompanying budgetary comparison schedules of Marin Clean Energy (a California Joint Powers Authority) for the period ended December 31, 2013. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements with undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

We are not independent with respect to Marin Clean Energy.

Maher Accountancy

January 20, 2014

TEL 415.459.1249
FAX 415.459.5406
WEB www.mahercpa.com



MARIN CLEAN ENERGY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through December 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Revenue - Electricity (net of allowance)	\$ 86,865,000	\$ 64,084,011	\$ 22,780,989	73.77%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Cost of energy	76,427,000	56,265,844	20,161,156	73.62%
Staffing	1,537,000	1,054,139	482,861	68.58%
Technical consultants	594,000	411,147	182,853	69.22%
Legal counsel	260,000	89,720	170,280	34.51%
Communications consultants and related expenses	750,000	592,087	157,913	78.94%
Data manager	2,534,000	1,840,255	693,745	72.62%
Service fees- PG&E	603,000	426,985	176,015	70.81%
Other services	333,000	202,666	130,334	60.86%
General and administration	297,000	236,287	60,713	79.56%
Marin County green business program	15,000	15,000	-	100.00%
Solar rebates	10,000	-	10,000	0.00%
Total current expenditures	<u>83,360,000</u>	<u>61,134,130</u>	<u>22,225,870</u>	<u>73.34%</u>
CAPITAL OUTLAY	20,000	1,656	18,344	8.28%
DEBT SERVICE	1,195,000	854,717	340,283	71.52%
INTERFUND TRANSFER TO:				
Local Renewable Energy Development Fund	<u>51,536</u>	<u>51,536</u>	-	<u>100.00%</u>
Total expenditures	<u>84,626,536</u>	<u>62,042,039</u>	<u>\$ 22,584,497</u>	<u>73.31%</u>
Net increase (decrease) in available fund balance	<u>\$ 2,238,464</u>	<u>\$ 2,041,972</u>		

**MARIN CLEAN ENERGY
ENERGY EFFICIENCY PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through December 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Public purpose energy efficiency program	\$ 2,100,000	\$ 680,091	\$ 1,419,909	32.39%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Public purpose energy efficiency program	<u>2,100,000</u>	<u>680,091</u>	<u>1,419,909</u>	<u>32.39%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>		

* Transfer of \$547,500 for security of On Bill Repayment program not recognized as expenditure.

**LOCAL DEVELOPMENT RENEWABLE ENERGY FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through December 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	\$ 51,536	\$ 51,536	\$ -	100.00%
EXPENDITURES AND OTHER USES:				
Capital Outlay	<u>51,536</u>	<u>-</u>	<u>51,536</u>	<u>0.00%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ 51,536</u>		



February 6, 2014

TO: Marin Clean Energy Board
 FROM: Sarah Ritter, Administrative Associate
 RE: Report on Approved Contracts (Agenda Item #5 – C.3)

Dear Board Members:

SUMMARY:

On March 7, 2013 your Board adopted Resolution 2013-04 which authorized the Executive Officer to enter into and execute contracts for an amount not to exceed \$25,000 within a fiscal year consistent with the Board approved budget, the Joint Powers Agreement, and the Operating Rules and Regulations.

The following chart summarizes contracts of this nature which have been entered into during the previous two months:

Month	Purpose	Contractor	Maximum Contract Amount	Term of Contract
December	Intellectual property legal services	Bryan Cave LLP	\$15,000	4 Months
December	Legal services relating to new and existing PPAs	Troutman Sanders LLP	\$15,000	4 Months
January	Regulatory Services	Braun, Blaising, McLaughlin & Smith PC	\$18,000	3 Months
January	EE program technical consulting services	Tom Flynn D/B/A TSF Group	\$12,000	2 Months
January	EE program delivery for schools in Marin and Richmond	Strategic Energy Innovations	\$22,500	12 months

Recommendation: Information only. No action required.



February 6, 2014

TO: Marin Clean Energy Board
FROM: Katie Gaier, Human Resources Coordinator
RE: New Position – Regulatory Assistant (Agenda Item #5 – C.4)
ATTACHMENT A: Job Description for Regulatory Assistant

Dear Board Members:

SUMMARY: Due to an increasingly busy and complex work load in the Regulatory Team, Marin Clean Energy is need of an administrative position to provide support to the team in its work as the legal and regulatory representatives of Marin Clean Energy. Tasks of the new position would include tracking legislative bills, calendar tracking and scheduling, filing, information management, and other duties as assigned as day-to-day support of the team. The Regulatory Assistant will free the other team members, including the Legal Director, the Regulatory Counsel and the Regulatory Analyst, to perform the specialized work of their positions.

The job description for the new class is attached which describes the characteristics of the position as well as an illustrative summary of the essential duties and functions of the position, and the required minimum qualifications including knowledge, skills and abilities, physical demands and work environment. Reasonable accommodation will be made for an employee to perform the essential functions of the job.

The position of Regulatory Assistant would be similar in level of responsibility, types of tasks, and scope of work to the existing position of Administrative Associate. It has, therefore, been determined that the salary be set at the same range, with appointment of an employee at a point in the range consistent with education and experience.

Recommendations:

1. Adopt the proposed job description as attached, subject to changes by management based on future needs.
2. Adopt the proposed compensation range of \$20.20 - \$26.45 hourly (\$42,000 - \$55,000 annually) with exact compensation to be determined within existing Board-approved budget and commensurate with the employee's education and experience.



Regulatory Assistant Job Description

Summary

The Regulatory Assistant works under the general supervision of the Marin Clean Energy (MCE) Legal Director and may receive direction from the Regulatory Counsel or Regulatory Analyst. The Regulatory Assistant has a wide-range of responsibilities related to the administrative support provided to the Regulatory Team, including the Legal Director, the Regulatory Counsel, and the Regulatory Analyst. The Regulatory Assistant performs tasks that assist the Regulatory Team in its work as the legal and regulatory representatives of MCE. Tasks may include tracking legislative bills, calendar tracking and scheduling, filing, information management, and other duties as assigned.

Class Characteristics

Working under general supervision of the Legal Director and/or direction of the Regulatory and Legal Counsel, the Regulatory Assistant provides administrative support to the daily operations of the Regulatory Team, including administrative tasks such as scheduling, filing, and information system management. This class is similar to the Administrative Associate due to its administrative responsibilities in support of a particular area of MCE work. It therefore differs from the next highest level of Regulatory Analyst due to the latter's level of responsibility in the development of key regulatory issues and analytical work related to the operations of the regulatory component of MCE.

Essential Duties & Responsibilities (Illustrative Only)

- Tracking of relevant bills before the California legislature and reporting progress to managers
- Tracking CPUC proceeding calendars as well as those of other regulatory agencies
- Scheduling meetings with state and local officials
- Facilitating stakeholder relationships on regulatory issues
- Maintaining and improving upon information management systems
- Filing documents with the California Public Utilities Commission (CPUC) and other regulatory agencies
- Maintaining an internal filing system, both electronically and physically
- Preparing document templates and other documents
- Updating calendars for Regulatory Team members

Supervisory Responsibilities

This position has no supervisory responsibilities.

Minimum Qualifications:

Education and experience equal to a bachelor's degree and the knowledge, skills and ability to perform the essential functions of the position. Administrative work in a public and/or a not for profit agency is desirable. Knowledge of Community Choice Aggregation and the California electric utility market a plus.

Knowledge of:

- Practices and principles of office management
- The purpose, organization and operations of a public agency
- Information systems management
- Scheduling, maintaining calendars, and internal filing systems
- Microsoft Office, including Word and Outlook
- Energy and environmental issues generally, such as climate change
- Demographics of the service areas

Skills and Abilities

- Organize work in an efficient and time-sensitive manner
- Learn the organization and operations of regulatory agencies such as the California Public Utilities Commission (CPUC)
- Understand the legislative bill process
- Manage multiple priorities and adapt to changing priorities in a fast-paced environment
- Be thorough and detail-oriented
- Maintain confidentiality over sensitive items
- Operate standard office equipment
- Establish and maintain positive professional relationships with co-workers and others encountered during the performance of duties

Key Responsibilities:

- Tracking of relevant bills before the California legislature and reporting progress to managers
- Tracking CPUC proceeding calendars as well as those of other regulatory agencies
- Scheduling meetings with state and local officials
- Facilitating stakeholder relationships on regulatory issues
- Maintaining and improving upon information management systems
- Filing documents with the California Public Utilities Commission (CPUC) and other regulatory agencies
- Maintaining an internal filing system, both electronically and physically
- Preparing document templates and other documents
- Updating calendars for Regulatory Team members

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, or feel and reach with hands and arms. The employee must occasionally lift and/or move up to 20 pounds. Reasonable accommodation will be made available for an employee

to perform the essential functions of the job.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. The noise level is usually moderate.



February 6, 2014

TO: Marin Clean Energy Board

FROM: Katie Gaier, Human Resources Coordinator

RE: Annual Cost of Living Adjustments for Staff Compensation Ranges (Agenda Item #5 - C.5)

Dear Board Members:

SUMMARY: The Department of Labor Bureau of Labor Statistics issues quarterly reports on the cost of living adjustment (COLA) for geographical areas within the United States. Both Marin County and Contra Costa County (City of Richmond) are included in the San Francisco-Oakland-San Jose indices. Many public agencies use the COLA as a benchmark in setting salary increases relative to the increase in the cost of living on an annual basis. The October index is used as the ending point of the average as it is the final index published before January 1. Because the index fluctuates during the year, an average is the most commonly used index for salary increases. MCE management currently applies the average index COLA to employee salaries on January 1 of each year.

To allow for consistency in annual adjustments related to the COLA referenced above, an adjustment to the Board-approved salary range for each MCE position is needed. To limit unanticipated budgetary impacts, the increase would be limited to 4%. If the average COLA index referenced above is more than 4% in a given year, Board action would need to be requested for any further adjustments to compensation ranges beyond 4%.

Recommendation: Approve annual cost of living adjustments of up to 4% for Board-approved salary ranges for all MCE positions, effective January 1 of each year, based on the average of the January-April-July-October San Francisco-Oakland-San Jose Cost of Living Adjustment (COLA) index.



February 6, 2014

TO: Marin Clean Energy Board

FROM: Beckie Menten, Energy Efficiency Director

RE: First Amendment to and Restatement of Operating Agreement with First Community Bank (Agenda Item #5 - C.6)

ATTACHMENTS: A. Proposed First Amendment to and Restatement of Operating Agreement with First Community Bank
B. Black line Reflecting Amendments to Operating Agreement with First Community Bank
C. Terms for Residential and Non-Residential Renewable Energy OBR Loans

Dear Board Members:

SUMMARY:

The proposed First Amendment to and Restatement of (A&R) the Operating Agreement with First Community Bank (FCB) will enable MCE to offer loans for renewable energy technology which can be repaid on utility bills.

Background

On the 9th of November, 2012, the CPUC approved MCE's application for funding for 2013 – 2014 energy efficiency programs, allocating over \$4 million to MCE. The 2013 – 2014 portfolio of programs includes continuation of the MCE multi-family energy efficiency program, implementation of small commercial and single family energy efficiency programs, and four financing pilots: on bill repayment (OBR) for the multi-family, commercial, and single family sectors, and a standard offer program.

The OBR Program is an innovative financing concept that allows the loan to be tied to, and repaid on, the utility bill. This creates a strong link between the anticipated energy savings resulting from the projects and the cost of financing the project. If the program is successful in demonstrating lower default rates than anticipated, banks may become more likely to lend for energy efficiency improvements in the future and the cost of capital for these projects could drop over time.

In April of 2013, MCE and FCB agreed to a set of terms that would be available to MCE customers for financing energy efficiency improvements on single family properties. In September of 2013, your Board approved the Operating Agreement between FCB and MCE, which defines the roles, responsibilities, and other structural components of the Single Family OBR program. At that time, your Board also expressed interest in exploring loan options that would be available to finance renewable energy

improvements, as the funds offered through the energy efficiency program cannot be utilized for renewable energy.

FCB and MCE have now agreed upon a set of terms for both non-residential and residential customers for loans to finance renewable energy improvements. The loans would not be secured by the loan loss reserve, as is the case with the energy efficiency financing. These loans would be placed on the customer utility bill. The attached First Amendment to and Restatement of the Operating Agreement introduces the renewable energy product and clarifies that it is subject to a separate set of terms, including the fact that it is ineligible for claims against the loan loss reserve program.

Recommendation: Approve the proposed First Amendment to and Restatement of the Operating Agreement with First Community Bank to enable renewable energy loans which can be repaid on customer bills.

MCE RESIDENTIAL ON-BILL REPAYMENT PROGRAM

**FIRST AMENDMENT TO AND RESTATEMENT OF
OPERATING AGREEMENT**

Dated as of _____

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MCE ON-BILL REPAYMENT PROGRAM
FIRST AMENDMENT TO AND RESTATEMENT OF
OPERATING AGREEMENT

This First Amendment to and Restatement of Operating Agreement for the MCE On-Bill Repayment Program (“Agreement”) is hereby made and entered into as of _____, 2014, between Marin Clean Energy, as Program Developer (“MCE”), and First Community Bank, a California corporation (“FCB”). MCE and FCB shall together hereinafter be referred to individually as a “Party” and collectively as “Parties”. Other capitalized terms used without definition at first use shall have the meanings set forth for them in Article VII, Definitions, below.

RECITALS

WHEREAS, Marin Energy Authority and FCB entered in to that certain Operating Agreement dated as of November 8th, 2013 (“Original Operating Agreement”);

WHEREAS, on December 5, 2013 Marin Energy Authority formally changed its name to Marin Clean Energy;

WHEREAS, MCE and FCB seek to expand the Original Operating Agreement to allow for the financing of renewable energy improvements;

WHEREAS, MCE has developed a program to provide resources and loans for enhancing the energy performance of existing buildings (the “Program”) in an effort to increase the adoption of energy improvements by property owners within its jurisdiction;

WHEREAS, MCE has sought the assistance of FCB in developing the Program to explore on-bill repayment as a way to facilitate long-term financing for investments in energy improvements to building owners;

WHEREAS, FCB will serve as the lender for qualifying Borrowers;

WHEREAS, the Parties now desire to enter into this Agreement for the duration of the Availability Period to (i) establish the terms of a Pilot Program to test the business assumptions associated with the Program, (ii) identify the roles and responsibilities of each Party during the Availability Period; (iii) set forth the respective rights and obligations of the Parties in managing the Program.

NOW, THEREFORE, in consideration of the foregoing Recitals, of mutual promises of the Parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby agree to the Program pursuant to the terms and conditions set forth in this Agreement, which reads in its entirety as follows:

ARTICLE I. PROGRAM OVERVIEW

1.01. Name.

The name of the Program is the MCE On-Bill Repayment Program.

1.02. Program Phases.

The Program shall be delivered in two phases:

(a) **The Pilot Program.** The Pilot Program will be available during the Pilot Program Period. The purpose of the Pilot Program is to permit the Parties to test and evaluate the assumptions, procedures and processes related to (i) the operational and technical aspects of the Program, (ii) the roles and responsibilities of each Party, (iii) the effectiveness of the marketing and web-based information, and (iv) revisions by the Parties to documents, processes, procedures and assumptions prior to Full Implementation.

(b) **Full Implementation.** Full Implementation of the Program will occur upon the expiration of the Pilot Program Period unless there is mutual agreement for Program termination at that time.

1.03. Pilot Program Goals.

(a) During the Pilot Program Period, the Parties will endeavor to:

- (i) test the established processes and procedures using funded loans;
- (ii) evaluate the effectiveness and viability of the Program;
- (iii) test repayment of energy loans via the utility bill as a method for reducing potential financial barriers to Borrowers;
- (iv) evaluate whether the Program is the optimal and most cost-effective vehicle for stimulating the adoption of energy measures;
- (v) refine process and procedures as agreed; and
- (vi) determine if the Program should continue to Full Implementation.

1.04. Service Description.

Operational elements offered under the Program include the following functions: (i) marketing the Program to prospective Borrowers, (ii) loan underwriting, analysis and approval, (iii) loan set-up for qualifying Borrowers, (iv) monthly billing of the OBR Loan, (v) report generation and review, (vi) account maintenance and reconciliation functions, (vii) customer inquiry and problem resolution, (viii) payment processing, (ix) payment remittance to FCB, (x) loan removal, (xi) delinquency management, (xii) ongoing training and refinements to the Program, and (xiii) debits from and credits to the Loan Loss Reserve Account.

1.05. Term of Agreement.

This Agreement takes effect upon the signature of the Parties and shall remain in effect until the first of the following occurs: (a) final repayment in full of all OBR Loans issued in connection

with the Program, (b) the mutual agreement of the Parties to terminate this Agreement and (3) termination pursuant to the terms of this Agreement.

1.06. Representations and Warranties

MCE represents and warrants to FCB as follows:

(a) Neither the execution of this Agreement nor compliance with the terms and provisions of this Agreement on the part of MCE shall breach any statute or regulation of any governmental authority or result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or other instrument to which MCE is a party or by which it is bound.

(b) The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all necessary actions and proceedings to be taken by MCE.

ARTICLE II. ROLES AND RESPONSIBILITIES

2.01. Marketing and Information Delivery

2.01.1 MCE

(a) MCE will identify potential applicants, oversee the installation of appropriate energy improvements, certify satisfactory completion of the energy project, and be responsible for maintaining compliance with any and all rules and regulatory requirements that are applicable to it.

(b) Except as provided herein, MCE will not act as a representative or agent of FCB and will ensure that public information does not contain any representations or warranties of FCB in connection with the application, underwriting or approval processes associated with the Loans without the prior express written consent of FCB.

(c) Except as otherwise set forth in this Agreement, MCE, within authority granted to it by the CPUC, shall have full, complete and exclusive discretion to manage and control the delivery of Program information to the public.

(d) MCE will define the business and information technology requirements, processes, procedures and reports necessary to implement the services described in this Agreement to FCB.

(e) Subject to Section 6.03, Confidentiality, MCE will treat all information received from FCB as highly confidential and will ensure that all financial information received by it either directly through FCB, or indirectly through a Borrower or Service Provider, is maintained with the standard of care generally afforded to sensitive information.

(f) MCE will comply with any and all regulatory requirements for information and will respond to any discovery requests issued in accordance with applicable laws and regulations.

2.01.2 FCB

(a) FCB will:

(i) provide MCE with an approved form of Application for distribution to Borrowers interested in financing options and other information intended for public distribution and

(ii) notify MCE of any material regulatory or policy change that may have an impact on the Program.

(b) Notwithstanding section 2.01.1(c) above, FCB may create and distribute marketing materials to the public in concert with MCE.

(c) Parties agree to seek approval for use of respective logo materials in print or public facing documents.

2.02. Summary of OBR Loan Terms

2.02.1 Basic Terms

Unless otherwise agreed by FCB, OBR Loans shall be subject to the following terms and conditions:

(a) During the Program, the maximum amount of FCB funded OBR Energy Efficiency Loans will be determined by the amount of the Loan Loss Reserve and the FICO scores of the OBR Energy Efficiency Loans as set forth in Section 5.05.

(b) OBR Energy Efficiency Loans will be no less than \$2,500.00 per Borrower and no more than \$30,000.00 per Borrower; larger loans will be considered on a case by case basis by FCB. In each case, the OBR Loan amount will not be greater than the "Estimated Contractor Cost" as provided in the Energy Audit or Scope of Work. OBR Energy Efficiency Loans must be used to fund qualified improvements only. Customers may, at their discretion, finance non-energy measures if such measures collectively do not account for more than 30% of the total loan size (in dollars) and are not renewable energy measures.

(c) OBR Renewable Energy Loans for non-residential customers will be no less than \$50,000 with no upward limit; OBR Renewable Energy Loans for residential customers will be no less than \$10,000 and no more than \$50,000 with larger loans considered on a case-by-case basis.

(c) The Total Loan Commitment is a non-revolving line of credit offered for the Program during the Availability Period in connection with the funding of OBR Energy Efficiency Loans; any OBR Loans repaid will not restore availability to, or increase, the Total Loan Commitment.

(d) Any part of the Total Loan Commitment not utilized after the Availability Period will be cancelled and no longer available for OBR Energy Efficiency Loans.

(e) FCB, in its sole and absolute discretion, will approve Applicants for OBR Loans based on underwriting criteria established by FCB. FCB will notify all Applicants whether or not the Application was approved or declined.

(f) OBR Loans will be disbursed by FCB to each Borrower in a single advance following evidence satisfactory to FCB that all conditions precedent to funding and project completion have occurred in accordance with the terms of this Agreement, the Loan Documents, the Energy Audit, Scope of Work, and Final Inspection Report.

(g) The Loan Documents will require each OBR Loan to be repaid in equal monthly payments of principal and interest. OBR Energy Efficiency Loans of \$7,500 or less will be amortized over a period of 5 years; loans larger than \$7,500 can be amortized up to ten (10) years. OBR Renewable Energy Loans can be amortized up to twenty (20) years.

(h) Applicants will have a one-time opportunity to re-amortize their loan with the proceeds of applicable energy efficiency rebate(s).

(i) Subject to Section 6.01 and provided no default has occurred, the interest rate on OBR Energy Efficiency Loans will be fixed at a rate of six and one half percent (6.5%) for the life of each OBR Loan. The interest rate for non-residential OBR Renewable Energy Loans will be prime +3.25% with a ceiling of 7.95%; the interest rate for residential OBR Renewable Energy Loans will be prime + 2.7% with a ceiling rate of 7.95%. The OBR Loan will accrue interest daily and be calculated on a basis of actual days lapsed/360 days.

(j) The OBR Loans shall be subject to defaults typically enforced by FCB in similar loans, including:

- 1) Payment Default;
- 2) Environmental Default;
- 3) False Statements;
- 4) Insolvency;
- 5) Creditor or Forfeiture Proceedings;
- 6) Events Affecting Guarantor;
- 8) Adverse Change;
- 9) Insecurity, and;
- 10) Cure Provisions.

(k) In addition, Program specific defaults will include:

1) Due on Sale, the OBR Loan will be due and payable in full if the Borrower sells the property on which the improvements were made,

2) the Borrower is no longer an MCE customer, and

3) the Borrower fails to pay Energy Amounts in full, resulting in partial payments such that FCB deems the balance of the OBR Loan uncollectible, though such delinquency will not result in a default in sooner than a 60 day time period.

(l) MCE shall establish a Loan Loss Reserve Account with FCB as provided in Section 5.05.

(m) Applicants will be charged a one-time application fee of \$50.

(n) FCB will charge a documentation fee equal to \$150 for each residential OBR Loan due at the time of loan execution, which may be financed. For non-residential OBR loans, FCB will charge a documentation fee equal to \$495, which may be financed.

(o) FCB shall provide all disclosures to Borrowers in accordance with applicable law.

2.02.2 MCE Delivery of Information in connection with Energy Efficiency Loan Applications

In connection with an Application for a Loan, MCE will deliver to FCB documentation of the energy project. The documentation will vary for single measure and for Home Energy Upgrade projects. In connection with a loan application, MCE will deliver:

(a) For Home Energy Upgrade Projects:

1. An Energy Audit (or evidence of a Combustion Appliance Safety test if no Energy Audit is performed),
2. Rebate Acceptance Form, and
3. Certificate of Completion form, substantially in the form of Exhibit A.

(b) For Single Measure Projects:

1. Scope of Work, including specifications of equipment purchased,
2. Permit number and final inspection report, if required pursuant to scope of work, and
3. Certificate of Completion form, substantially in the form of Exhibit A.

MCE acknowledges and agrees that FCB will rely on the accuracy and content of the information provided for purposes of underwriting and loan approval.

FCB acknowledges that MCE will not provide a guarantee of the projected energy savings as may be reflected in the Energy Audit.

2.03. Documentation, Changes to Scope of Work & Project Completion

2.03.1 FCB approval of Applications

FCB retains the right, in its sole and absolute discretion, to determine whether or not to approve an Application for an OBR Loan.

Following approval by FCB of an Application, FCB will:

- (a) prepare Loan Documents in accordance with its standard practices and procedures,
- (b) obtain Applicant's signature on Loan Documents, and
- (c) notify MCE that an OBR Loan has been approved and provide MCE with the Borrower information required pursuant to Section 3.02.

MCE will:

- (a) register Borrower information on MCE Systems, and
- (b) notify Project Consultants and Service Providers of the OBR Loan.

2.03.2 Changes to Scope of Work

The Parties agree that OBR Loans are provided for the sole and exclusive purpose of financing the energy improvement measures defined in the Energy Audit and / or Scope of Work.

(a) Under the terms of the Loan Documents, each Borrower will be required to immediately notify FCB of any condition relating to the Energy Project that will result in either an increase or a decrease to the amount stated in the Scope of Work and / or Energy Audit. Failure by a Borrower to promptly notify FCB may result in a cancellation of FCB's obligations under the Loan Documents and the OBR Loan.

(b) FCB will require written confirmation of the change in the Scope of Work and / or the Energy Audit by the Project Consultant and MCE.

(c) The final loan amount must conform to the final project cost.

2.03.3 Project Completion

(a) The applicant shall notify FCB of Project Completion by submitting a Certificate of Completion substantially in the form of Exhibit A. This documentation shall be accompanied by a copy of:

- (i) the Energy Audit or CAS test (if applicable), and
- (ii) and an executed Unconditional Waiver and Release signed by the Contractor .

ARTICLE III. LOAN FUNDING AND PAYMENT PROCESSING

3.01. Loan Balances

The books and records of FCB will serve as the agreed upon contractual outstanding OBR Loan balance, payments due, and payment history of each Borrower. On or before the initial OBR

Loan funding, FCB will deliver a Loan Information Notice to MCE substantially in the form of Exhibit C for all new OBR Loans.

Following the initial funding:

- (a) FCB will be responsible for notifying MCE of delinquent OBR Loan information;
- (b) FCB will review reports and information provided by MCE and provide corrections on OBR Loan information in a timely manner substantially in the form of Exhibit D;
- (c) FCB will treat all information received from MCE as highly confidential and all information received by FCB, whether directly or indirectly through a Service Provider will be controlled and maintained with the standard of care generally afforded to sensitive information and as provided in the MCE Non-Disclosure Agreement and CPUC Decision 12-08-045;
- (d) FCB will be responsible for complying with any and all regulatory requirements of public content including Office of Foreign Asset Control and will respond to any discovery requests issued by or under the authority of a governmental agency or court regarding any Borrower or OBR Loan issued under the Program.

3.02. MCE as Billing Agent

MCE shall serve as the “Billing Agent” for FCB and provide the following services outlined in Section 1.04 which include:

- (a) monthly billing of the OBR Loan Payments due,
- (b) report generation and review,
- (c) PGE and MCE billing account maintenance and reconciliation functions,
- (d) customer inquiry and problem resolution for questions regarding the energy portion of the bill,
- (e) payment processing, and
- (f) payment remittance to FCB.

In addition, MCE will communicate to FCB any issues that will impede timely or accurate remittance of payments:

- (a) MCE shall ensure that the amounts due and payable to FCB under any OBR Loan to a Borrower shall be clearly and accurately reflected on the monthly PGE Billing Statement submitted to the Borrower.
- (b) The OBR Loan payment will be billed in conjunction with the Borrower’s standard PGE Billing Statement.
- (c) MCE will comply with all applicable laws and regulations.

3.02.1 Monthly Reports

(a) On or before the 15th business day of each month, MCE will provide to FCB a “Scheduled Payments Report” detailing scheduled payments due for the next month, including delinquent and partial payments due, and the outstanding balance remaining on each OBR Loan.

(b) On or before the last business day of each month, MCE will provide to FCB a “Delinquent Payment Report” detailing payments that were due and not received in the prior month.

(c) On or before the last business day of each month, MCE will provide to FCB a “Partial Payment Report” report detailing payments that were due and not received in full in the prior month.

3.02.2 Reconciliation of Loan Information

(a) MCE and FCB will use all reasonable efforts to ensure the accuracy of the information transmitted to and between each Party. FCB will reconcile the OBR Loan data contained on its systems and records against that of the Scheduled Payment Report on or before the 25th day of each month. FCB will notify MCE of any discrepancies or corrections.

(b) MCE will not make corrections or adjustments to OBR Loan information submitted by FCB unless so authorized under this Article III.

3.02.3 Loan Correction Notice

(a) No later than five (5) business days following receipt of reports as provided in Section 3.02.1, FCB will reconcile the amounts due, delinquent, or partially paid against its records. To the extent there is a discrepancy between the information provided in the report and that contained on the records of FCB, FCB shall complete and submit an “OBR Loan Correction Notice” substantially in the form of Exhibit D attached hereto.

(b) MCE will make good faith efforts to correct the information such that then current energy PGE Billing Statement reflects the correct amounts due from the Borrower as reflected by FCB’s records.

3.02.4 Delivery of Payments

(a) Payments of amounts due under the OBR Loans shall be made on each Friday, or if Friday is not a business day, on the next following business day (the “Payment Date”).

(b) The payment shall be an aggregate of all payments received by MCE for the prior week as reconciled in accordance with Section 3.02.2.

(c) Payments shall be disbursed by MCE to an account designated by FCB.

3.02.5 Prepayments on OBR Loans

Borrowers shall be permitted to prepay OBR Loans provided that no default has occurred resulting in a Defaulted OBR Payment and provided further that there is no Pro-Rata Sharing of Payments. All prepayments made under an OBR Loan must be sent directly to FCB and not submitted through the Energy Bill. FCB shall notify MCE if a payment is made directly to FCB, outside of the PGE Billing Statement, to confirm that the payment is not subject to Pro-Rata Sharing of Payments. FCB shall:

- (a) apply the payment to the OBR Loan only if Pro-Rata Sharing of Payments is not in effect, or
- (b) remit the excess payment to MCE for allocation if Pro-Rata Sharing of Payments is in effect.

ARTICLE IV. CUSTOMER INQUIRIES – DISPUTE RESOLUTION

4.01. Customer Inquiries

(a) MCE shall cause each PGE Billing Statement to contain the amounts due and payable for the OBR Loan as a clear and distinct line item.

(b) MCE shall cause each PGE Billing Statement to contain the contact information for problem resolution or questions regarding the OBR Loan portion of the PGE Billing Statement including a phone number and address for FCB.

(c) MCE shall refer all OBR Loan questions from Borrowers to FCB for problem resolution.

(d) MCE will provide MCE Service Providers with scripts, pre-approved by FCB, to provide clear guidance on OBR Loan inquiries.

(e) FCB shall refer all questions regarding the Energy Amount to MCE for problem resolution.

(f) During the Pilot Program Period, MCE and FCB will meet no less than monthly to discuss and resolve any customer inquiries and disputes.

(g) To the extent there is any discrepancy between the OBR Loan Payment due according to FCB records and the amount due according to MCE records, FCB records will prevail.

4.02. Dispute Resolution

The Parties agree to collaborate to resolve customer disputes that may arise from the timing of application of payments, either OBR Loan payments or energy related payments. Notwithstanding the foregoing, MCE shall be able to utilize the Carve-Out portion of the Loan Loss Reserve Account in accordance with Section 5.01 to temporarily stabilize interim billing adjustments for energy efficiency OBR loans.

To the extent the customer dispute results in a non-payment of an OBR Loan, actual delinquency or partial payment, upon receipt, such payment will be processed in accordance with Section 5.02.

ARTICLE V. LATE PAYMENTS, SHARING OF PAYMENTS AND LOAN LOSS RESERVE

5.01. Late Payments

5.01.1 Timing Issues – Corrected Bills

On occasion, PGE will require corrections or adjustments to PGE Billing Statements (“Corrected Bills”) that are outside of the control of MCE or FCB. Corrected Bills may result in (i) timing gaps between the due dates for an OBR Loan Payment or (ii) duplicated or omitted OBR Payments for the month subject to correction (each an “Administrative Error”). Administrative Errors are temporary in nature and are generally corrected on the following PGE Billing Statement. Any delayed, past-due or omitted payment that is not temporary in nature or subject to correction in the following PGE Billing Statement does not constitute an Administrative Error and is not subject to the authorities granted in this Section.

As provided herein, MCE shall have the authority to correct or adjust Administrative Errors in an amount not to exceed \$200.00 per Administrative Error in accordance with the Carve-Out provision for energy efficiency OBR loans.

5.01.1 (a) Carve-Out

MCE shall utilize the Carve-Out portion which will not exceed \$5,000 to adjust timing issues associated with Administrative Errors for energy efficiency OBR loans only. MCE acknowledges and agrees that any funds debited from the Carve-Out must be restored in full within sixty (60) days after such debit. MCE will record and track the debits and credits to the Carve-Out with such information made available to FCB upon request.

5.01.1 (b) Termination of Carve-Out Availability

The Carve-Out is available for Administrative Errors only to the extent that funds allocated to the Carve-Out do not impede FCB’s availability to use the Carve-Out pursuant to a defaulted OBR Loan as contemplated by the Loan Loss Reserve. To the extent Carve-Out funds will be needed by FCB, FCB shall provide a thirty (30) day notice to MCE of the termination of the Carve-Out. MCE shall have a period of thirty (30) days following such notice to restore the Carve-Out to \$5,000.00.

5.02. Payment Default

MCE shall notify FCB of Defaulted OBR Payments on a monthly basis on or before the 15th day of the following month. FCB shall notify MCE of any OBR Loan Payment that is delinquent fifteen (15) days or more that is not reflected on the reports and information provided by MCE.

5.02.1 Notification to Borrower

MCE, upon notice from FCB, will provide a Late Payment Notification substantially in the form of Exhibit F to the applicable Borrower.

5.02.2 Late Fees Imposed by FCB

To the extent a Borrower defaults under an OBR Loan, FCB shall have the right to (i) impose a late charge equal to the greater of 6.00% of the regularly scheduled payment or \$25.00 for payments past due in excess of 15 days.

5.03. Pro-Rata Sharing of Payments

It is agreed that all Defaulted OBR Payments shall be subject to Pro-Rata Sharing of Payments as provided herein. Pro-Rata Sharing of Payments shall be in effect the earlier of

- (a) failure by a Borrower to pay a PGE Billing Statement in full (outside of an Administrative Error),
- (b) upon notice from FCB that an OBR Loan Payment is delinquent fifteen (15) days or more, and
- (c) upon notice from MCE to FCB that the PGE Billing Statement has not been paid in full (outside of an Administrative Error).

5.03.1 Method for Determining Pro-Rata Sharing

Pro-Rata Sharing will be applied to the funds subsequent to the application of PG&E's Pro Rata Share (as determined in the CCA Tariff, Electric Rule 23); neither MCE nor FCB will dispute the amount of payment applied to PG&E's Pro-Rata Share. The remaining portion of the payment will be applied according to the methodology outlined herein.

Pro-Rata Sharing of Payments will be determined as follows:

Determining the Pro Rata Percentage: The Pro Rata Percentage is determined by taking

- (a) the **sum** of
 - (i) the total amount of outstanding OBR Loan Payments reflected therein due and payable to FCB (the "FCB Share") and
 - (ii) the total amount of MCE charges reflected therein due and payable (the "MCE Share") (together the "Total Amount Due") and dividing the Total Amount Due by the FCB Share to arrive at the FCB Pro Rata Percentage and dividing the Total Remaining Payment by the MCE Share to arrive at the MCE Pro Rata Percentage.

Example:

FCB Total Amount Due on bill: \$600.00

MCE Total Amount Due on bill: \$250.00

Total Amount Due on Bill (less PG&E's Pro Rata Share): \$850.00

FCB Pro-Rata Percentage = $\$600/\$850 = 70.59\%$

MCE Pro-Rata Percentage = $\$250/\$850 = 29.41\%$

Determining the Pro Rata Sharing of the Payment: Short payments on delinquent Borrowers will be distributed based on the respective FCB Pro-Rata Percentage and MCE Pro-Rata

Percentage for the particular billing statement as follows: The actual payment received (which will be less PG&E's Pro Rata Share) multiplied by FCB and MCE's respective Pro-Rata Percentages.

Example:

Total Amount Due: \$850.00

Actual Payment Received: \$600.00

Based on the Pro-Rata Percentages provided above, the actual payment received would be disbursed as follows:

FCB Pro Rata Share = $\$600.00 * .7059 = \423.54

MCE Pro Rata Share = $\$600.00 * .2941 = \176.46

In no event will the sum of the FCB Pro-Rata Percentage and the MCE Pro-Rata Percentage exceed 100% (together the "Pro-Rata Percentages"). The respective percentages will be expressed to four decimal places. It is hereby acknowledged that the Pro-Rata Percentages may change on a month to month basis depending on variables such as energy use or increased amounts due to penalty rates or late charges. All payments applied to Defaulted OBR Payments shall be done in accordance with the Pro-Rata Percentages.

5.04. Excess Payments Received During Default

Notwithstanding anything to the contrary contained in Section 3.02.04, neither Party will accept or apply payments to new OBR Loan payments or Energy Amounts when a Defaulted OBR Payment exists. All payments received will be submitted to MCE to be paid in accordance with the Pro-Rata Percentages until such time as the OBR Loan and Energy Amount are either

- (a) restored to current payment status as mutually agreed between the Parties, or
- (b) the OBR Loan has been repaid in full through the Loan Loss Reserve.

5.05. Loan Loss Reserve

The Loan Loss Reserve as described in this section is available only for energy efficiency OBR loans, and in no circumstances can it be drawn upon for renewable energy OBR loans. Concurrent with the execution of this Agreement, MCE shall establish two accounts with First Community Bank. One account, the MCE Reserve Account, shall be accessible by MCE. The second account, the Loan Loss Reserve Account, shall be in the name of MCE but controlled by FCB with debits and credits from and to the Loan Loss Reserve Account restricted as provided herein. The parties agree to maintain coverage against losses per a sliding scale based on FICO, according to table 1. In advance of the program launch, MCE will make a deposit of \$100,000 in the Loan Loss Reserve account, which will be equal to the estimated ratio of FICO's in the OBR Loan Program for the upcoming quarter. The parties agree to adjust the balance of the Loan Loss Reserve account on a quarterly basis to align coverage with the ratios specified in Table 1 plus, \$100,000.

Table 1. Ratio of Loan Loss Reserve Coverage by FICO Score of Borrower	
FICO	Percent Coverage
640-670	15%
671-700	10%
700+	5%

5.05.1 Charges to the Loan Loss Reserve Account

The sole purpose of the Loan Loss Reserve is to provide a source of repayment for energy efficiency OBR Loans whereby the Borrower has defaulted under the terms of the Loan Documents and FCB deems the OBR Loan or a portion thereof as uncollectible. FCB is eligible to draw down from the Loan Loss Reserve Account for any default event as defined in section 2.02.1. FCB will notify MCE promptly upon such a withdrawal using a form substantially similar to Exhibit E. Additionally, FCB will provide monthly reports on the status of the Loan Loss Reserve Account, including all debits and credits to the account.

The amount available from the Loan Loss Reserve Account to FCB for each defaulted OBR Loan will include unpaid principal, interest, and fees (excluding late fees as defined in section 5.02.2). Any amounts credited back to the Loan Loss Reserve Account in accordance with Section 5.05.2 shall be available to FCB for future OBR Loans.

FCB will submit a Notice of Loan Loss Reserve Advance to MCE substantially in the form of Exhibit E providing the reason for the advance, a summary of the delinquent amounts and dates, a summary of expenses related to the collection efforts and the amount required to satisfy repayment of the OBR Loan.

5.05.2 Credits to the Loan Loss Reserve Account

FCB will continue collection efforts on defaulted energy efficiency OBR Loans in accordance with its standard practices and procedures, regardless of whether or not the defaulted OBR Loan has been repaid through an advance from the Loan Loss Reserve Account. In the event FCB recovers or collects amounts on a defaulted OBR Loan where the unpaid balances were advanced from the Loan Loss Reserve Account, FCB shall deposit such recovered amounts into the Loan Loss Reserve Account, less any collection and legal fees necessary to recover the funds.

5.05.3 Reporting of Loan Loss Reserve Balance

From and following the first advance from the Loan Loss Reserve Account (other than Carve-Out charges originated by MCE), FCB shall provide MCE with a monthly summary of transaction activity (including advances and recoveries) within the Loan Loss Reserve Account.

5.05.4 Loan Loss Reserve Account – Early Termination of Program

Should the Parties mutually agree to terminate the Program at any time prior to the end of the Availability Period, the balance of the Loan Loss Reserve shall be reconciled to a coverage amount consistent with the existing proportion of FICO scores of the outstanding funded OBR Loans as established in table 1 and remain in effect until the Loan Loss Reserve Termination Date (the “Remaining Loan Loss Reserve”). Amounts in excess of the Remaining Loan Loss Reserve shall be remitted to MCE.

5.05.5 Loan Loss Reserve Termination Date

The Loan Loss Reserve Account shall remain in effect and available to FCB until the earlier of

(a) all collection efforts by FCB have ceased and the Loan Loss Reserve is depleted to a \$0.00 balance, and

(b) until all OBR Loans have been repaid in full (the “Loan Loss Reserve Termination Date”). The CPUC may request the return of any Loan Loss Reserve Funds that have not been committed to an originated loan before January 1, 2015. FCB agrees to cooperate with this return of funds and to provide an account statement showing the status of the fund at that time.

5.05.6 Interest Earned on the Loan Loss Reserve Account

The Loan Loss Reserve Account may be interest bearing so long as such interest bearing account does not violate any applicable regulations. Interest earned on the Loan Loss Reserve Account will be for the benefit of MCE for use in accordance with CPUC requirements.

ARTICLE VI. MISCELLANEOUS

6.01. Modifications to Program

The Parties agree to collaborate on changes that may be required during the Pilot Program Period or during Full Implementation.

FCB reserves the right to modify the Basic Terms of OBR Loans as may be necessary or deemed appropriate by FCB, provided however, that if FCB determines that the interest rate and maximum term for the OBR Loans may be subject to change, FCB shall give forty-five (45) days’ notice of such change to enable MCE to provide comment and to modify any Program marketing material as appropriate. To the extent MCE does not concur with the proposed change in interest rate, MCE reserves the right to terminate the Program with FCB. Such termination shall not impact any existing OBR Loans.

6.02 Information Security – Delivery of Information

Each Party will take, and include provisions in its contract with its Service Providers to require them to take, all reasonable steps to ensure that any information that is delivered pursuant to this Agreement is delivered in a safe and secure manner so as to protect that information from unauthorized disclosure.

6.03 Confidentiality

(a) Each Party agrees that it shall not use or disclose to any third party including MCE Service Providers, any information that is confidential or proprietary to the other party including, without limitation, such party's business plans and practices, trade secrets, methods, processes or procedures or any other confidential information (collectively, the "Confidential Information") of the other Party which it learns during the course of its performance of this Agreement other than

(i) as required by law, regulation, or order of a court or regulatory agency or other authority having appropriate jurisdiction, or

(ii) to perform its obligations under this Agreement. The Confidential Information may be oral or written or in electronic or tangible form, and all information, unless otherwise indicated, shall be deemed to be confidential.

Confidential Information shall not include any information that can be shown through contemporaneous documentation

(1) is or becomes publicly known through no fault on the part of the recipient;

(2) is, at the time of disclosure, already known to the recipient without obligation restricting disclosure;

(3) is, or subsequently becomes, rightfully and without breach of this Agreement, in the recipient's possession without any obligation restricting disclosure; or

(4) is independently developed by a recipient without breach of this Agreement or any other agreement, with the recipient bearing the burden of proving such independent development.

Any employee to whom the recipient of Confidential Information gives access to any such Confidential Information must have a legitimate "need to know" such Confidential Information and shall be bound in writing to maintain the confidentiality of the Confidential Information under terms and conditions no less stringent than those set forth in this Agreement. Neither Party shall reverse engineer any such Confidential Information of the other Party or, unless expressly permitted in this Agreement, copy the same. Upon termination of this Agreement, each Party shall return all Confidential Information in its possession (including all copies thereof) of the other Party within fifteen (15) days of such termination.

(b) Each Party recognizes and acknowledges that the non-disclosing Party would suffer irreparable injury from the unauthorized use or disclosure of any of its Confidential Information and each Party agrees and acknowledges that the non-disclosing Party shall have the right to obtain injunctive or other equitable relief against the unauthorized use, disclosure or transfer of any of the Confidential Information, as well as the right to pursue all of its other remedies in equity and at law. This Section 6.03 shall survive the termination of this Agreement.

(c) MCE will cause each of its Service Providers to sign nondisclosure agreements pursuant to which each Service Provider will agree to not use or disclose the financial information of an Borrower.

(d) Each Party agrees to notify the other Party within ten (10) business days of any confirmed security breach incident involving the disclosure of confidential, non-public personal customer information to an unauthorized Party, whether the security breach occurred at MCE, FCB, or at one of each Party's Service Providers.

6.04 Reliance among Parties

All information MCE provides to FCB hereunder (including that of MCE Service Providers but excluding confidential information provided within FCB loan applications) other than actual energy savings versus projected energy savings estimated on the Energy Evaluations shall be true, complete and accurate to the best of MCE's knowledge, so that FCB may rely upon its accuracy. MCE shall immediately notify FCB in writing of any change in the accuracy of any information MCE has previously provided to FCB.

6.05 Limitation of Liability

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT. NO PARTY WILL BE LIABLE TO THE OTHER PARTY (NOR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER PARTY'S RIGHTS) FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND – INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS OR LOSS OF DATA – ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER (INCLUDING WITHOUT LIMITATION AS A RESULT OF ANY BREACH OF ANY WARRANTY OR OTHER TERM OF THIS AGREEMENT), REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

6.06 Communications - Notices

Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given

(a) on the date of personal service on the Parties,

(b) on the third business day after mailing, if the document is mailed by registered or certified mail,

(c) one day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier, or

(d) on the date of transmission if sent by telegram, telex, telecopy or other means of electronic transmission resulting in written copies, with receipt confirmed. Any such notice shall be delivered or addressed to the Parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision. Failure to give notice in accordance with any of the foregoing methods shall not defeat the effectiveness of notice actually received by the addressee.

6.07 Amendments

The provisions of this Agreement may be modified at any time by a written agreement signed by all of the Parties.

6.08 Survival – Representations and Warranties

Each representation and warranty contained herein or made pursuant hereto shall be deemed to be material and to have been relied upon, and shall survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of any Party hereto, and the closing of the transaction.

6.09 No Recourse to Constituent Members of MCE

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to a Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. FCB shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

6.10 Entire Agreement

This document, including its exhibits, constitutes the entire agreement between the Parties, all oral agreements being merged herein, and supersedes all prior representations. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the Parties relating to the subject matter of this Agreement that are not fully expressed herein.

6.11 Governing Law

The rights and obligations of the Parties and the interpretation and performance of this Agreement shall be governed by the law of California, excluding its conflict of laws and rules.

6.12 Waiver

Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition.

6.13 Attorneys' Fees; Prejudgment Interest

If the services of an attorney are required by any Party to secure the performance of this Agreement or otherwise upon the breach or default of another Party to this Agreement, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such Party may be entitled. Any award of damages following judicial remedy or arbitration as a result

of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

6.14 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if the Parties had all signed the same document. All counterparts shall be construed together and shall constitute one Agreement.

6.15 Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

6.16. Publicity

Neither Party shall issue or cause to be issued any press release, public announcement or other public statement with respect to the subject matter of this Agreement without the prior written consent of the other Party as to the form, content, and timing of such release.

6.17 Independent Contractors

The Parties shall be considered independent contractors with respect to each other. This Agreement does not authorize either Party to act on behalf of or as the agent of the other Party, and does not create a partnership, joint venture or similar relationship between the Parties, and neither Party shall have the power to obligate or bind the other Party in any manner whatsoever.

6.18 Assignment

No Party may assign this Agreement, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other Party, which consent shall not unreasonably be withheld.

6.19 Arbitration

The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein discussed, shall be subject to binding arbitration in Sacramento County before the American Arbitration Association under its Commercial Arbitration Rules. The Parties agree that the prevailing Party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The Parties agree that the prevailing Party in any arbitration shall be awarded its reasonable attorneys' fees and costs. The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Parties specifically agree that the provisions of Section 1283.05 of the Code of Civil Procedure of the State of California are incorporated into, made a part of, and made applicable to any arbitration pursuant to this Section 6.19. The arbitration shall be conducted by a single arbitrator. The arbitration also will be subject to the following agreed terms:

6.19.1 After written notice of a potential claim by a Party, each Party will have thirty (30) days to submit the names of one or more proposed arbitrators.

6.19.2 The Parties will then have ten (10) days to agree upon the arbitrator based upon the names proposed.

6.19.3 If the Parties cannot agree upon the arbitrator, either Party will have fifteen (15) days to file a motion or petition with a Superior Court in the State of California, in and for the County of Sacramento for the sole purpose of having the court designate the arbitrator.

6.19.4 To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.

6.19.5 Resolution of the dispute shall be based solely upon the evidence and the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis other than such controlling law, including but not limited to, notions of "just cause."

6.19.6 The arbitrator shall not award punitive damages.

6.20 Insurance

During the term of this Agreement, each Party shall maintain in full force and effect such insurance as is maintained by other entities engaged in similar businesses in the same general geographic area as the applicable Party, including comparable coverage amounts and deductibles.

ARTICLE VII. DEFINITIONS

Adverse Change. A material adverse change occurs in the Borrower's financial condition, or Lender believes the prospect of payment or performance of the Note with FCB is impaired.

Applicant. Any Borrower who submits an Application for an OBR Loan with FCB pursuant to the Program.

Application. A loan request form prepared by FCB available to Borrowers to apply for financing of the energy efficiency measures set forth in the Energy Audit.

Availability Period. The earlier of a) the date which is two years from the funding date of the first OBR Loan made under the Program or b) December 31, 2014.

Borrower. Any Applicant who is approved by FCB in its sole discretion for an OBR Loan pursuant to the Program.

Carve-Out. A portion of the Loan Loss Reserve not to exceed \$5,000.00 for use as provided in Section 5.02.

Contractor. A licensed general contractor engaged by Borrower and in possession of all certifications necessary to complete the Scope of Work in accordance with the Energy Audit.

CPUC. California Public Utilities Commission

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of the Note with FCB within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice Borrower demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this note or perform Borrower's obligations under this note or any of the related documents.

Defaulted OBR Payment. Any payment due pursuant to a PGE Billing Statement that includes the OBR Loan Payment, the PGE Energy Amount and the MCE Energy Amount, and which is not paid when due unless it is a Corrected Bill as defined in Section 5.01.1.

Energy Amount. The amount due and payable to PGE by a Borrower for energy related costs and expenses, which include fees and charges.

Energy Audit. A written report prepared by a certified Building Performance Institute (BPI) Building Analyst or a certified Whole House Home Energy Rating System (HERS) professional which includes a comprehensive evaluation, proposal and line item summary of energy efficiency measures submitted upon the request of a Borrower. The Energy Audit includes the estimated Rebate Amount and is provided to Borrowers to assess potential savings and understand the estimated costs associated with such measures.

Energy Efficiency OBR Loan. A loan extended according to the terms of this agreement by FCB and available for energy efficiency improvements.

Energy Project. The project as outlined in the Energy Audit and Scope of Work form executed by the Borrower and consistent with eligible measures as defined by MCE and included in Exhibit I.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or conditions contained in any environmental agreement executed in connection with any loan.

Event of Default. A violation of a payment term, covenant or other condition of the Loan Documents as defined in section 2.02(j).

Events Affecting Guarantor. Any of the defined default events in section 2.02 (j) occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by the Note with FCB.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Full Implementation. The period from the end of the Pilot Program Period to the date that is eighteen (18) months from the last day of the Pilot Program Period.

Insecurity. Lender in good faith believes itself insecure.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrowers property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Late Payment Notification. A notice sent by MCE on behalf of FCB notifying a Borrower of a delinquent OBR Loan Payment substantially in the form of Exhibit F.

Loan Commitment. Loan Commitment is determined by the combination of the Loan Loss Reserve amount and the mix of FICO scores on the OBR loans.

Loan Documents. Documents prepared by FCB obligating the Borrower to repay indebtedness issued in connection with the Program.

Loan Loss Reserve. The amounts as described in Section 5.05.

Loan Loss Reserve Account. A deposit account established to hold reserves controlled by FCB.

Loan Loss Reserve Termination Date. The date as defined in Section 5.05.5.

MCE Charges: Charges for electricity generation provided to customers of the MCE program.

MCE Systems. Systems of record established by MCE or its Service Provider capturing Borrower and OBR Loan information including billing and payment processing.

MCE Reserve Account. Reserve funds not yet designated to the Loan Loss Reserve Account.

NES. Noble America's Energy Solutions; a Service Provider of MCE.

OBR Energy Efficiency Loan. A loan made pursuant to the Program for energy efficiency improvements.

OBR Loans. OBR Loans are the OBR Energy Efficiency Loans and the OBR Renewable Energy Loans.

OBR Renewable Energy Loan. A loan made to customers pursuant to the Program for renewable energy upgrades.

OBR Loan Payment. The scheduled loan payment due and payable to FCB in connection with an OBR Loan which includes, principal, interest, fees and charges.

Original Operating Agreement. Original Operating Agreement has the meaning set forth in the Recitals.

Other Defaults. Borrower fails to comply with or perform any other term, obligations, covenant or condition contained in the Note or in any of the related documents with FCB, or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Payment Default. Borrower fails to make any payment when due under the Note with FCB.

PGE. Pacific Gas & Electric Company.

PGE Billing Statement. The monthly energy billing statement produced by PGE detailing energy usage and costs associated with such usage; the MCE charges for the PGE Billing Statement is processed by NES on behalf of MCE.

Pilot Program. Pilot Program means the Program during the Pilot Program Period.

Pilot Program Period. The period during the Availability Period, beginning on the funding date of the first OBR Loan made under the Program and ending six (6) months thereafter..

Program. Program has the meaning set forth in the Recitals.

Pro-Rata Sharing of Payments. The method for determining the pro-rata allocation of payments between the amount due under an OBR Loan and the Energy Amount due from a Borrower as provided in Section 5.01.3.

Project Completion. The date on which all work is completed by the Contractor in accordance with the Scope of Work and Energy Audit.

Project Consultant. A Service Provider of MCE; any consultant engaged by MCE to provide services on behalf of MCE related to the Program including assessment and preparation of the Energy Audit, review and inspection of project progress reports, requests for approval to changes to Scope of Work, and certification of project completion.

Rebate Amount. The amount of the Energy Project that is subject to refund by the CPUC as outlined on the Energy Audit.

Renewable Energy OBR Loans. A loan extended according to the terms of this agreement by FCB and available for renewable energy improvements. Renewable energy OBR Loans are not eligible for a claim against the Loan Loss Reserve.

Service Provider. Any associated person, company or other entity directly or indirectly contracted by or related to either party for goods or services offered in connection with the delivery and ongoing maintenance of the Program.

Scope of Work. The work to be done under a contract or agreement prepared and signed by a licensed contractor engaged by an Borrower to complete work as proposed in the Energy Audit and consistent with eligible measures as defined in Exhibit I.

Termination Date. The date on which all OBR Loans are repaid in full or terminated to the satisfaction of FCB.

FCB:

MCE:

FIRST COMMUNITY BANK

MARIN CLEAN ENERGY

By:_____

By:_____

Its:_____

Its:_____

Address:_____

Address:_____

Fax No.: (916) _____

Fax No.: (____) _____

EXHIBIT A – CERTIFICATE OF COMPLETION

Date of Certificate:

Borrower Name:

Property Address:

Date of Energy Audit:

Date of Scope of Work:

Estimated Contractor Cost:

Final Contractor Cost:

Rebate Amount:

Rebate Amount Assigned to Contractor: ___ Yes ___No

Were there any changes to the Scope of Work provided by the Contractor: ___ Yes ___No

If Yes – Explain:

Dollar cost change:

Description of change:

Date of Final Inspection:

The undersigned Program Manager, Auditor and Marin Clean Energy do hereby certify that the above referenced energy project (the “Project”) has been completed to the full satisfaction of the undersigned and in accordance with the Energy Audit and / or Scope of Work. There are no outstanding obligations incumbent upon the Contractor or Borrower. We attach the following in connection with this Certification:

- 1) Executed Borrower-Contractor Affidavit (notarized); and
- 2) Executed Unconditional Waiver and Release on Progress payment.

This Certificate is issued to First Community Bank in connection with the MCE On-Bill Repayment Program with the understanding and knowledge that First Community Bank will rely on this information in providing loan funds to the above referenced Borrower.

By: _____ Date: _____
Program Manager

By: _____ Date: _____
Auditor

By: _____ Date: _____
Marin Clean Energy

EXHIBIT B – BORROWER/CONTRACTOR AFFIDAVIT

Under penalty of perjury, the undersigned Borrower and General Contractor do hereby swear, certify and affirm that:

- 1) General Contractor was engaged to perform improvements to property located at: _____ in accordance with a Scope of Work dated _____ for a contract amount equal to: \$ _____.
- 2) General Contractor has completed all work as agreed to the full satisfaction of Borrower.
- 3) There is no unfinished work or claims by either Borrower or General Contractor against each other.
- 4) Borrower has executed an assignment of the Rebate Amount equal to \$ _____ to General Contractor to satisfy that portion of the Scope of Work.
- 5) Borrower will pay to General Contractor the balance due under the Scope of Work through loan proceeds, with said proceeds paid directly to General Contractor.
- 6) Contractor has executed a Conditional Waiver and Lien Release and Unconditional Waiver and Release which shall be effective as of the date of receipt of the loan proceeds.
- 7) There are no silent or written agreements, claims or disputes between Borrower and General Contractor.

Attested to this day, the _____ of _____, 201__

By: _____
Borrower (insert full name)

By: _____
General Contractor (insert full name)

EXHIBIT C - LOAN INFORMATION NOTICE

CONFIDENTIAL

From: First Community Bank
Loan Servicing Department

To: Marin Clean Energy
Noble America's Energy Solutions

Re: New Borrower Notice
MCE On-Bill Repayment Program

Date:

Please accept this notice as authorization to add the following information to the On-Bill Repayment Program:

New Borrower

Change to Existing Borrower

Borrower Name:

Reference Number: XXXXX-1234

Borrower PG&E Account ID:

Funding Date:

Total Payment Due:

First Payment Date:

Term:

Monthly Payment:

Authorized by:

Date: _____

EXHIBIT D – OBR LOAN CORRECTION NOTICE

PLEASE NOTE THAT A CORRECTION IS REQUIRED FOR THE FOLLOWING OBR LOAN CUSTOMER:

BORROWER NAME:

BORROWER REFERENCE NUMBER:

BORROWER PG&E ACCOUNT ID:

REPORT DATE:

THE CORRECTION IS REQUIRED IN THE FOLLOWING FIELD:

- OUTSTANDING OBR LOAN BALANCE SHOULD BE CHANGED FROM: TO:
- CURRENT OBR LOAN PAYMENT SHOULD BE CHANGED FROM: TO:
- DELINQUENT AMOUNT SHOULD BE CHANGED FROM: TO:
- LATE FEES: \$ _____
- MONTH FOR WHICH LATE FEES ARE TO BE ASSESSED:

OTHER:

AUTHORIZED BY:

DATE: _____

EXHIBIT E – NOTICE OF LOAN LOSS RESERVE ADVANCE

From: First Community Bank

Loan Servicing Department

To: Marin Clean Energy

Re: Defaulted OBR Loan

Date:

Please be advised that First Community Bank will be advancing \$_____ from the Loan Loss Reserve Account effective as of _____ (Date) for the following Borrower:

Borrower Name:

Reference Number: XXXXX-1234

Date Last Payment Received:

Next Payment Due Date:

Total Delinquent Payments: \$

Other costs:

Comment: (describe collection efforts)

Authorized by:

(First Community Bank)

Date: _____

EXHIBIT F – FORM OF LATE PAYMENT NOTIFICATION

[MCE LETTERHEAD]

NOTICE OF OVERDUE PAYMENT: IMMEDIATE ACTION REQUIRED

[INSERT DATE]

[INSERT NAME]

[INSERT ADDRESS LINE 1]

[INSERT ADDRESS LINE 2]

Electric Account Service ID [INSERT SAID#] at [INSERT ADDRESS]

Our records indicate that your payment for Electric Account Service ID [INSERT SAID#] is overdue. Our records also indicate that this account is participating in the On-Bill Repayment program offered by MCE in partnership with First Community Bank. Under the terms of the OBR Loan documents, failure to pay the full amount due as provided on your monthly PG&E Billing Statement may result in a delinquency to both your OBR Loan and your PG&E Bill. If full payment has already been made or a payment arrangement has been established, thank you, and please disregard this notice.

If, however, your account is still outstanding, we ask that full payment of your PG&E bill be made by [INSERT DATE]. Making this payment by [INSERT DATE] will ensure you remain a customer of MCE and will avoid late fees and penalty charges per the terms of your agreement with First Community Bank. Please see the reverse page for payment options.

When you review your bill you will notice that MCE only charges for generating your electricity while PG&E charges for the transmission and delivery of your electricity. MCE's charge for generation replaces what PG&E would charge you for generation. There are no duplicate charges. You will also notice a line item labeled "On-Bill Repayment Charge." This is your loan charge, which is due to First Community Bank and collected on your energy bill. Failure to pay this charge may result in a default on your loan.

Please note: This is the only reminder you will receive. Should you fail to make your payment in full, your service from MCE will be suspended and your electric generation service will be returned to PG&E. If your electric account is returned to PG&E, your loan with First Community Bank will be considered in default as provided in your loan documents.

Additionally, If you are returned to PG&E's electric generation service, PG&E will prohibit you from returning to MCE for one year and will enroll you in their Transitional Bundled Commodity

Cost (TBCC) rate program, whose rates and terms may vary from PG&E's standard bundled rates. For information about PG&E's TBCC program, please contact PG&E at 1-866-743-0335.

If you think you are receiving this notice in error, you have questions about your bill, or you are experiencing financial hardship and wish to discuss possible payment options, please contact MCE Customer Service at 1-888-632-3674, Monday to Friday between 7 A.M. and 7 P.M. **For questions about your On-Bill Repayment charge only, please contact First Community Bank at (707) 636-XXXX.**

PAYING YOUR ELECTRIC BILL

Payment can be made at any of PG&E's local offices, at pay stations, by mail, by phone, or online.

By Phone:

To pay by phone using an ATM/debit card with STAR, ACCEL, PULSE or NYCE symbol or by electronic check, call 1-866-735-7742 at any time. You will be charged a small convenience fee for each transaction. PG&E will determine how payments are applied.

Online:

To pay online, sign up for e-bills at www.pge.com.

By Mail:

To pay by mail send payment to:

PG&E
750 Lindero St, STE 160
San Rafael CA 94901

In Person:

To pay in person go to any PG&E local office or pay station.

Things to remember when paying in person:

- Credit cards payments may be made over the phone by calling PG&E at 1-866-735-7742 and are not accepted as a payment method in person.
- You may pay by cash, check or money order in person.
- Bring your bill or 11 digit account number with you.
- Retain the receipt for your records (you will need this if you call PG&E about your payment).
- Payments made by 5:00 P.M. post to your account on the same day.

Marin Payment Locations:

PG&E OFFICE AND DROP BOX	CHUBIS STORE*
--------------------------	---------------

750 Lindero Street, Suite 160 San Rafael, CA	801 4th Street, San Rafael, CA
SUPERMERCADO MI TIERRA* 175 Belvedere Street San Rafael, CA	MARIN CHECK CASHING* 9 Vivian Way, San Rafael, CA
MARIN CHECK CASHING* 638 4th Street, San Rafael, CA	North Bay Check Cashing* 926 Grant Avenue, Novato, CA

*Authorized Neighborhood Payment Centers are stores or other places of business where you can pay your PG&E bill.

EXHIBIT G – SCHEDULE OF MCE SERVICE PROVIDERS

PGE – Pacific Gas and Electric : PG&E provides energy services for the MCE CCA program as described in Rule 23 and in the PG&E / MCE OBR Agreement.

NES - Noble America's Energy Solutions

EXHIBIT H – CUSTOMER DISCLOSURE AND CERTIFICATION

You have applied for a loan with First Community Bank to finance certain energy efficiency improvements using the MCE On-Bill Loan Program to facilitate the payments of your On-Bill Repayment Loan (the “OBR Loan”).

This On-Bill Repayment Certification and Consent Form will be included in your executed loan documents with First Community Bank.

Please read this information carefully as it contains important information regarding the OBR Loan.

NOTICE:

- 1) Monthly installment payments to your OBR Loan will be included as a separate line item on your monthly [PG&E][MCE] Billing Statement;
- 2) The OBR Loan installment payment is a separate obligation from your agreement and obligations with [PG&E][MCE].
- 3) Failure to pay your monthly PG&E Billing Statement, which includes both the [PG&E][MCE] amounts due and the OBR Loan payment due, in full each month **can result in a short or delinquent payment to your OBR Loan.**
- 4) If you become delinquent on any portion of an OBR Loan or a [PG&E][MCE], **all future payments will be applied on a pro-rated basis between the OBR Loan and the [PG&E][MCE] portion of the billing statement.**
- 5) First Community Bank may bill you separately for any delinquent or late charges due, these amounts are due and payable even if they are not included on the PGE Billing Statement.
- 6) If you are not delinquent and choose to repay your OBR Loan in full before the anticipated final installment, this payment must be made directly to First Community Bank.
- 7) Your OBR Loan will be immediately due in payable in full if any of the following conditions occur: 1) You sell the property to which the improvements are made, 2) You no longer participate in MCE’s OBR Loan program, 3) The information provided in obtaining the OBR Loan was fraudulent and/or 4) You default under any term or condition of your OBR Loan.
- 8) The purpose of the OBR Loan is to fund energy efficient improvements as provided on a project summary – energy audit (the “Energy Audit”); you will be required to notify First Community Bank immediately upon the discovery of any condition during installation or construction that would alter or increase the costs provided in the Energy Audit.

CONSENT

- 1) I HAVE READ AND UNDERSTOOD THE INFORMATION IN THIS DOCUMENT;
- 2) I HEREBY AUTHORIZE [PGE-MCE] TO SHARE MY PGE INFORMATION WITH FIRST COMMUNITY BANK
- 3) I HEREBY AUTHORIZE FIRST COMMUNITY BANK TO SHARE INFORMATION WITH [MCE-PGE]
- 4) I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-MCE] AND FIRST COMMUNITY BANK
- 5) I UNDERSTAND THAT I MUST NOTIFY FIRST COMMUNITY BANK OF ANY INCREASED COSTS ASSOCIATED WITH THE SCOPE OF THE WORK APPROVED BY FIRST COMMUNITY BANK. FIRST COMMUNITY BANK IS UNDER NO OBLIGATION TO FUND THE OBR LOAN IF THE INCREASED COSTS ARE NOT COVERED BY SOURCES OUTSIDE OF THE OBR LOAN.

MCE RESIDENTIAL ON-BILL REPAYMENT PROGRAM

FIRST AMENDMENT TO AND RESTATEMENT OF
OPERATING AGREEMENT

Dated as of _____

DRAFT

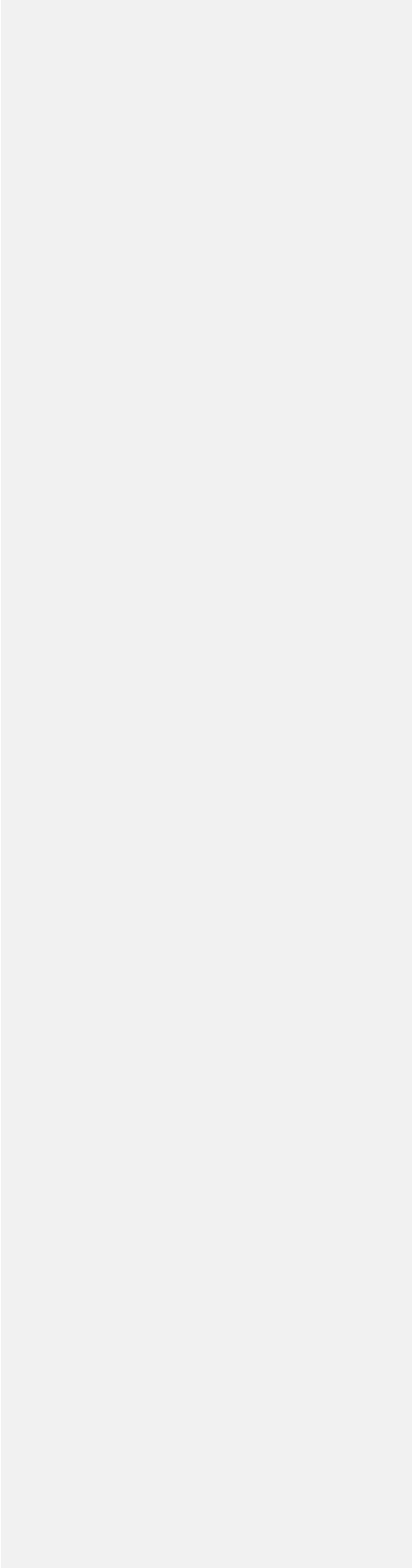


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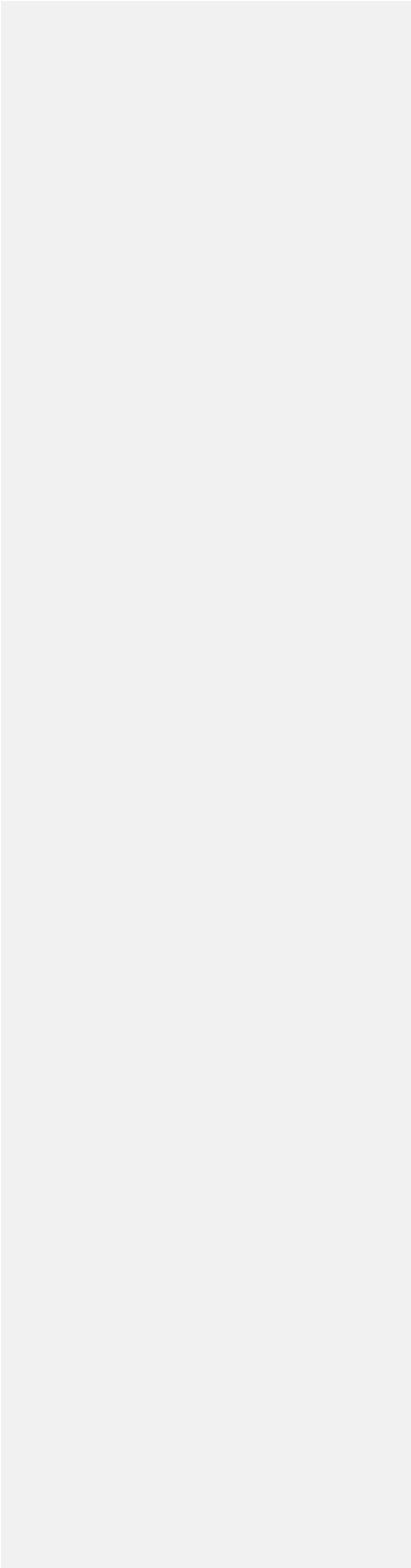
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DRAFT



MCE ON-BILL REPAYMENT PROGRAM

FIRST AMENDMENT TO AND RESTATEMENT OF OPERATING AGREEMENT

This First Amendment to and Restatement of Operating Agreement for the MCE On-Bill Repayment Program (“Agreement”) is hereby made and entered into as of _____, ~~2013~~2014, between Marin Clean Energy ~~Authority~~, as Program Developer (“MEAMCE”), and First Community Bank, a California corporation (“FCB”). MEAMCE and FCB shall together hereinafter be referred to individually as a “Party” and collectively as “Parties”. Other capitalized terms used without definition at first use shall have the meanings set forth for them in Article VII, Definitions, below.

RECITALS

WHEREAS, ~~MEAM~~Marin Energy Authority and FCB entered in to that certain Operating Agreement dated as of November 8th, 2013 (“Original Operating Agreement”);

WHEREAS, on December 5, 2013 Marin Energy Authority formally changed its name to Marin Clean Energy;

WHEREAS, MCE and FCB seek to expand the Original Operating Agreement to allow for the financing of renewable energy improvements;

WHEREAS, MCE has developed a program to provide resources and loans for enhancing the energy efficiencyperformance of existing buildings (the “Program”) in an effort to increase the adoption of energy efficiency measuresimprovements by ~~residential~~ property owners within its jurisdiction;

WHEREAS, ~~MEAM~~MCE has sought the assistance of FCB in developing the Program to explore on-bill repayment as a way to facilitate long-term financing for investments in energy efficiencyimprovements to building owners;

WHEREAS, FCB will serve as the lender for qualifying Borrowers;

WHEREAS, the Parties now desire to enter into this Agreement for the duration of the Availability Period to (i) establish the terms of a Pilot Program to test the business assumptions associated with the Program, (ii) identify the roles and responsibilities of each Party during the Availability Period; (iii) set forth the respective rights and obligations of the Parties in managing the Program.

NOW, THEREFORE, in consideration of the foregoing Recitals, of mutual promises of the Parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby agree to the Program pursuant to the terms and conditions set forth in this Agreement, which reads in its entirety as follows:

ARTICLE I.

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PROGRAM OVERVIEW

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1.01. Name.

The name of the Program is the MCE On-Bill Repayment Program.

1.02. Program Phases.

The Program shall be delivered in two phases:

(a) **The Pilot Program.** The Pilot Program will be available during the ~~first six (6) months of the Availability Pilot Program~~ Period. The purpose of the Pilot Program is to permit the Parties to test and evaluate the assumptions, procedures and processes related to (i) the operational and technical aspects of the Program, (ii) the roles and responsibilities of each Party, (iii) the effectiveness of the marketing and web-based information, and (iv) revisions by the Parties to documents, processes, procedures and assumptions prior to Full Implementation.

(b) **Full Implementation.** Full Implementation of the ~~program~~Program will occur upon the expiration of the Pilot Program ~~Period~~ unless there is mutual agreement for ~~program~~Program termination at that time.

1.03. Pilot Program Goals.

(a) During the Pilot Program ~~Period~~, the Parties will endeavor to:

- (i) test the established processes and procedures using funded loans;
- (ii) evaluate the effectiveness and viability of the Program;
- (iii) test repayment of energy ~~efficiency~~ loans via the utility bill as a method for reducing potential financial barriers to Borrowers;
- (iv) evaluate whether the Program is the optimal and most cost-effective vehicle for stimulating the adoption of energy ~~efficiency~~ measures;
- (v) refine process and procedures as agreed; and
- (vi) determine if the Program should continue to Full Implementation.

1.04. Service Description.

Operational elements offered under the Program include the following functions: (i) marketing the Program to prospective Borrowers, (ii) loan underwriting, analysis and approval, (iii) loan set-up for qualifying Borrowers, (iv) monthly billing of the OBR Loan, (v) report generation and review, (vi) account maintenance and reconciliation functions, (vii) customer inquiry and problem resolution, (viii) payment processing, (ix) payment remittance to FCB, (x) loan removal, (xi) delinquency management, (xii) ongoing training and refinements to the Program, and (xiii) debits from and credits to the Loan Loss Reserve Account.

1.05. Term of Agreement.

This Agreement takes effect upon the signature of the Parties and shall remain in effect until the first of the following occurs: (a) final repayment in full of all OBR Loans issued in connection with the Program, (b) the mutual agreement of the Parties to terminate this Agreement and (3) termination pursuant to the terms of this Agreement.

1.06. Representations and Warranties

MEAMCE represents and warrants to FCB as follows:

(a) Neither the execution of this Agreement nor compliance with the terms and provisions of this Agreement on the part of MEAMCE shall breach any statute or regulation of any governmental authority or result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or other instrument to which MEAMCE is a party or by which it is bound.

(b) The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all necessary actions and proceedings to be taken by MEAMCE.

ARTICLE II.

ROLES AND RESPONSIBILITIES

2.01. Marketing and Information Delivery

2.01.1 MEAMCE

(a) MEAMCE will identify potential applicants, oversee the installation of appropriate energy ~~efficiency~~-improvements, certify satisfactory completion of the energy project, and be responsible for maintaining compliance with any and all rules and regulatory requirements that are applicable to it.

(b) Except as provided herein, MEAMCE will not act as a representative or agent of FCB and will ensure that public information does not contain any representations or warranties of FCB in connection with the application, underwriting or approval processes associated with the Loans without the prior express written consent of FCB.

(c) Except as otherwise set forth in this Agreement, MEAMCE, within authority granted to it by the CPUC, shall have full, complete and exclusive discretion to manage and control the delivery of Program information to the public.

(d) MEAMCE will define the business and information technology requirements, processes, procedures and reports necessary to implement the services described in this Agreement to FCB.

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(e) Subject to Section 6.03, Confidentiality, MEAMCE will treat all information received from FCB as highly confidential and will ensure that all financial information received by it either directly through FCB, or indirectly through a Borrower or Service Provider, is maintained with the standard of care generally afforded to sensitive information.

(f) MEAMCE will comply with any and all regulatory requirements for information and will respond to any discovery requests issued in accordance with applicable laws and regulations.

2.01.2 FCB

(a) FCB will:

(i) provide MEAMCE with an approved form of Application for distribution to Borrowers interested in financing options and other information intended for public distribution and

(ii) notify MEAMCE of any material regulatory or policy change that may have an impact on the Program.

(b) Notwithstanding section 2.01.1(c) above, FCB may create and distribute marketing materials to the public in concert with MEAMCE.

(c) Parties agree to seek approval for use of respective logo materials in print or public facing documents.

2.02. Summary of OBR Loan Terms

2.02.1 Basic Terms

Unless otherwise agreed by FCB, OBR Loans shall be subject to the following terms and conditions:

(a) During the Program, the maximum amount of FCB funded OBR Energy Efficiency Loans will be determined by the amount of the Loan Loss Reserve and the FICO scores of the ~~OBR loans~~ Energy Efficiency Loans as set forth in Section 5.05.

(b) OBR Energy Efficiency Loans will be no less than \$2,500.00 per Borrower and no more than \$30,000.00 per Borrower; larger loans will be considered on a case by case basis by FCB. In each case, the OBR Loan amount will not be greater than the "Estimated Contractor Cost" as provided in the Energy Audit or Scope of Work. OBR Energy Efficiency Loans must be used to fund qualified improvements only. Customers may, at their discretion, finance non-energy measures if such measures collectively do not account for more than 30% of the total loan size (in dollars) and are not renewable energy measures.

(c) OBR Renewable Energy Loans for non-residential customers will be no less than \$50,000 with no upward limit; OBR Renewable Energy Loans for residential customers will be

no less than \$10,000 and no more than \$50,000 with larger loans considered on a case-by-case basis.

(c) The Total Loan Commitment is a non-revolving line of credit offered for the Program during the Availability Period in connection with the funding of OBR Energy Efficiency Loans; any OBR Loans repaid will not restore availability to, or increase, the Total Loan Commitment.

(d) Any part of the Total Loan Commitment not utilized after the Availability Period will be cancelled and no longer available for OBR Energy Efficiency Loans.

(e) FCB, in its sole and absolute discretion, will approve Applicants for OBR Loans based on underwriting criteria established by FCB. FCB will notify all Applicants whether or not the Application was approved or declined.

(f) OBR Loans will be disbursed by FCB to each Borrower in a single advance following evidence satisfactory to FCB that all conditions precedent to funding and project completion have occurred in accordance with the terms of this Agreement, the Loan Documents, the Energy Audit, Scope of Work, and Final Inspection Report.

(g) The Loan Documents will require each OBR Loan to be repaid in equal monthly payments of principal and interest. OBR Energy Efficiency Loans of \$7,500 or less will be amortized over a period of 5 years; loans larger than \$7,500 can be amortized up to ten (10) years-- OBR Renewable Energy Loans can be amortized up to twenty (20) years.

(h) Applicants will have a one-time opportunity to re-amortize their loan with the proceeds of applicable energy efficiency rebate(s).

(i) Subject to Section 6.01 and provided no default has occurred, the interest rate on OBR Energy Efficiency Loans will be fixed at a rate of six and one half percent (6.5%) for the life of each OBR Loan. The interest rate for non-residential OBR Renewable Energy Loans will be prime +3.25% with a ceiling of 7.95%; the interest rate for residential OBR Renewable Energy Loans will be prime + 2.7% with a ceiling rate of 7.95%. The OBR Loan will accrue interest daily and be calculated on a basis of actual days lapsed/360 days.

(j) The OBR Loans shall be subject to defaults typically enforced by FCB in similar loans, including:

- 1) Payment Default;
- 2) Environmental Default;
- 3) False Statements;
- 4) Insolvency;
- 5) Creditor or Forfeiture Proceedings;
- 6) Events Affecting Guarantor;

8) Adverse Change;

9) Insecurity, and;

10) Cure Provisions.

(k) In addition, Program specific defaults will include:

1) Due on Sale, the OBR Loan will be due and payable in full if the Borrower sells the property on which the improvements were made,

2) the Borrower is no longer an MCE customer, and

3) the Borrower fails to pay Energy Amounts in full, resulting in partial payments such that FCB deems the balance of the OBR Loan uncollectible, though such delinquency will not result in a default in sooner than a 60 day time period.

(l) ~~MEAMCE~~ shall establish a Loan Loss Reserve Account with FCB as provided in Section 5.05.

(m) Applicants will be charged a one-time application fee of \$50.

(n) FCB will charge a documentation fee equal to \$150 for each residential OBR Loan due at the time of loan execution, which may be financed. For non-residential OBR loans, FCB will charge a documentation fee equal to \$495, which may be financed.

(o) FCB shall provide all disclosures to Borrowers in accordance with applicable law.

2.02.2 ~~MEAMCE~~ Delivery of Information in connection with Energy Efficiency Loan Applications

In connection with an Application for a Loan, ~~MEAMCE~~ will deliver to FCB documentation of the energy project. The documentation will vary for single measure and for Home Energy Upgrade projects. In connection with a loan application, ~~MEAMCE~~ will deliver:

(a) For Home Energy Upgrade Projects:

1. An Energy Audit (or evidence of a Combustion Appliance Safety test if no Energy Audit is performed),
2. Rebate Acceptance Form, and
3. Certificate of Completion form, substantially in the form of Exhibit A.

(b) For Single Measure Projects:

1. Scope of Work, including specifications of equipment purchased,
2. Permit number and final inspection report, if required pursuant to scope of work, and

3. Certificate of Completion form, substantially in the form of Exhibit A.

MEAMCE acknowledges and agrees that FCB will rely on the accuracy and content of the information provided for purposes of underwriting and loan approval.

FCB acknowledges that MEAMCE will not provide a guarantee of the projected energy savings as may be reflected in the Energy Audit.

2.03. Documentation, Changes to Scope of Work & Project Completion

2.03.1 FCB approval of Applications

FCB retains the right, in its sole and absolute discretion, to determine whether or not to approve an Application for an OBR Loan.

Following approval by FCB of an Application, FCB will:

- (a) prepare Loan Documents in accordance with its standard practices and procedures,
- (b) obtain Applicant's signature on Loan Documents, and
- (c) notify MEAMCE that an OBR Loan has been approved and provide MEAMCE with the Borrower information required pursuant to Section 3.02.

MEAMCE will:

- (a) register Borrower information on MEAMCE Systems, and
- (b) notify Project Consultants and Service Providers of the OBR Loan.

2.03.2 Changes to Scope of Work

The Parties agree that OBR Loans are provided for the sole and exclusive purpose of financing the energy efficiencyimprovement measures defined in the Energy Audit and / or Scope of Work.

(a) Under the terms of the Loan Documents, each Borrower will be required to immediately notify FCB of any condition relating to the Energy Project that will result in either an increase or a decrease to the amount stated in the Scope of Work and / or Energy Audit. Failure by a Borrower to promptly notify FCB may result in a cancellation of FCB's obligations under the Loan Documents and the OBR Loan.

(b) FCB will require written confirmation of the change in the Scope of Work and / or the Energy Audit by the Project Consultant and MEAMCE.

(c) The final loan amount must conform to the final project cost.

2.03.3 Project Completion

(a) The applicant shall notify FCB of Project Completion by submitting a Certificate of Completion substantially in the form of Exhibit A. This documentation shall be accompanied by a copy of:

- (i) the Energy Audit or CAS test (if applicable), and
- (ii) and an executed Unconditional Waiver and Release signed by the Contractor .

ARTICLE III.

LOAN FUNDING AND PAYMENT PROCESSING

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3.01. Loan Balances

The books and records of FCB will serve as the agreed upon contractual outstanding OBR Loan balance, payments due, and payment history of each Borrower. On or before the initial OBR Loan funding, FCB will deliver a Loan Information Notice to MEAMCE substantially in the form of Exhibit C for all new OBR Loans.

Following the initial funding:

- (a) FCB will be responsible for notifying MEAMCE of delinquent OBR Loan information;
- (b) FCB will review reports and information provided by MEAMCE and provide corrections on OBR Loan information in a timely manner substantially in the form of Exhibit D;
- (c) FCB will treat all information received from MEAMCE as highly confidential and all information received by FCB, whether directly or indirectly through a Service Provider will be controlled and maintained with the standard of care generally afforded to sensitive information and as provided in the MEAMCE Non-Disclosure Agreement and CPUC Decision 12-08-045;
- (d) FCB will be responsible for complying with any and all regulatory requirements of public content including Office of Foreign Asset Control and will respond to any discovery requests issued by or under the authority of a governmental agency or court regarding any Borrower or OBR Loan issued under the Program.

3.02. MEAMCE as Billing Agent

MEAMCE shall serve as the "Billing Agent" for FCB and provide the following services outlined in Section 1.04 which include:

- (a) monthly billing of the OBR Loan Payments due,
- (b) report generation and review,
- (c) PGE and MEAMCE billing account maintenance and reconciliation functions,

(d) customer inquiry and problem resolution for questions regarding the energy portion of the bill,

(e) payment processing, and

(f) payment remittance to FCB.

| In addition, MEAMCE will communicate to FCB any issues that will impede timely or accurate remittance of payments:

| (a) MEAMCE shall ensure that the amounts due and payable to FCB under any OBR Loan to a Borrower shall be clearly and accurately reflected on the monthly PGE Billing Statement submitted to the Borrower.

(b) The OBR Loan payment will be billed in conjunction with the Borrower's standard PGE Billing Statement.

| (c) MEAMCE will comply with all applicable laws and regulations.

3.02.1 Monthly Reports

| (a) On or before the 15th business day of each month, MEAMCE will provide to FCB a "Scheduled Payments Report" detailing scheduled payments due for the next month, including delinquent and partial payments due, and the outstanding balance remaining on each OBR Loan.

| (b) On or before the last business day of each month, MEAMCE will provide to FCB a "Delinquent Payment Report" detailing payments that were due and not received in the prior month.

| (c) On or before the last business day of each month, MEAMCE will provide to FCB a "Partial Payment Report" report detailing payments that were due and not received in full in the prior month.

3.02.2 Reconciliation of Loan Information

| (a) MEAMCE and FCB will use all reasonable efforts to ensure the accuracy of the information transmitted to and between each Party. FCB will reconcile the OBR Loan data contained on its systems and records against that of the Scheduled Payment Report on or before the 25th day of each month. FCB will notify MEAMCE of any discrepancies or corrections.

| (b) MEAMCE will not make corrections or adjustments to OBR Loan information submitted by FCB unless so authorized under this Article III.

3.02.3 Loan Correction Notice

(a) No later than five (5) business days following receipt of reports as provided in Section 3.02.1, FCB will reconcile the amounts due, delinquent, or partially paid against its records. To the extent there is a discrepancy between the information provided in the report and

that contained on the records of FCB, FCB shall complete and submit an “OBR Loan Correction Notice” substantially in the form of Exhibit D attached hereto.

(b) **MEAMCE** will make good faith efforts to correct the information such that then current energy PGE Billing Statement reflects the correct amounts due from the Borrower as reflected by FCB’s records.

3.02.4 Delivery of Payments

(a) Payments of amounts due under the OBR Loans shall be made on each Friday, or if Friday is not a business day, on the next following business day (the “Payment Date”).

(b) The payment shall be an aggregate of all payments received by **MEAMCE** for the prior week as reconciled in accordance with Section 3.02.2.

(c) Payments shall be disbursed by **MEAMCE** to an account designated by FCB.

3.02.5 Prepayments on OBR Loans

Borrowers shall be permitted to prepay OBR Loans provided that no default has occurred resulting in a Defaulted OBR Payment and provided further that there is no Pro-Rata Sharing of Payments. All prepayments made under an OBR Loan must be sent directly to FCB and not submitted through the Energy Bill. FCB shall notify **MEAMCE** if a payment is made directly to FCB, outside of the PGE Billing Statement, to confirm that the payment is not subject to Pro-Rata Sharing of Payments. FCB shall:

(a) apply the payment to the OBR Loan only if Pro-Rata Sharing of Payments is not in effect, or

(b) remit the excess payment to **MEAMCE** for allocation if Pro-Rata Sharing of Payments is in effect.

ARTICLE IV

CUSTOMER INQUIRIES – DISPUTE RESOLUTION

4.01. Customer Inquiries

(a) **MEAMCE** shall cause each PGE Billing Statement to contain the amounts due and payable for the OBR Loan as a clear and distinct line item.

(b) **MEAMCE** shall cause each PGE Billing Statement to contain the contact information for problem resolution or questions regarding the OBR Loan portion of the PGE Billing Statement including a phone number and address for FCB.

(c) **MEAMCE** shall refer all OBR Loan questions from Borrowers to FCB for problem resolution.

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(d) MEAMCE will provide MEAMCE Service Providers with scripts, pre-approved by FCB, to provide clear guidance on OBR Loan inquiries.

(e) FCB shall refer all questions regarding the Energy Amount to MEAMCE for problem resolution.

(f) During the Pilot Program, MEAMCE and FCB will meet no less than monthly to discuss and resolve any customer inquiries and disputes.

(g) To the extent there is any discrepancy between the OBR Loan Payment due according to FCB records and the amount due according to MEAMCE records, FCB records will prevail.

4.02. Dispute Resolution

The Parties agree to collaborate to resolve customer disputes that may arise from the timing of application of payments, either OBR Loan payments or energy related payments.

Notwithstanding the foregoing, MEAMCE shall be able to utilize the Carve-Out portion of the Loan Loss Reserve Account in accordance with Section 5.01 to temporarily stabilize interim billing adjustments for energy efficiency OBR loans.

To the extent the customer dispute results in a non-payment of an OBR Loan, actual delinquency or partial payment, upon receipt, such payment will be processed in accordance with Section 5.02.

ARTICLE V

LATE PAYMENTS, SHARING OF PAYMENTS AND LOAN LOSS RESERVE

5.01. Late Payments

5.01.1 Timing Issues – Corrected Bills

On occasion, PGE will require corrections or adjustments to PGE Billing Statements (“Corrected Bills”) that are outside of the control of MEAMCE or FCB. Corrected Bills may result in (i) timing gaps between the due dates for an OBR Loan Payment or (ii) duplicated or omitted OBR Payments for the month subject to correction (each an “Administrative Error”). Administrative Errors are temporary in nature and are generally corrected on the following PGE Billing Statement. Any delayed, past-due or omitted payment that is not temporary in nature or subject to correction in the following PGE Billing Statement does not constitute an Administrative Error and is not subject to the authorities granted in this Section.

As provided herein, MEAMCE shall have the authority to correct or adjust Administrative Errors in an amount not to exceed \$200.00 per Administrative Error in accordance with the Carve-Out provision for energy efficiency OBR loans.

5.01.1 (a) Carve-Out

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MEAMCE shall utilize the Carve-Out portion which will not exceed \$5,000 to adjust timing issues associated with Administrative Errors. ~~MEA for energy efficiency OBR loans only.~~ MCE acknowledges and agrees that any funds debited from the Carve-Out must be restored in full within sixty (60) days after such debit. MEAMCE will record and track the debits and credits to the Carve-Out with such information made available to FCB upon request.

5.01.1 (b) Termination of Carve-Out Availability

The Carve-Out is available for Administrative Errors only to the extent that funds allocated to the Carve-Out do not impede FCB's availability to use the Carve-Out pursuant to a defaulted OBR Loan as contemplated by the Loan Loss Reserve. To the extent Carve-Out funds will be needed by FCB, FCB shall provide a thirty (30) day notice to MEAMCE of the termination of the Carve-Out. MEAMCE shall have a period of thirty (30) days following such notice to restore the Carve-Out to \$5,000.00.

5.02. Payment Default

MEAMCE shall notify FCB of Defaulted OBR Payments on a monthly basis on or before the 15th day of the following month. FCB shall notify MEAMCE of any OBR Loan Payment that is delinquent fifteen (15) days or more that is not reflected on the reports and information provided by MEAMCE.

5.02.1 Notification to Borrower

MEAMCE, upon notice from FCB, will provide a Late Payment Notification substantially in the form of Exhibit F to the applicable Borrower.

5.02.2 Late Fees ~~imposed~~Imposed by FCB

To the extent a Borrower defaults under an OBR Loan, FCB shall have the right to (i) impose a late charge equal to the greater of 6.00% of the regularly scheduled payment or \$25.00 for payments past due in excess of 15 days.

5.03. Pro-Rata Sharing of Payments

It is agreed that all Defaulted OBR Payments shall be subject to Pro-Rata Sharing of Payments as provided herein. Pro-Rata Sharing of Payments shall be in effect the earlier of

- (a) failure by a Borrower to pay a PGE Billing Statement in full (outside of an Administrative Error),
- (b) upon notice from FCB that an OBR Loan Payment is delinquent fifteen (15) days or more, and
- (c) upon notice from MEAMCE to FCB that the PGE Billing Statement has not been paid in full (outside of an Administrative Error).

5.03.1 Method for Determining Pro-Rata Sharing

Pro-Rata Sharing will be applied to the funds subsequent to the application of PG&E's Pro Rata Share (as determined in the CCA Tariff, Electric Rule 23); neither ~~MEAMCE~~ nor FCB will dispute the amount of payment applied to PG&E's Pro-Rata Share. The remaining portion of the payment will be applied according to the methodology outlined herein.

Pro-Rata Sharing of Payments will be determined as follows:

Determining the Pro Rata Percentage: The Pro Rata Percentage is determined by taking

(a) the sum of

(i) the total amount of outstanding OBR Loan Payments reflected therein due and payable to FCB (the "FCB Share") and

(ii) the total amount of MCE charges reflected therein due and payable (the "~~MEAMCE~~ Share") (together the "Total Amount Due") and dividing the Total Amount Due by the FCB Share to arrive at the FCB Pro Rata Percentage and dividing the Total Remaining Payment by the ~~MEAMCE~~ Share to arrive at the ~~MEAMCE~~ Pro Rata Percentage.

Example:

FCB Total Amount Due on bill: \$600.00

~~MEAMCE~~ Total Amount Due on bill: \$250.00

Total Amount Due on Bill (less PG&E's Pro Rata Share): \$850.00

FCB Pro-Rata Percentage = $\$600/\$850 = 70.59\%$

~~MEAMCE~~ Pro-Rata Percentage = $\$250/\$850 = 29.41\%$

Determining the Pro Rata Sharing of the Payment: Short payments on delinquent Borrowers will be distributed based on the respective FCB Pro-Rata Percentage and ~~MEAMCE~~ Pro-Rata Percentage for the particular billing statement as follows: The actual payment received (which will be less PG&E's Pro Rata Share) multiplied by FCB and ~~MEAMCE~~'s respective Pro-Rata Percentages.

Example:

Total Amount Due: \$850.00

Actual Payment Received: \$600.00

Based on the Pro-Rata Percentages provided above, the actual payment received would be disbursed as follows:

FCB Pro Rata Share = $\$600.00 * .7059 = \423.54

~~MEAMCE~~ Pro Rata Share = $\$600.00 * .2941 = \176.46

In no event will the sum of the FCB Pro-Rata Percentage and the MCE Pro-Rata Percentage exceed 100% (together the "Pro-Rata Percentages"). The respective percentages will be expressed to four decimal places. It is hereby acknowledged that the Pro-Rata Percentages may change on a month to month basis depending on variables such as energy use or increased amounts due to penalty rates or late charges. All payments applied to Defaulted OBR Payments shall be done in accordance with the Pro-Rata Percentages.

5.04. Excess Payments Received During Default

Notwithstanding anything to the contrary contained in Section 3.02.04, neither Party will accept or apply payments to new OBR Loan payments or Energy Amounts when a Defaulted OBR Payment exists. All payments received will be submitted to MEAMCE to be paid in accordance with the Pro-Rata Percentages until such time as the OBR Loan and Energy Amount are either

- (a) restored to current payment status as mutually agreed between the Parties, or
- (b) the OBR Loan has been repaid in full through the Loan Loss Reserve.

5.05. Loan Loss Reserve

The Loan Loss Reserve as described in this section is available only for energy efficiency OBR loans, and in no circumstances can it be drawn upon for renewable energy OBR loans.

Concurrent with the execution of this Agreement, MEAMCE shall establish two accounts with First Community Bank. One account, the MEAMCE Reserve Account, shall be accessible by MEAMCE. The second account, the ~~Active~~ Loan Loss Reserve Account, shall be in the name of MEAMCE but controlled by FCB with debits and credits from and to the Loan Loss Reserve Account restricted as provided herein. The parties agree to maintain coverage against losses per a sliding scale based on FICO, according to table 1. In advance of the program launch, MEAMCE will make a deposit of \$100,000 in the ~~Active~~ Loan Loss Reserve account, which will be equal to the estimated ratio of FICO's in the OBR Loan Program for the upcoming quarter. The parties agree to adjust the balance of the ~~Active~~ Loan Loss Reserve account on a quarterly basis to align coverage with the ratios specified in Table 1 plus, \$100,000.

FICO	Percent Coverage
640-670	15%
671-700	10%
700+	5%

5.05.1 Charges to the Loan Loss Reserve Account

The sole purpose of the Loan Loss Reserve is to provide a source of repayment for energy efficiency OBR Loans whereby the Borrower has defaulted under the terms of the Loan Documents and FCB deems the OBR Loan or a portion thereof as uncollectible. FCB is eligible to draw down from the ~~Active~~ Loan Loss Reserve Account for any default event as defined in section 2.02.1. FCB will notify MEAMCE promptly upon such a withdrawal using a form substantially similar to Exhibit E. Additionally, FCB will provide monthly reports on the status of the ~~Active~~ Loan Loss Reserve ~~account~~ Account, including all debits and credits to the account.

The amount available from the Loan Loss Reserve Account to FCB for each defaulted OBR Loan will include unpaid principal, interest, and fees (excluding late fees as defined in section

5.02.2). Any amounts credited back to the Loan Loss Reserve Account in accordance with Section 5.05.2 shall be available to FCB for future OBR Loans.

FCB will submit a Notice of Loan Loss Reserve Advance to MEAMCE substantially in the form of Exhibit E providing the reason for the advance, a summary of the delinquent amounts and dates, a summary of expenses related to the collection efforts and the amount required to satisfy repayment of the OBR Loan.

5.05.2 Credits to the Loan Loss Reserve Account

FCB will continue collection efforts on defaulted energy efficiency OBR Loans in accordance with its standard practices and procedures, regardless of whether or not the defaulted OBR Loan has been repaid through an advance from the Loan Loss Reserve Account. In the event FCB recovers or collects amounts on a defaulted OBR Loan where the unpaid balances were advanced from the Loan Loss Reserve Account, FCB shall deposit such recovered amounts into the Loan Loss Reserve Account, less any collection and legal fees necessary to recover the funds.

5.05.3 Reporting of Loan Loss Reserve Balance

From and following the first advance from the Loan Loss Reserve Account (other than Carve-Out charges originated by MEAMCE), FCB shall provide MEAMCE with a monthly summary of transaction activity (including advances and recoveries) within the Loan Loss Reserve Account.

5.05.4 Loan Loss Reserve Account – Early Termination of Program

Should the Parties mutually agree to terminate the Program at any time prior to the end of the Availability Period, the balance of the Loan Loss Reserve shall be reconciled to a coverage amount consistent with the existing proportion of FICO scores of the outstanding funded OBR Loans as established in table 1 and remain in effect until the Loan Loss Reserve Termination Date (the “Remaining Loan Loss Reserve”). Amounts in excess of the Remaining Loan Loss Reserve shall be remitted to MEAMCE.

5.05.5 Loan Loss Reserve Termination Date

The Loan Loss Reserve Account shall remain in effect and available to FCB until the earlier of

(a) all collection efforts by FCB have ceased and the Loan Loss Reserve is depleted to a \$0.00 balance, and

(b) until all OBR Loans have been repaid in full (the “Loan Loss Reserve Termination Date”). The CPUC may request the return of any Loan Loss Reserve Funds that have not been committed to an originated loan before January 1, 2015. FCB agrees to cooperate with this return of funds and to provide an account statement showing the status of the fund at that time.

5.05.6 Interest Earned on the Loan Loss Reserve Account

The Loan Loss Reserve Account may be interest bearing so long as such interest bearing account does not violate any applicable regulations. Interest earned on the Loan Loss Reserve Account will be for the benefit of MEAMCE for use in accordance with CPUC requirements.

ARTICLE VI

MISCELLANEOUS

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6.01. Modifications to Program

The Parties agree to collaborate on changes that may be required during the Pilot Program Period or during Full Implementation.

FCB reserves the right to modify the Basic Terms of OBR Loans as may be necessary or deemed appropriate by FCB, provided however, that if FCB determines that the interest rate and maximum term for the OBR Loans may be subject to change, FCB shall give forty-five (45) days' notice of such change to enable MEAMCE to provide comment and to modify any Program marketing material as appropriate. To the extent MEAMCE does not concur with the proposed change in interest rate, MEAMCE reserves the right to terminate the Program with FCB. Such termination shall not impact any existing OBR Loans.

6.02 Information Security – Delivery of Information

Each Party will take, and include provisions in its contract with its Service Providers to require them to take, all reasonable steps to ensure that any information that is delivered pursuant to this Agreement is delivered in a safe and secure manner so as to protect that information from unauthorized disclosure.

6.03 Confidentiality

(a) Each Party agrees that it shall not use or disclose to any third party including MEAMCE Service Providers, any information that is confidential or proprietary to the other party including, without limitation, such party's business plans and practices, trade secrets, methods, processes or procedures or any other confidential information (collectively, the "Confidential Information") of the other Party which it learns during the course of its performance of this Agreement other than

(i) as required by law, regulation, or order of a court or regulatory agency or other authority having appropriate jurisdiction, or

(ii) to perform its obligations under this Agreement. The Confidential Information may be oral or written or in electronic or tangible form, and all information, unless otherwise indicated, shall be deemed to be confidential.

Confidential Information shall not include any information that can be shown through contemporaneous documentation

(1) is or becomes publicly known through no fault on the part of the recipient;

(2) is, at the time of disclosure, already known to the recipient without obligation restricting disclosure;

(3) is, or subsequently becomes, rightfully and without breach of this Agreement, in the recipient's possession without any obligation restricting disclosure; or

(4) is independently developed by a recipient without breach of this Agreement or any other agreement, with the recipient bearing the burden of proving such independent development.

Any employee to whom the recipient of Confidential Information gives access to any such Confidential Information must have a legitimate "need to know" such Confidential Information and shall be bound in writing to maintain the confidentiality of the Confidential Information under terms and conditions no less stringent than those set forth in this Agreement. Neither Party shall reverse engineer any such Confidential Information of the other Party or, unless expressly permitted in this Agreement, copy the same. Upon termination of this Agreement, each Party shall return all Confidential Information in its possession (including all copies thereof) of the other Party within fifteen (15) days of such termination.

(b) Each Party recognizes and acknowledges that the non-disclosing Party would suffer irreparable injury from the unauthorized use or disclosure of any of its Confidential Information and each Party agrees and acknowledges that the non-disclosing Party shall have the right to obtain injunctive or other equitable relief against the unauthorized use, disclosure or transfer of any of the Confidential Information, as well as the right to pursue all of its other remedies in equity and at law. This Section 6.03 shall survive the termination of this Agreement.

(c) MEAMCE will cause each of its Service Providers to sign nondisclosure agreements pursuant to which each Service Provider will agree to not use or disclose the financial information of an Borrower.

(d) Each Party agrees to notify the other Party within ten (10) business days of any confirmed security breach incident involving the disclosure of confidential, non-public personal customer information to an unauthorized Party, whether the security breach occurred at MEAMCE, FCB, or at one of each Party's Service Providers.

6.04 Reliance among Parties

All information MEAMCE provides to FCB hereunder (including that of MEAMCE Service Providers but excluding confidential information provided within FCB loan applications) other than actual energy savings versus projected energy savings estimated on the Energy Evaluations shall be true, complete and accurate to the best of MEAMCE's knowledge, so that FCB may rely upon its accuracy. MEAMCE shall immediately notify FCB in writing of any change in the accuracy of any information MEAMCE has previously provided to FCB.

6.05 Limitation of Liability

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT. NO PARTY WILL BE LIABLE TO THE OTHER PARTY (NOR TO ANY

PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER PARTY'S RIGHTS) FOR INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND – INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS OR LOSS OF DATA – ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER (INCLUDING WITHOUT LIMITATION AS A RESULT OF ANY BREACH OF ANY WARRANTY OR OTHER TERM OF THIS AGREEMENT), REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

6.06 Communications - Notices

Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given

(a) on the date of personal service on the Parties,

(b) on the third business day after mailing, if the document is mailed by registered or certified mail,

(c) one day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier, or

(d) on the date of transmission if sent by telegram, telex, telecopy or other means of electronic transmission resulting in written copies, with receipt confirmed. Any such notice shall be delivered or addressed to the Parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision. Failure to give notice in accordance with any of the foregoing methods shall not defeat the effectiveness of notice actually received by the addressee.

6.07 Amendments

The provisions of this Agreement may be modified at any time by a written agreement signed by all of the Parties.

6.08 Survival – Representations and Warranties

Each representation and warranty contained herein or made pursuant hereto shall be deemed to be material and to have been relied upon, and shall survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of any Party hereto, and the closing of the transaction.

6.09 No Recourse to Constituent Members of MEAMCE

MEAMCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to a Joint Powers Agreement and is a public entity separate from its constituent members.

MEAMCE shall solely be responsible for all debts, obligations and liabilities accruing and

arising out of this Agreement. FCB shall have no rights and shall not make any claims, take any actions or assert any remedies against any of ~~MEA's~~MCE's constituent members in connection with this Agreement.

6.10 Entire Agreement

This document, including its exhibits, constitutes the entire agreement between the Parties, all oral agreements being merged herein, and supersedes all prior representations. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the Parties relating to the subject matter of this Agreement that are not fully expressed herein.

6.11 Governing Law

The rights and obligations of the Parties and the interpretation and performance of this Agreement shall be governed by the law of California, excluding its conflict of laws and rules.

6.12 Waiver

Any of the terms or conditions of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance or satisfaction either of that term or condition as it applies on a subsequent occasion or of any other term or condition.

6.13 Attorneys' Fees; Prejudgment Interest

If the services of an attorney are required by any Party to secure the performance of this Agreement or otherwise upon the breach or default of another Party to this Agreement, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such Party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

6.14 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if the Parties had all signed the same document. All counterparts shall be construed together and shall constitute one Agreement.

6.15 Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

6.16. Publicity

Neither Party shall issue or cause to be issued any press release, public announcement or other public statement with respect to the subject matter of this Agreement without the prior written consent of the other Party as to the form, content, and timing of such release.

6.17 Independent Contractors

The Parties shall be considered independent contractors with respect to each other. This Agreement does not authorize either Party to act on behalf of or as the agent of the other Party, and does not create a partnership, joint venture or similar relationship between the Parties, and neither Party shall have the power to obligate or bind the other Party in any manner whatsoever.

6.18 Assignment

No Party may assign this Agreement, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other Party, which consent shall not unreasonably be withheld.

6.19 Arbitration

The Parties agree that any and all disputes arising out of the terms of this Agreement, their interpretation, and any of the matters herein discussed, shall be subject to binding arbitration in Sacramento County before the American Arbitration Association under its Commercial Arbitration Rules. The Parties agree that the prevailing Party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The Parties agree that the prevailing Party in any arbitration shall be awarded its reasonable attorneys' fees and costs. The Parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Parties specifically agree that the provisions of Section 1283.05 of the Code of Civil Procedure of the State of California are incorporated into, made a part of, and made applicable to any arbitration pursuant to this Section 6.19. The arbitration shall be conducted by a single arbitrator. The arbitration also will be subject to the following agreed terms:

6.19.1 After written notice of a potential claim by a Party, each Party will have thirty (30) days to submit the names of one or more proposed arbitrators.

6.19.2 The Parties will then have ten (10) days to agree upon the arbitrator based upon the names proposed.

6.19.3 If the Parties cannot agree upon the arbitrator, either Party will have fifteen (15) days to file a motion or petition with a Superior Court in the State of California, in and for the County of Sacramento for the sole purpose of having the court designate the arbitrator.

6.19.4 To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.

6.19.5 Resolution of the dispute shall be based solely upon the evidence and the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis other than such controlling law, including but not limited to, notions of “just cause.”

6.19.6 The arbitrator shall not award punitive damages.

6.20 Insurance

During the term of this Agreement, each Party shall maintain in full force and effect such insurance as is maintained by other entities engaged in similar businesses in the same general geographic area as the applicable Party, including comparable coverage amounts and deductibles.

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ARTICLE VII.

DEFINITIONS

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Adverse Change. A material adverse change occurs in the Borrower's financial condition, or Lender believes the prospect of payment or performance of the Note with FCB is impaired.

Applicant. Any Borrower who submits an Application for an OBR Loan with FCB pursuant to the Program.

Application. A loan request form prepared by FCB available to Borrowers to apply for financing of the energy efficiency measures set forth in the Energy Audit.

Availability Period. The earlier of a) the date which is two years from the funding date of the first OBR Loan made under the Program or b) December 31, 2014.

Borrower. Any Applicant who is approved by FCB in its sole discretion for an OBR Loan pursuant to the Program.

Carve-Out. A portion of the Loan Loss Reserve not to exceed \$5,000.00 for use as provided in Section 5.02.

Contractor. A licensed general contractor engaged by Borrower and in possession of all certifications necessary to complete the Scope of Work in accordance with the Energy Audit.

CPUC. California Public Utilities Commission

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Cure Provisions. If any default, other than a default in payment is curable and if ~~Borrower~~Borrower has not been given a notice of a breach of the same provision of the Note with FCB within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice Borrower demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of

any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this note or perform Borrower's obligations under this note or any of the related documents.

Defaulted OBR Payment. Any payment due pursuant to a PGE Billing Statement that includes the OBR Loan Payment, the PGE Energy Amount and the MCE Energy Amount, and which is not paid when due unless it is a Corrected Bill as defined in Section 5.01.1.

Energy Amount. The amount due and payable to PGE by a Borrower for energy related costs and expenses, which include fees and charges.

Energy Audit. A written report prepared by a certified Building Performance Institute (BPI) Building Analyst or a certified Whole House Home Energy Rating System (HERS) professional which includes a comprehensive evaluation, proposal and line item summary of energy efficiency measures submitted upon the request of a Borrower. The Energy Audit includes the estimated Rebate Amount and is provided to Borrowers to assess potential savings and understand the estimated costs associated with such measures.

Energy Efficiency OBR Loan. A loan extended according to the terms of this agreement by FCB and available for energy efficiency improvements.

Energy Project. The project as outlined in the Energy Audit and Scope of Work form executed by the Borrower and consistent with eligible measures as defined by MEAMCE and included in Exhibit I.

Environmental Default. Failure of any party to comply with or perform when due any term, obligation, covenant or conditions contained in any environmental agreement executed in connection with any loan.

Event of Default. A violation of a payment term, covenant or other condition of the Loan Documents as defined in section 2.02(j).

Events Affecting Guarantor. Any of the defined default events in section 2.02 (j) occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by the Note with FCB.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Full Implementation. The period from the end of the Pilot Program Period to the date that is eighteen (18) months from the last day of the Pilot Program Period.

Insecurity. Lender in good faith believes itself insecure.

Insolvency. The dissolution or termination of ~~Borrower's~~**Borrower's** existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrowers property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Late Payment Notification. A notice sent by ~~MEAMCE~~ on behalf of FCB notifying a Borrower of a delinquent OBR Loan Payment substantially in the form of Exhibit F.

Loan Commitment. Loan Commitment is determined by the combination of the ~~Active~~-Loan Loss Reserve amount and the mix of FICO scores on the OBR loans.

Loan Documents. Documents prepared by FCB obligating the Borrower to repay indebtedness issued in connection with the Program.

~~**Active-Loan Loss Reserve.** The amounts as described in Section 5.05.~~

Loan Loss Reserve Account. A deposit account established to hold reserves controlled by FCB.

Loan Loss Reserve Termination Date. The date as defined in Section 5.05.5.

~~**MEA Systems.** Systems of record established by MEA or its Service Provider capturing Borrower and OBR Loan information including billing and payment processing.~~

~~**MEA Reserve Account.** Reserve funds not yet designated to the Active Loan Loss Reserve Account.~~

~~**MCE.** Marin Clean Energy the energy program provided by MEA.~~

MCE Charges: Charges for electricity generation provided to customers of the MCE program.

~~**NES.** Noble America's Energy Solutions; a Service Provider of MEA.~~

~~**OBR Loan.** A financial accommodation to a Borrower issued by FCB in connection with the Program.~~

~~**MCE Systems.** Systems of record established by MCE or its Service Provider capturing Borrower and OBR Loan information including billing and payment processing.~~

~~**MCE Reserve Account.** Reserve funds not yet designated to the Loan Loss Reserve Account.~~

~~**NES.** Noble America's Energy Solutions; a Service Provider of MCE.~~

~~**OBR Energy Efficiency Loan.** A loan made pursuant to the Program for energy efficiency improvements.~~

OBR Loans. OBR Loans are the OBR Energy Efficiency Loans and the OBR Renewable Energy Loans.

OBR Renewable Energy Loan. A loan made to customers pursuant to the Program for renewable energy upgrades.

OBR Loan Payment. The scheduled loan payment due and payable to FCB in connection with an OBR Loan which includes, principal, interest, fees and charges.

Original Operating Agreement. Original Operating Agreement has the meaning set forth in the Recitals.

Other Defaults. Borrower fails to comply with or perform any other term, obligations, covenant or condition contained in the Note or in any of the related documents with FCB, or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Payment Default. Borrower fails to make any payment when due under the Note with FCB.

PGE. Pacific Gas & Electric Company.

PGE Billing Statement. The monthly energy billing statement produced by PGE detailing energy usage and costs associated with such usage; the MCE charges for the PGE Billing Statement is processed by NES on behalf of MEAMCE.

Pilot Program. During the Availability Period, Pilot Program means the Program during the date which is six (6) months from Pilot Program Period.

Pilot Program Period. The period during the Availability Period, beginning on the funding date of the first OBR Loan made under the Program and ending six (6) months thereafter..

Program. Program has the meaning set forth in the Recitals.

Pro-Rata Sharing of Payments. The method for determining the pro-rata allocation of payments between the amount due under an OBR Loan and the Energy Amount due from a Borrower as provided in Section 5.01.3.

Project Completion. The date on which all work is completed by the Contractor in accordance with the Scope of Work and Energy Audit.

Project Consultant. A Service Provider of MEAMCE; any consultant engaged by MEAMCE to provide services on behalf of MEAMCE related to the Program including assessment and preparation of the Energy Audit, review and inspection of project progress reports, requests for approval to changes to Scope of Work, and certification of project completion.

Rebate Amount. The amount of the Energy Project that is subject to refund by the CPUC as outlined on the Energy Audit.

Renewable Energy OBR Loans. A loan extended according to the terms of this agreement by FCB and available for renewable energy improvements. Renewable energy OBR Loans are not eligible for a claim against the Loan Loss Reserve.

Service Provider. Any associated person, company or other entity directly or indirectly contracted by or related to either party for goods or services offered in connection with the delivery and ongoing maintenance of the Program.

Scope of Work. The work to be done under a contract or agreement prepared and signed by a licensed contractor engaged by an Borrower to complete work as proposed in the Energy Audit and consistent with eligible measures as defined in Exhibit I.

Termination Date. The date on which all OBR Loans are repaid in full or terminated to the satisfaction of FCB.

FCB:

FIRST COMMUNITY BANK

By: _____

Its: _____

Address: _____

Fax No.: (916) _____

~~MEAMCE:~~

MARIN ~~CLEAN ENERGY AUTHORITY~~

By: _____

Its: _____

Address: _____

Fax No.: (____) _____

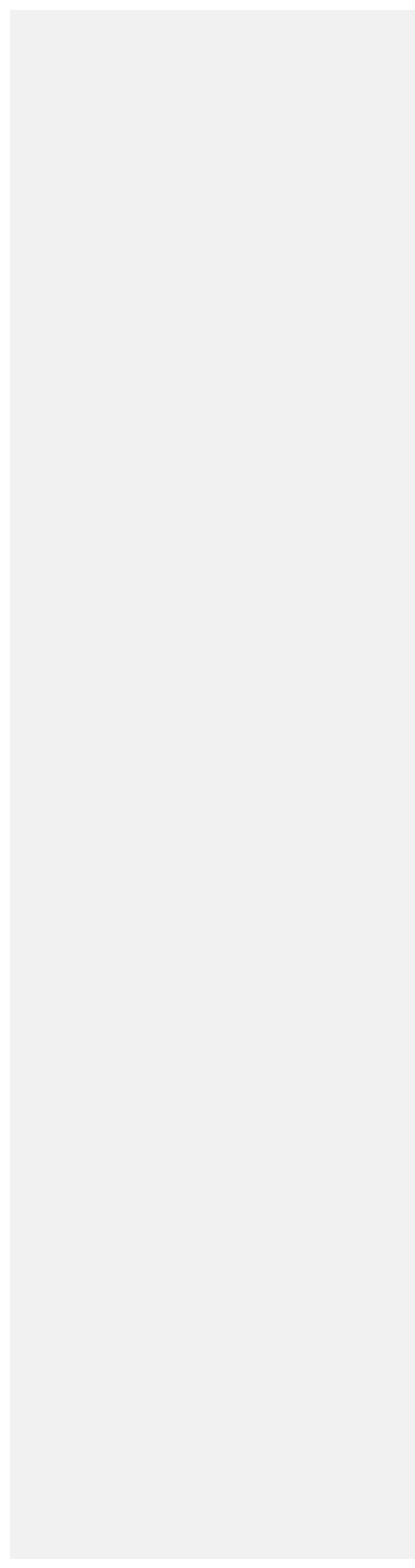
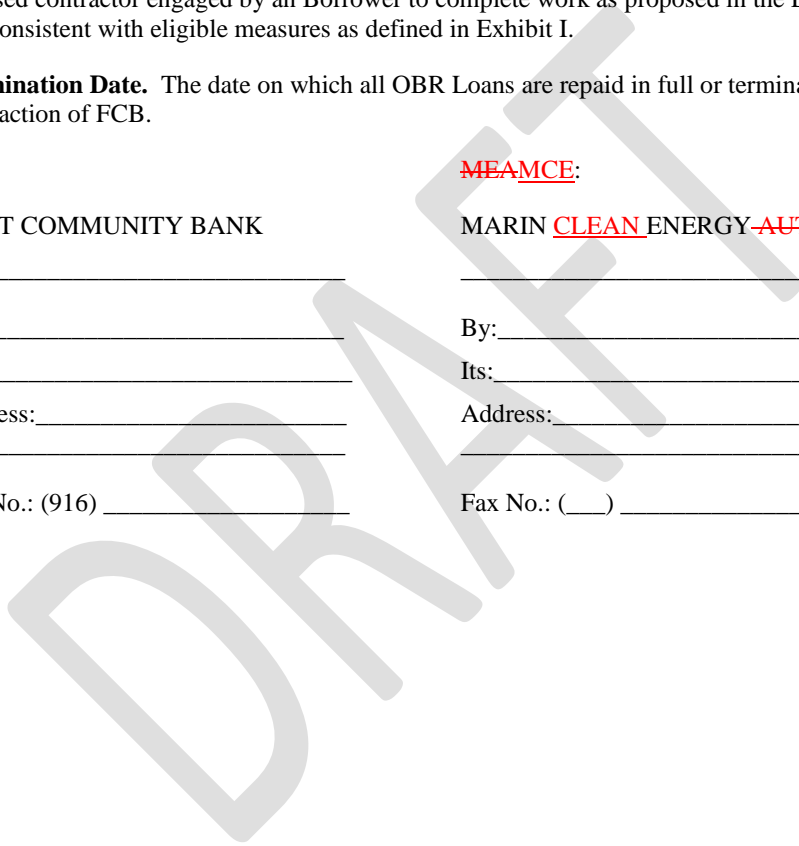


EXHIBIT A – CERTIFICATE OF COMPLETION

Date of Certificate:

Borrower Name:

Property Address:

Date of Energy Audit:

Date of Scope of Work:

Estimated Contractor Cost:

Final Contractor Cost:

Rebate Amount:

Rebate Amount Assigned to Contractor: Yes No

Were there any changes to the Scope of Work provided by the Contractor: Yes No

If Yes – Explain:

Dollar cost change:

Description of change:

Date of Final Inspection:

| The undersigned Program Manager, Auditor and Marin Clean Energy ~~Authority~~ do hereby certify that the above referenced energy project (the “Project”) has been completed to the full satisfaction of the undersigned and in accordance with the Energy Audit and / or Scope of Work. There are no outstanding obligations incumbent upon the Contractor or Borrower. We attach the following in connection with this Certification:

- 1) Executed Borrower-Contractor Affidavit (notarized); and
- 2) Executed Unconditional Waiver and Release on Progress payment.

This Certificate is issued to First Community Bank in connection with the MCE On-Bill Repayment Program with the understanding and knowledge that First Community Bank will rely on this information in providing loan funds to the above referenced Borrower.

By: _____ Date: _____
Program Manager

By: _____ Date: _____
Auditor

By: _____ Date: _____
Marin Clean Energy ~~Authority~~

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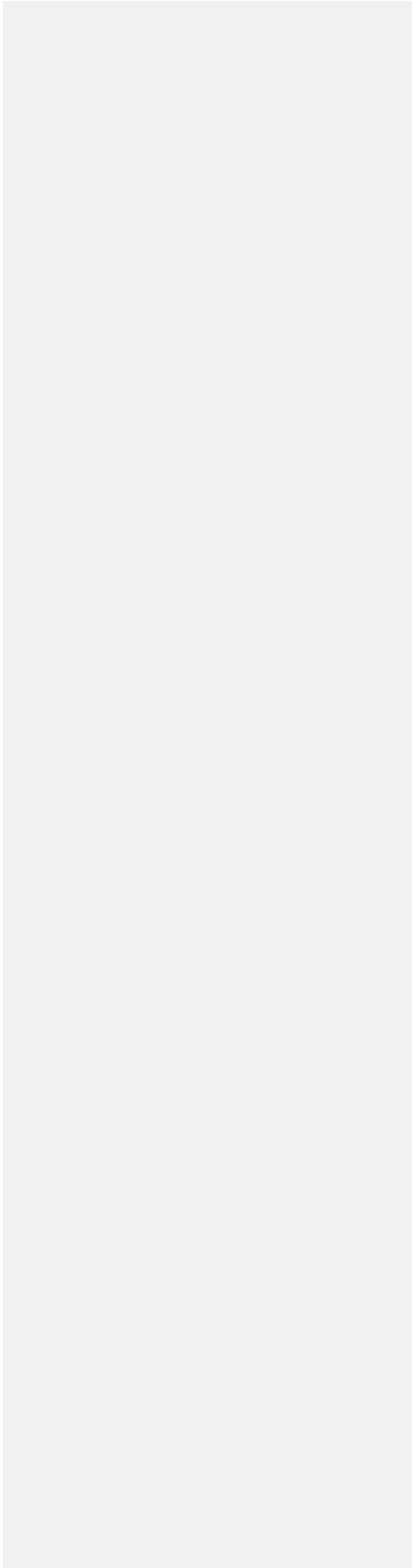


EXHIBIT B – BORROWER/CONTRACTOR AFFIDAVIT

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Under penalty of perjury, the undersigned Borrower and General Contractor do hereby swear, certify and affirm that:

- 1) General Contractor was engaged to perform improvements to property located at: _____ in accordance with a Scope of Work dated _____ for a contract amount equal to: \$ _____.
- 2) General Contractor has completed all work as agreed to the full satisfaction of Borrower.
- 3) There is no unfinished work or claims by either Borrower or General Contractor against each other.
- 4) Borrower has executed an assignment of the Rebate Amount equal to \$ _____ to General Contractor to satisfy that portion of the Scope of Work.
- 5) Borrower will pay to General Contractor the balance due under the Scope of Work through loan proceeds, with said proceeds paid directly to General Contractor.
- 6) Contractor has executed a Conditional Waiver and Lien Release and Unconditional Waiver and Release which shall be effective as of the date of receipt of the loan proceeds.
- 7) There are no silent or written agreements, claims or disputes between Borrower and General Contractor.

Attested to this day, the _____ of _____, 201____

By: _____
Borrower (insert full name)

By: _____
General Contractor (insert full name)

EXHIBIT C - LOAN INFORMATION NOTICE

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CONFIDENTIAL

From: First Community Bank
Loan Servicing Department

To: Marin ~~Clean~~ Energy ~~Authority~~
Noble America's Energy Solutions

Re: New Borrower Notice
MCE On-Bill Repayment Program

Date:

Please accept this notice as authorization to add the following information to the On-Bill Repayment Program:

___ New Borrower

___ Change to Existing Borrower

Borrower Name:

Reference Number: XXXXX-1234

Borrower PG&E Account ID:

Funding Date:

Total Payment Due:

First Payment Date:

Term:

Monthly Payment:

Authorized by:

Date: _____

EXHIBIT D – OBR LOAN CORRECTION NOTICE

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PLEASE NOTE THAT A CORRECTION IS REQUIRED FOR THE FOLLOWING OBR LOAN CUSTOMER:

BORROWER NAME:

BORROWER REFERENCE NUMBER:

BORROWER PG&E ACCOUNT ID:

REPORT DATE:

THE CORRECTION IS REQUIRED IN THE FOLLOWING FIELD:

- OUTSTANDING OBR LOAN BALANCE SHOULD BE CHANGED FROM: TO:
- CURRENT OBR LOAN PAYMENT SHOULD BE CHANGED FROM: TO:
- DELINQUENT AMOUNT SHOULD BE CHANGED FROM: TO:
- LATE FEES: \$ _____
- MONTH FOR WHICH LATE FEES ARE TO BE ASSESSED:

OTHER:

AUTHORIZED BY:

DATE: _____

EXHIBIT E – NOTICE OF LOAN LOSS RESERVE ADVANCE

From: First Community Bank

Loan Servicing Department

To: Marin Clean Energy ~~Authority~~

Re: Defaulted OBR Loan

Date:

Please be advised that First Community Bank will be advancing \$ _____ from the Loan Loss Reserve Account effective as of _____ (Date) for the following Borrower:

Borrower Name:

Reference Number: XXXXX-1234

Date Last Payment Received:

Next Payment Due Date:

Total Delinquent Payments: \$

Other costs:

Comment: (describe collection efforts)

Authorized by:

(First Community Bank)

Date: _____

EXHIBIT F – FORM OF LATE PAYMENT NOTIFICATION

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~~NOTICE OF PAST DUE PAYMENT – IMMEDIATE ACTION REQUIRED~~

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[MCE LETTERHEAD]

NOTICE OF OVERDUE PAYMENT: IMMEDIATE ACTION REQUIRED

Dawn Weisz
Executive Officer

Damon Connolly
Chair
City of San Rafael

Kathrin Sears
Vice Chair
County of Marin

Bob McGaskill
City of Belvedere

Alexandra Cook
Town of Corte Madera

Larry Bragman
Town of Fairfax

Len Rifkind
City of Larkspur

Ken Wachtel
City of Mill Valley

Denise Athas
City of Novato

Tom Butt
City of Richmond

Carla Small
Town of Ross

Ford Greene
Town of San Anselmo

Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

781 Lincoln Avenue
Suite 320
San Rafael, CA 94901

1 (888) 632-3674

[INSERT DATE]

[INSERT NAME]

[INSERT ADDRESS LINE 1]

[INSERT ADDRESS LINE 2]

Electric Account Service ID [INSERT SAID#] at [INSERT ADDRESS]

Our records indicate that your payment for Electric Account Service ID [INSERT SAID#] is overdue. Our records also indicate that this account is participating in the On-Bill Repayment program offered by MCE in partnership with First Community Bank. Under the terms of the OBR Loan documents, failure to pay the full amount due as provided on your monthly PG&E Billing Statement may result in a delinquency to both your OBR Loan and your PG&E Bill. If full payment has already been made or a payment arrangement has been established, thank you, and please disregard this notice.

If, however, your account is still outstanding, we ask that full payment of your PG&E bill be made by [INSERT DATE]. Making this payment by [INSERT DATE] will ensure you remain a customer of MCE and will avoid late fees and penalty charges per the terms of your agreement with First Community Bank. Please see the reverse page for payment options.

When you review your bill you will notice that MCE only charges for generating your electricity while PG&E charges for the transmission and delivery of your electricity. MCE's charge for generation replaces what PG&E would charge you for generation. There are no duplicate charges. You will also notice a line item labeled "On-Bill Repayment Charge." This is your loan charge, which is due to First Community Bank and collected on your energy bill. Failure to pay this charge may result in a default on your loan.

Please note: This is the only reminder you will receive. Should you fail to make your payment in full, your service from MCE will be suspended and your electric generation service will be returned to PG&E. If your electric

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account is returned to PG&E, your loan with First Community Bank will be considered in default as provided in your loan documents.

Additionally, If you are returned to PG&E's electric generation service, PG&E will prohibit you from returning to MCE for one year and will enroll you in their Transitional Bundled Commodity Cost (TBCC) rate program, whose rates and terms may vary from PG&E's standard bundled rates. For information about PG&E's TBCC program, please contact PG&E at 1-866-743-0335.

If you think you are receiving this notice in error, you have questions about your bill, or you are experiencing financial hardship and wish to discuss possible payment options, please contact MCE Customer Service at 1-888-632-3674, Monday to Friday between 7 A.M. and 7 P.M. **For questions about your On-Bill Repayment charge only, please contact First Community Bank at (707) 636-XXXX.**

PAYING YOUR ELECTRIC BILL

Payment can be made at any of PG&E's local offices, at pay stations, by mail, by phone, or online.

By Phone:

To pay by phone using an ATM/debit card with STAR, ACCEL, PULSE or NYCE symbol or by electronic check, call 1-866-735-7742 at any time. You will be charged a small convenience fee for each transaction. PG&E will determine how payments are applied.

Online:

To pay online, sign up for e-bills at www.pge.com.

By Mail:

To pay by mail send payment to:

PG&E
750 Lindero St, STE 160
San Rafael CA 94901

In Person:

To pay in person go to any PG&E local office or pay station.

Things to remember when paying in person:

- Credit cards payments may be made over the phone by calling PG&E at 1-866-735-7742 and are not accepted as a payment method in person.
- You may pay by cash, check or money order in person.
- Bring your bill or 11 digit account number with you.

- Retain the receipt for your records (you will need this if you call PG&E about your payment).
- Payments made by 5:00 P.M. post to your account on the same day.

Marin Payment Locations:

PG&E OFFICE AND DROP BOX 750 Lindero Street, Suite 160 San Rafael, CA	CHUBIS STORE* 801 4th Street, San Rafael, CA
SUPERMERCADO MI TIERRA* 175 Belvedere Street San Rafael, CA	MARIN CHECK CASHING* 9 Vivian Way, San Rafael, CA
MARIN CHECK CASHING* 638 4th Street, San Rafael, CA	North Bay Check Cashing* 926 Grant Avenue, Novato, CA

*Authorized Neighborhood Payment Centers are stores or other places of business where you can pay your PG&E bill.

EXHIBIT G – SCHEDULE OF ~~ME~~MCE SERVICE PROVIDERS

PGE – Pacific Gas and Electric (~~provide brief description of relationship~~): PG&E provides energy services for the MCE CCA program as described in Rule 23 and in the PG&E / MCE OBR Agreement.

NES - Noble America's Energy Solutions

~~Project Consultants (list and describe roles)~~

EXHIBIT H – CUSTOMER DISCLOSURE AND CERTIFICATION

You have applied for a loan with First Community Bank to finance certain energy efficiency improvements using the MCE On-Bill Loan Program to facilitate the payments of your On-Bill Repayment Loan (the “OBR Loan”).

This On-Bill Repayment Certification and Consent Form will be included in your executed loan documents with First Community Bank.

Please read this information carefully as it contains important information regarding the OBR Loan.

NOTICE:

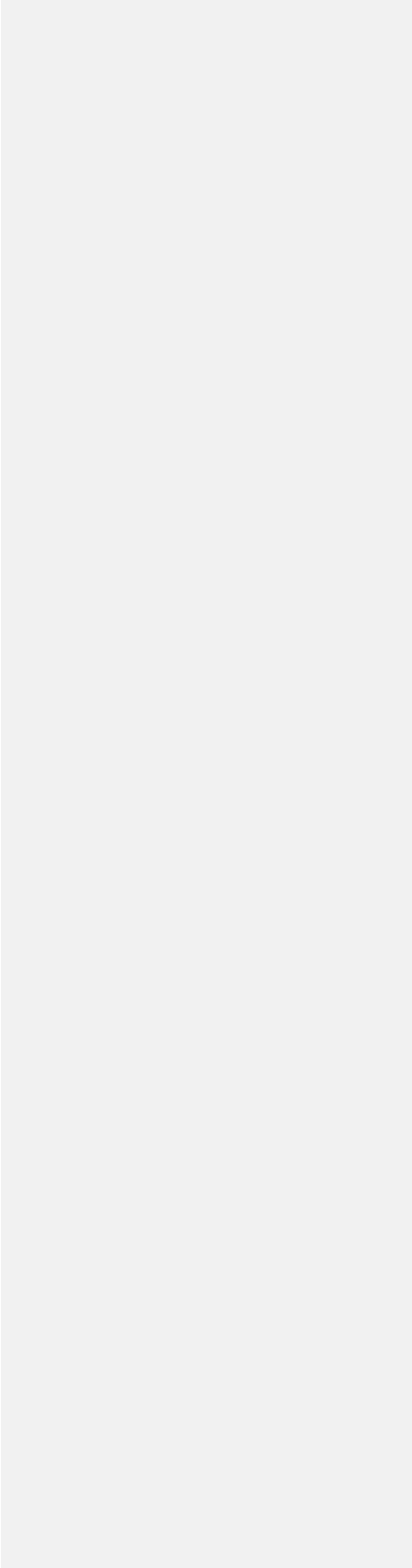
- 1) Monthly installment payments to your OBR Loan will be included as a separate line item on your monthly [PG&E][~~MEA~~MCE] Billing Statement;
- 2) The OBR Loan installment payment is a separate obligation from your agreement and obligations with [PG&E][~~MEA~~MCE].
- 3) Failure to pay your monthly PG&E Billing Statement, which includes both the [PG&E][~~MEA~~MCE] amounts due and the OBR Loan payment due, in full each month **can result in a short or delinquent payment to your OBR Loan.**
- 4) If you become delinquent on any portion of an OBR Loan or a [PG&E][~~MEA~~MCE], **all future payments will be applied on a pro-rated basis between the OBR Loan and the [PG&E][~~MEA~~MCE] portion of the billing statement.**
- 5) First Community Bank may bill you separately for any delinquent or late charges due, these amounts are due and payable even if they are not included on the PGE Billing Statement.
- 6) If you are not delinquent and choose to repay your OBR Loan in full before the anticipated final installment, this payment must be made directly to First Community Bank.
- 7) Your OBR Loan will be immediately due in payable in full if any of the following conditions occur: 1) You sell the property to which the improvements are made, 2) You no longer participate in MCE’s ~~Program~~OBR Loan program, 3) The information provided in obtaining the OBR Loan was fraudulent and/or 4) You default under any term or condition of your OBR Loan.
- 8) The purpose of the OBR Loan is to fund energy efficient improvements as provided on a project summary – energy audit (the “Energy Audit”); you will be required to notify First Community Bank immediately upon the discovery of any condition during installation or construction that would alter or increase the costs provided in the Energy Audit.

CONSENT

- 1) I HAVE READ AND UNDERSTOOD THE INFORMATION IN THIS DOCUMENT;
- 2) I HEREBY AUTHORIZE [PGE-~~MEAMCE~~] TO SHARE MY PGE INFORMATION WITH FIRST COMMUNITY BANK
- 3) I HEREBY AUTHORIZE FIRST COMMUNITY BANK TO SHARE INFORMATION WITH [~~MEAMCE~~-PGE]
- 4) I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-~~MEAMCE~~] AND FIRST COMMUNITY BANK
- 5) I UNDERSTAND THAT I MUST NOTIFY FIRST COMMUNITY BANK OF ANY INCREASED COSTS ASSOCIATED WITH THE SCOPE OF THE WORK APPROVED BY FIRST COMMUNITY BANK. FIRST COMMUNITY BANK IS UNDER NO OBLIGATION TO FUND THE OBR LOAN IF THE INCREASED COSTS ARE NOT COVERED BY SOURCES OUTSIDE OF THE OBR LOAN.

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Marin Clean Energy “MCE” Commercial Solar Loans

For Bank Use Only

Basic Terms	Unsecured
<i>Minimum Loan Amount</i>	\$50,000
<i>Maximum Loan Amount</i>	none
<i>Payment Schedule</i>	Monthly Principal & Interest, fully amortized
<i>Interest Rate</i>	Prime + 2.7% with a ceiling of 7.95% if a bank customer; Prime + 3.25% if not a bank customer
<i>Maximum Term</i>	20 years
<i>Sample Monthly Payments</i>	\$356.77 Based on a \$50,000 loan amount;
<i>Annual Percentage Rate (APR) as of 3/xx/13</i>	6.612% Based on a \$10,000 loan amount.
<i>Security</i>	Lien on subject property
<i>Qualifications for transactions from \$50,000 to \$150,00</i>	Proof of property ownership; Property Taxes Current; 3 consecutive years of profitable operations; minimum net worth
<i>Qualifications for transactions over \$150,000</i>	Standard bank underwriting criteria apply
<i>Upfront Application Fee</i>	\$50 (paid in cash)
<i>Documentation Fee</i>	\$495 (financed)
<i>Late Fees</i>	none

RATES AND FEES SUBJECT TO REVIEW AND CHANGE ANNUALLY.





Marin Clean Energy “MCE” Consumer Solar Loans

For Bank Use Only

Basic Terms	Unsecured
<i>Minimum Loan Amount</i>	\$10,000
<i>Maximum Loan Amount</i>	\$50,000
<i>Payment Schedule</i>	Monthly Principal & Interest, fully amortized
<i>Interest Rate</i>	Prime + 2.7% with a ceiling of 7.95%
<i>Maximum Term</i>	20 years
<i>Sample Monthly Payments</i>	\$71.35 <small>Based on a \$10,000 loan amount;</small>
<i>Annual Percentage Rate (APR) as of 3/xx/13</i>	6.612% <small>Based on a \$10,000 loan amount.</small>
<i>Minimum FICO Score</i>	680
<i>Qualifications</i>	Proof of Homeownership; Property Taxes Current
<i>Upfront Application Fee</i>	\$50 (paid in cash)
<i>Documentation Fee</i>	\$150 (financed)
<i>Late Fees</i>	none
<i>Joint Applicants:</i>	<ul style="list-style-type: none"> • FICO Scores based on an average of both applicants • If one score is below 680, the applicants do not qualify

RATES AND FEES SUBJECT TO REVIEW AND CHANGE ANNUALLY.



Marin Clean Energy “MCE” Consumer Loans



February 6, 2014

TO: Marin Clean Energy Board

FROM: Sarah Ritter, Administrative Associate

RE: Fourth Agreement with Lehman, Levi, Pappas & Sadler (Agenda Item #5 – C.7)

ATTACHMENT: Fourth Agreement with Lehman, Levi, Pappas & Sadler

Dear Board Members:

SUMMARY:

Lehman Levi Pappas & Sadler (LLPS) has been providing legislative support to MCE since 2011. LLPS supported MCE's work in SB790 which resulted in legislative mandates that helped to level the playing field for CCA and enhance the ability of CCA's to administer energy efficiency programs. Since the passage and approval of SB790 LLPS has been continuing to support MCE's work by monitoring and communicating legislative activity that impacts CCA, representing MCE in strategic meetings as needed, and convening stakeholders with key MCE staff to ensure State decision-makers are well informed about MCE's progress and activities.

The proposed Fourth Agreement would allow for LLPS to continue to act as a contract lobbyist on behalf of MCE with an increased scope of work. Work would continue to be provided by Emily Pappas and would occur as needed and as requested by the Executive Officer of MCE.

Staff recommends increasing the monthly retainer to \$7,500 to cover additional services provided by LLPS as described in the attached agreement. Because the Third Agreement expires on March 31, 2014, the Fourth Agreement would terminate the existing Agreement and put into effect the Fourth Agreement starting March 1, 2014 and expiring on March 31, 2015.

Recommendation: Approve the Fourth Agreement with Lehman, Levi, Pappas & Sadler.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FOURTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND LEHMAN, LEVI, PAPPAS & SADLER**

THIS FOURTH AGREEMENT ("Agreement") is made and entered into this day **February 6, 2014** by and between the MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and **Lehman, Levi, Pappas & Sadler**, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: **Contractor will act as a contract lobbyist on behalf of MCE as needed and as requested by the Executive Officer of MCE.**

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by MCE, the parties agree to the following:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:

The MCE agrees to make available all pertinent data and records for review, subject to MCE Policy 001 - Confidentiality.

3. FEES AND PAYMENT SCHEDULE:

The fees and payment schedule for furnishing services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement. Contractor shall provide MCE with his/her/its Federal Tax I.D. number prior to submitting the first invoice. Contractor shall invoice MCE within 90 days of any services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond 90 days will not be reimbursable.

4. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **\$97,500**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **March 1, 2014**, and shall terminate on **March 31, 2015**. Certificate(s) of Insurance must be current on the day the Agreement commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor. The final invoice must be submitted within 30 days of completion of the stated scope of services.

6. INSURANCE:

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming the Marin Clean Energy and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to the MCE prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to MCE of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Contractor's obligations under Section 16 of this Agreement to indemnify, defend and hold the MCE harmless from any and all liabilities arising from the Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement. MCE agrees to timely notify the Contractor of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the agreement. In addition to any other available remedies, MCE may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

6.1 GENERAL LIABILITY

The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than one million dollars (\$1,000,000) with a two million dollar (\$2,000,000) aggregate limit. The MCE shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page. (see sample form: ISO - CG 20 10 11 85).

6.2 AUTO LIABILITY

Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Contractor in order to perform said services, Contractor shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit (\$1,000,000.00).

6.3 WORKERS' COMPENSATION

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to MCE prior to commencement of work.

6.4 PROFESSIONAL LIABILITY INSURANCE

Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Agreement effective date, the contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Contractor shall maintain a policy limit of not less than \$1,000,000 per incident. If the deductible or self-insured retention amount exceeds \$100,000, the MCE may ask for evidence that contractor has segregated amounts in a special insurance reserve fund or contractor's general insurance reserves are adequate to provide the necessary coverage and the MCE may conclusively rely thereon.

7. NONDISCRIMINATORY EMPLOYMENT:

Contractor and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of the MCE except for any subcontract work identified herein. If Contractor hires a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Agreement and shall require subcontractor to name Contractor as additional insured under this Agreement. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to the MCE evidence of same.

9. ASSIGNMENT:

The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the MCE.

10. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. MCE shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Contractperiod and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MCE. Contractor shall refund any monies erroneously charged.

11. WORK PRODUCT:

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of the MCE upon payment to Contractor for such work. The MCE shall have the exclusive right to use such materials in its sole discretion without further compensation to

Contractor or to any other party. Contractor shall, at the MCE's expense, provide such reports, plans, studies, documents and writings to the MCE or any party the MCE may designate, upon written request. Contractor may keep file reference copies of all documents prepared for the MCE.

12. TERMINATION:

- A. If the Contractor fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, the MCE may terminate this Agreement by giving five (5) calendar days written notice to the party involved.
- B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- C. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s).

13. AMENDMENT:

This Agreement may be amended or modified only by written agreement of all parties.

14. ASSIGNMENT OF PERSONNEL:

The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MCE, as is evidenced in writing.

15. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

16. INDEMNIFICATION:

Contractor agrees to indemnify, defend, and hold MCE, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement.

17. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS:

The Contractor shall comply with any and all Federal, State and local laws and resolutions (including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Resolution #2005-97 of the Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Agreement. Copies of any of the above-referenced local laws and resolutions may be secured from the MCE's contact person referenced in paragraph 19. NOTICES below.

19. NOTICES

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted and approved by this Contract Manager and all notices shall be given to MCE at the following location:

Contract Manager: Sarah Ritter, Administrative Associate

MCE Address: 781 Lincoln Ave., Suite 320

San Rafael, CA 94901

Telephone No.: (415) 464-6028

Notices shall be given to Contractor at the following address:

Contractor: Lehman, Levi, Pappas & Sadler
 ATTN: Emily Pappas

Address: 1215 K Street, Suite #1010

 Sacramento, CA 95814

Telephone No.: (916) 441-5333

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

21. TERMINATION OF THIRD AGREEMENT

MCE and Contractor hereby concurrently terminate the Third Agreement between MCE and Contractor dated March 7, 2013. This Agreement supersedes all prior agreements.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

APPROVED BY

Marin Clean Energy:

By: _____
Executive Officer

By: _____
Chairman

CONTRACTOR:

By: _____
Name: _____

MCE COUNSEL REVIEW AND APPROVAL (Only required if any of the noted reason(s) applies)

REASON(S) REVIEW:

- Standard Short Form Content Has Been Modified
- Optional Review by MCE Counsel at Marin Clean Energy's Request

MCE Counsel: _____

Date: _____

EXHIBIT A
SCOPE OF SERVICES (required)

Lehman, Levi, Papas and Sadler (LLPS) will act as contract lobbyist on behalf of MCE. Work will be provided primarily by Emily Pappas. Activities will include:

- Maintain constant communication with MCE staff.
- Monitor on a daily basis all bills that are introduced and amended.
- Provide immediate notification of bills and related legislative activities that impact MCE. This includes any lobbying efforts directed for and against MCE, and the context surrounding them.
- Maintain a regularly updated bill tracking record.
- Monitor state regulatory agencies, such as the CPUC and CEC.
- Continuously educate members of the Legislature, key legislative staff, members of the Governor's Administration, and other key Capitol decision makers about MCE. This will include legislators that represent areas of MCE expansion.
- Continuously cultivate MCE's relationships with its own legislative delegation.
- Set up meetings for MCE and legislators, key committee staff, members of the Governor's Administration, and relevant interest groups as needed.
- Actively lobby bills that either support or negatively impact MCE when directed to do so. These activities include:
 - Working with MCE staff on drafting letters of support or opposition, and delivering those letters to the correct players.
 - Providing strategic advice on how to effectively achieve MCE's desired outcome.
 - Testifying in committees.
 - Lobbying legislators.
 - Lobbying the Governor's office.
 - Lobbying appropriate regulatory agencies to support MCE's positions.
 - Soliciting support from MCE's allies.
- On bills sponsored by MCE, or requiring amendments, activities will include, in addition to those listed above:
 - Assistance in drafting language, and inserting it into applicable bills, such as the Budget Act.
 - Garnering support from effective Capitol-based entities that share MCE's position.
- Assist MCE in efforts to build an effective statewide coalition with MCE supporters in order to push MCE legislative goals to the finish line.
- Identify opportunities that will enhance MCE's clout both in the Capitol and in regulatory agencies, such as supporting gubernatorial appointees requiring confirmation by the State Senate.
- Prepare necessary documents for filing with the Secretary of State and provide these documents to MCE for approval and signature.

EXHIBIT B
FEES AND PAYMENT SCHEDULE (required)

Fees for professional services under this agreement will be billed monthly for all services rendered. A monthly retainer of \$7,500 will be paid by MCE to Contractor for each month of service beginning March 1, 2014 until the end of the Agreement. The cost to MCE of this Agreement shall not exceed \$97,500.

RESOLUTION NO. 2014-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY HONORING BOARD MEMBER KENNETH R. WACHTEL

WHEREAS, Marin Clean Energy is a joint powers authority established on December 19, 2008, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, Marin Clean Energy members include the following communities: the County of Marin, the City of Belvedere, the Town of Corte Madera, the Town of Fairfax, the City of Larkspur, the City of Mill Valley, the City of Novato, the Town of San Anselmo, the City of San Rafael, the City of Sausalito, the City of Richmond, the Town of Ross, and the Town of Tiburon; and

WHEREAS, the City of Mill Valley executed the Joint Powers Agreement establishing membership in Marin Clean Energy on December 2, 2008; and

WHEREAS, Ken Wachtel was elected to the Mill Valley City Council in November 2007, where he continues to enthusiastically serve. He has been a dedicated public servant, a strong environmental leader with a focused business sense, and an advocate for the betterment of the City of Mill Valley; and

WHEREAS, Director Wachtel currently serves as Vice Mayor of the City of Mill Valley; and

WHEREAS, on February 2, 2012 Director Wachtel was appointed to represent the City of Mill Valley on the Marin Clean Energy Board of Directors; and

WHEREAS, Director Wachtel has shown his dedication and commitment to Marin Clean Energy through his conscientious and thoughtful service on the Board of Directors and its Executive Committee; and

WHEREAS, Director Wachtel's keen legal eye identified issues for discussion by the Board, resulting in better fully informed decisions by the Board.

WHEREAS, Director Wachtel has been an interested team member, offering a steadying presence on the Board with his objective analysis of issues and thought-provoking questions, which will be sorely missed by his Board colleagues; and

WHEREAS, the Marin Clean Energy Board of Directors and staff thank Director Wachtel for his support and interest in the agency, its goals and purpose.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Marin Clean Energy that the Marin Clean Energy Board and staff do hereby extend to Ken Wachtel our appreciation for his dedicated service, our congratulations on his future endeavors, and our best wishes for his continued success, happiness, and good health in the years to come.

PASSED AND ADOPTED at a regular meeting of the Marin Clean Energy Board of Directors on this 6th day of February 2014, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
City of Belvedere				
Town of Corte Madera				
Town of Fairfax				
City of Larkspur				
County of Marin				
City of Mill Valley				
City of Novato				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Rafael				
City of Sausalito				
Town of Tiburon				

 CHAIR, MARIN CLEAN ENERGY BOARD

Attest:

 SECRETARY, MARIN CLEAN ENERGY BOARD



February 6, 2014

TO: Marin Clean Energy Board

FROM: Emily Goodwin, Internal Operations Coordinator

RE: Proposed Resolution 2014-02 with River City Bank (Agenda Item #7)

ATTACHMENT: Resolution 2014-02 with River City Bank Naming Officials Authorized to Transact Business on Operating Account

Dear Board Members:

SUMMARY:

River City Bank has been Marin Clean Energy's (MCE) primary bank since March 8, 2010. River City Bank has a new account policy as of July 1, 2013 due to public funds requirements from the California Department of Financial Institution.

Those requirements include a resolution passed by the governing body naming the officials authorized to transact business on existing accounts. The treasurers of the local agency must confirm the names, titles and authority of each of the public entity's representatives by completing and signing the resolution.

MCE has four existing accounts with River City Bank including an operating, money market, payroll and energy efficiency account, on which the new banking security requirements apply. Dawn Weisz, Executive Officer, is MCE's primary agency representative and, using existing control protocols, has authority to request new accounts, transact business on those accounts and authorize other representatives on those accounts.

While MCE has not been required to provide a Resolution of this nature in years prior, based on River City Bank's new account policy, the proposed resolution affirms that MCE's governing body has designated Dawn Weisz as primary representative on all existing River City Bank accounts listed above. By doing so, your Board will ensure we have fulfilled all updated requirements and are in compliance with new regulations from the bank.

Recommendation: Adopt the proposed Resolution 2014-02 with River City Bank.

RESOLUTION NO. 2014-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY WITH RIVER CITY BANK NAMING OFFICIALS AUTHORIZED TO TRANSACT BUSINESS ON EXISTING ACCOUNTS

WHEREAS, Marin Clean Energy (MCE) is a joint powers authority established on December 19, 2008, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, Marin Clean Energy members include the following communities: the County of Marin, the City of Belvedere, the Town of Corte Madera, the Town of Fairfax, the City of Larkspur, the City of Mill Valley, the City of Novato, the Town of San Anselmo, the City of San Rafael, the City of Sausalito, the City of Richmond, the Town of Ross, and the Town of Tiburon; and

WHEREAS, River City Bank has been Marin Clean Energy's primary bank since March 8, 2010; and

WHEREAS, River City Bank has a new account policy as of July 1, 2013 based on public funds policy requirements of the California Department of Financial Institutions; and

WHEREAS, those requirements include a resolution passed by the governing body naming the officials authorized to transact business on existing accounts. The treasure(s) of the local agency must confirm the names, titles and authority of each of the public entity's representatives by completing and signing the resolution; and

WHEREAS, Dawn Weisz, Executive Officer is MCE's representative and has primary authority to request new accounts, transact business on those accounts and authorize other representatives on those accounts; and

WHEREAS, Marin Clean Energy has four existing accounts with River City Bank including an operating, money market, payroll and energy efficiency account, on which the new banking security requirements apply.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Marin Clean Energy that the Marin Clean Energy Board designates the Executive Officer as the MCE representative with primary authority to transact business on existing River City Bank accounts.

PASSED AND ADOPTED at a regular meeting of the Marin Clean Energy Board of Directors on this 6th day of February 2014, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
City of Belvedere				
Town of Corte Madera				
Town of Fairfax				
City of Larkspur				
County of Marin				
City of Mill Valley				
City of Novato				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Rafael				
City of Sausalito				
Town of Tiburon				

CHAIR, MARIN CLEAN ENERGY BOARD

Attest:

SECRETARY, MARIN CLEAN ENERGY BOARD

TREASURER, MARIN CLEAN ENERGY BOARD



February 6, 2014

TO: Marin Clean Energy Board

FROM: Greg Morse, Business Analyst

RE: Proposed Budget for Fiscal Year 2015 (Agenda Item #8)

ATTACHMENT: Att. A - Proposed Budget for Fiscal Year Ending March 31, 2015
Att. B - Supplemental Schedule

Dear Board Members:

SUMMARY:

Before the end of every fiscal year (FY), MCE's Board has the responsibility to set forth a budget for the upcoming FY. An initial FY2015 budget draft was reviewed and discussed in the January Executive Committee meeting. The attached budget reflects MCE's anticipated revenue and expenses for the 2015 fiscal year which will run from April 1st of 2014 until March 31st of 2015.

The attached Proposed Budget for Fiscal Year Ending March 31, 2015 sets forth the following line items:

- Revenue: The proposed FY 2015 budget reflects a rise in the unit cost of energy detailed in agenda item 7.
- Cost of Energy: MCE's per unit cost of energy will increase due to rising energy procurement costs.
- Personnel: The FY 2015 budget reflects modest increases in staffing costs, as MCE scales up to full implementation with the inclusion of additional human resources, regulatory, and administrative support.
- Technical Consultants: MCE's technical consultant costs will slightly decrease in FY 2015.
- Legal Counsel: MCE's legal needs are expected to increase to accommodate additional regulatory filings, legislative work, and strategic planning in FY 2015.
- Communications: The amount budgeted for communications in FY 2015 is equivalent to the adjusted FY 2014 communications budget.
- Data Manager: Data management costs will increase slightly in FY 2015 as MCE will have a full year with the Richmond customer base.

- PG&E Service Fees: PG&E service fees, which are primarily charged on a per customer basis, will increase in FY 2015 due to MCE's increased number of customers.
- Other Services: The other services line item includes: audit, accounting, and information technology, among others.
- General and Administration: The general and administration line includes: data and office telephone service, insurance, office and equipment rentals, subscriptions, travel, business meals, other services, conferences, professional education, special events sponsorship, office supplies and postage, and small equipment. The budget has been increased to accommodate the increase in the number of MCE staff.
- Capital Outlay: MCE anticipates no change in capital expenditures in the coming fiscal year.
- Debt Service: This line item reflects MCE's debt service expenses and is not expected to change in the coming fiscal year.

Recommendation: Approve Proposed Budget for Fiscal Year Ending March 31, 2015.

MARIN CLEAN ENERGY

OPERATING FUND Proposed Budget Fiscal Year 2014-15

	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>Increase (Decrease)</u>
REVENUE AND OTHER SOURCES:			
Revenue - Electricity (net of allowance)	\$ 86,865,000	101,138,394	\$ 14,273,394
Total sources	<u>86,865,000</u>	<u>101,138,394</u>	<u>14,273,394</u>
EXPENDITURES AND OTHER USES:			
CURRENT EXPENDITURES			
Cost of energy	76,427,000	88,410,551	11,983,551
Personnel	1,512,000	1,950,000	438,000
Technical consultants	594,000	560,000	(34,000)
Legal counsel	260,000	335,000	75,000
Communications consultants and related expenses	750,000	750,000	-
Data manager	2,534,000	2,670,000	136,000
Service fees- PG&E	603,000	670,000	67,000
Other services	333,000	300,000	(33,000)
General and administration	297,000	350,000	53,000
Marin County green business program	15,000	15,000	-
Solar rebates	10,000	25,000	15,000
Total current expenditures	<u>83,335,000</u>	<u>96,035,551</u>	<u>12,700,551</u>
CAPITAL OUTLAY	20,000	20,000	-
DEBT SERVICE	1,195,000	1,195,000	-
INTERFUND TRANSFER TO:			
Local Renewable Energy Development Fund	51,536	109,994	58,458
Total expenditures	<u>84,601,536</u>	<u>97,360,545</u>	<u>12,759,009</u>
Net increase (decrease) in available fund balance	<u>\$ 2,263,464</u>	<u>\$ 3,777,849</u>	<u>\$ 1,514,385</u>

MARIN CLEAN ENERGY

ENERGY EFFICIENCY PROGRAM FUND

Proposed Budget

Fiscal Year 2014-15

	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>Increase (Decrease)</u>
REVENUE AND OTHER SOURCES:			
Public purpose energy efficiency program	\$ 2,100,000	\$ 1,505,702	(594,298)
EXPENDITURES AND OTHER USES:			
CURRENT EXPENDITURES			
Public purpose energy efficiency program	<u>2,100,000</u>	<u>1,505,702</u>	<u>(594,298)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LOCAL DEVELOPMENT RENEWABLE ENERGY FUND

Proposed Budget

Fiscal Year 2014-15

	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>Increase (Decrease)</u>
REVENUE AND OTHER SOURCES:			
Transfer from Operating Fund	\$ 51,536	\$ 109,994	58,458
EXPENDITURES AND OTHER USES:			
Capital Outlay	<u>51,536</u>	<u>109,994</u>	<u>58,458</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARIN CLEAN ENERGY

OPERATING FUND BUDGET SUPPLEMENTAL SCHEDULE Fiscal Year 2014-15

Other services

Audit	30,000
Accounting	120,000
Human resources & payroll fees	5,000
IT Consulting	40,000
Legislative consulting	40,000
Other professional fees	65,000
Total Other services	\$ 300,000

General and administration

Business meals	1,000
Conferences and professional education	5,000
Data and telephone service	27,000
Dues and subscriptions	40,000
Insurance	15,000
Office and meeting rentals	200,000
Office equipment lease	10,000
Travel	7,000
Office supplies and postage	30,000
Other administration	15,000
Total General and administration	\$ 350,000



February 6, 2014

TO: Marin Clean Energy Board

FROM: John Dalessi, Operations and Development

RE: Proposed Marin Clean Energy Rates for Fiscal Year 2015
(Agenda Item #9)

ATTACHMENT: Marin Clean Energy Proposed FY 2015 Rates

Dear Board Members:

SUMMARY:

The Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) describes the policies and procedures for setting and modifying electric rates for the Marin Clean Energy (MCE) program. As described in the Implementation Plan, the MCE annual ratesetting process is coordinated with the establishment of fiscal year program budgets. MCE rates are typically reviewed on an annual basis during the month of January to consider whether rate changes are warranted in consideration of the next fiscal year’s projected budget and in consideration of other ratesetting objectives such as rate competitiveness, rate stability, customer understanding and equity among customers. Final rates for the fiscal year are typically adopted during the month of April.

MCE’s ratesetting policies establish a sixty-day public review period for proposed rate changes before final rates are adopted by the Board. Acceptance of the proposed rates initiates the public review period. The proposed rates set forth in Attachment A should be considered preliminary and subject to revision pending adoption of the fiscal year budget in March. Accordingly, final rates would be adopted at the April, 2014 Board meeting.

BACKGROUND – MCE RATESETTING CYCLE, POLICIES AND PROCESS

Ratesetting Cycle

MCE typically adjusts MCE rates on an annual basis, and the new rates go into effect at or near the start of the fiscal year. Ratesetting is coordinated with the annual budgeting cycle due to the inherent linkages between MCE program budgets and MCE rates. Rates could be adjusted more frequently than annually, if necessary to ensure recovery of all MCE program costs, but this is not typical and has not been necessary to date.

Proposed rates are typically presented to your Board in February, based on the proposed upcoming fiscal year budget. This release of the proposed rates initiates a sixty-day public review and comment period. If rate increases are being proposed, the affected MCE customers are provided with notice of said rate increase. Following completion of the sixty-day public review and comment period, final rates are adopted by your Board in April and placed into effect the following day. Final rates may differ from the initially proposed rates to account for changes resulting from adoption of the final fiscal year budget, consideration of public comments received on the initial proposed rates, and/or other factors that may be considered by your Board.

Ratesetting Policies

MCE has established various policies that are considered in designing MCE rates. These ratesetting policies include the following:

Revenue sufficiency: rates must recover all program expenses, debt service requirements, and prudent reserves; i.e., the “revenue requirement”.

Rate competitiveness: rates must allow MCE to successfully compete in the marketplace to retain and attract customers.

Rate stability: rates changes should be minimized to reduce customer bill impacts.

Customer understanding: rates should be simple, transparent and easily understood by customers.

Equity among customers: rate differences among customers should be justified by differences in usage characteristics or cost of service.

Efficiency: rates should encourage conservation and efficient use of electricity (e.g., off-peak vehicle charging).

To the extent that the policies may be in tension with one another, the rate proposal attempts to strike an appropriate balance. For example, a cost-of-service analysis might suggest that a particular rate should be increased, but the increase might be limited in the interest of rate stability or rate competitiveness. In accordance with the Implementation Plan, the policy of revenue sufficiency may not be violated; however, the Board may use discretion in how the other ratesetting policies are reflected in MCE rates.

Ratesetting Process

The ratesetting cycle begins with a forecast of MCE sales for the coming fiscal year. The forecast includes the number of customers that are expected to be enrolled and taking service on each of the MCE rate schedules as well as the monthly billing quantities expected under each rate schedule. Depending upon the rate schedule in question, billing quantities can include monthly kWh, kWh during specified time-of-use periods (on-peak, partial peak, off-peak), maximum monthly kW demand and maximum kW during specified time-of-use periods. The forecasted billing quantities are used to derive a forecast of revenues at current (and proposed) MCE rates.

The projected revenue at current rates, termed “present rate revenues”, are compared to the fiscal year budget that must be funded through rates (the “revenue requirement”) to

determine whether rate adjustments are warranted to address any projected surplus or deficit.

As an interim step in the rate design process, the revenue requirement is first allocated to customer classes. Customers are classified based on end-use and other service characteristics in an attempt to represent groups of customers with relatively similar cost-of-service profiles within the group. MCE has established nine customer classes that includes residential (Res-1), small commercial (Com-1 and Com-6), medium commercial (Com-10), large commercial (Com-19), industrial (Com-20), agricultural (Ag), street lighting (SL) and traffic control (TC) end uses. Revenues are allocated based on a cost of service analysis, assessment of competitiveness, and other policy considerations.

Rates are designed for the various rate schedules associated with each customer class in order to recover the revenues allocated to that class. There are currently 29 rate schedules that MCE customers may take service under.

FY 2015 PROPOSED RATES

Proposed rates have been developed consistent with the proposed budget referenced in Agenda Item #6. The proposed rates have been reviewed with the MCE Ad Hoc Ratesetting Committee, and that Committee recommends that they be accepted by your Board for consideration.

FY 2015 Revenue Requirement

The FY 2015 revenue requirement is based on the proposed FY 2015 budget. The difference between the revenue requirement and the budgeted revenue is due to the revenue deficiency associated with uncollectible customer accounts. The proposed revenue requirement for FY 2015 is \$101,646,627 as shown in Table 1. Revenues at present rates are projected to yield \$95,018,065, resulting in a need to increase rates by approximately 7% to avoid a projected deficiency of \$6,628,627. The increase is primarily related to higher power supply costs expected for FY 2015 relating to higher energy prices under existing power purchase agreements and increasing renewable energy requirements associated with the renewable portfolio standards program.

Table 1: Proposed FY 2015 Revenue Requirement

Revenues	
Present Rate Revenues	\$ 95,018,065
Expenses	
Power Supply Expenses	\$88,410,551
Other Operational Expenses	\$7,585,000
Debt Service	\$1,195,000
Uncollectible Accounts	\$508,233
Solar Rebates and Green Business	\$40,000
Capital Outlay	\$20,000
Local Renewable Energy Development Fund	\$109,994

Reserve Contribution	\$3,777,849
Total Revenue Requirement	\$101,646,627
Surplus (Deficiency) in Funds	\$ (6,628,562)
Required Rate Increase	7%

Proposed FY 2015 Revenue Allocation

MCE proposes to allocate revenues to customer classes using a system average percentage change methodology, meaning that revenues allocated to each customer class would increase by the same percentage as shown in Table 2.

Table 2: Proposed Class Revenue Allocation (FY2015 rates)

Rate Group	Revenue at Present Rates	Revenue at Proposed Rates	Change in Revenues	% Change
Residential	\$45,831,159	\$49,028,390	\$3,197,231	7%
Small Commercial 1 (Com-1)	\$11,795,757	\$12,618,642	\$822,885	7%
Small Commercial 2 (Com-6)	\$2,582,497	\$2,762,654	\$180,158	7%
Medium Commercial (Com-10)	\$12,245,315	\$13,099,561	\$854,246	7%
Large Commercial (Com-19)	\$13,414,046	\$14,349,824	\$935,778	7%
Industrial (Com-20)	\$7,881,970	\$8,431,824	\$549,855	7%
Agricultural	\$250,518	\$267,994	\$17,476	7%
Street Lighting (SL-1)	\$940,892	\$1,006,529	\$65,638	7%
Traffic Control (TC-1)	\$75,912	\$81,208	\$5,296	7%
Total	\$95,018,065	\$101,646,627	\$6,628,562	7%

In order to inform and guide the rate proposal, staff has performed a cost-of-service analysis and a comparative rate analysis to ascertain how MCE rates compare to costs as well as how they compare to the rates charged by PG&E.¹ In evaluating these considerations, there was no clear case to be made for modifying the system average percentage change revenue allocation results.

Table 2 summarizes the results of the cost-of-service and competitive rate assessment. For ease of comparison, figures are shown as single cents-per-KWh average revenue or cost for each customer classification. Table 2 compares the average revenue paid by each customer class under the proposed rate structure to the average cost-of-service for

¹ In comparing rates it should be noted that the MCE standard "Light Green" rates provide a 50% renewable energy content as compared to the 20% renewable energy content currently offered by PG&E. The referenced PG&E rates are as effective January 1, 2014. Note that PG&E rates may change prior to the effective date of the MCE FY2015 rate change.

the respective customer class and to the average revenues that would be paid under the currently effective PG&E generation rates.

Table 2: FY 2014 Proposed Rate Comparative Analysis Summary (Class Average Rates)²

Rate Group	Proposed MCE Average Revenue (cents per kwh)	MCE Cost of Service (cents per kwh)	PG&E Generation Average Revenue ³ (cents per kwh)	PG&E CCA Surcharges ⁴ (cents per kwh)
Residential	7.9	8.2	8.7	1.1
Small Commercial 1 (Com-1)	7.9	8.0	9.1	1.0
Small Commercial 2 (Com-6)	7.6	7.5	9.5	1.0
Medium Commercial (Com-10)	8.4	7.7	9.4	1.1
Large Commercial (Com-19)	7.6	7.5	8.8	0.9
Industrial (Com-20)	7.1	7.0	8.2	0.8
Agricultural	6.9	7.6	7.7	1.0
Street Lighting (SL-1)	7.3	6.6	7.8	0.2
Traffic Control (TC-1)	7.5	8.2	7.6	1.0
Total	7.9	7.9	8.8	1.1

The proposed revenue allocation strikes a balance between the objectives of rate competitiveness (comparison to PG&E), equity (comparison to cost) and stability (comparison to current).

As reflected in Table 2, the proposed MCE rates are generally lower than the generation rates currently charged by PG&E. Total customer generation costs, which include the MCE charges as well as the cost impacts of the PG&E CCA surcharges, are generally lower for MCE customers in the Large Commercial, Industrial and Street Lighting classifications and higher for customers in the Residential, Medium Commercial, Agricultural and Traffic Control classifications.

Rate Design

The proposed rate change is implemented by applying the average percentage change for the respective customer class shown in Table 2 to each current MCE rate component. Using Schedule Com-6 as an example, there are five MCE rate components (energy charges by season and time-of-use period), and each of those charges will be increased by 7% from their current levels. This approach to rate design maintains the existing rate differentials among the various MCE charges, furthering the interest of rate stability.

² Figures in Table 2 are averages for the respective customer classes. Individual customer rates may vary.

³ PG&E class average generation revenue for 2014 are calculated for the MCE customer base using rates contained in PG&E Advice Letter 4278-E-B, filed December 31, 2013. The total figures shown reflect a weighted average for the MCE customer base.

⁴ PG&E CCA surcharges include the Power Charge Indifference Adjustment and the Franchise Fee Surcharge. Figures are class averages for the 2013/2014 vintage.

The Termination Fee applicable to customers departing MCE service after the opt-out period is proposed to remain at \$5 for residential customers and \$25 for non-residential customers. The Cost Recovery Charge component of the Termination Fee is proposed to remain at zero based on the positive market value of the MCE supply portfolio.

Recommendation: Accept the proposed rates contained in Attachment A, subject to approval of final FY 2015 rates in April, 2014.

**MARIN CLEAN ENERGY
PRESENT AND FY 2015 PROPOSED RATES**

PG&E EQUIVALENT SCHEDULE	MCE RATE SCHEDULE	UNIT/PERIOD	PRESENT RATE	PROPOSED RATE
<u>RESIDENTIAL CUSTOMERS</u>				
E-1, M, S, SR, T	RES-1			
	ENERGY CHARGE (\$/KWH)	All Energy	0.07400	0.07900
EL-1 (CARE)	RES-1-L			
	ENERGY CHARGE (\$/KWH)	All Energy	0.07400	0.07900
E-6	RES-6			
	ENERGY CHARGE (\$/KWH)	Summer Peak	0.19300	0.20600
		Summer Part Peak	0.08000	0.08600
		Summer Off-Peak	0.05400	0.05800
		Winter Partial Peak	0.07500	0.08000
		Winter Off-Peak	0.05400	0.05800
EL-6 (CARE)	RES-6-L			
	ENERGY CHARGE (\$/KWH)	Summer Peak	0.19300	0.20600
		Summer Part Peak	0.08000	0.08600
		Summer Off-Peak	0.05400	0.05800
		Winter Partial Peak	0.07500	0.08000
		Winter Off-Peak	0.05400	0.05800
E-7	RES-7			
	ENERGY CHARGE (\$/KWH)	Summer Peak	0.37000	0.39600
		Summer Off-Peak	0.05000	0.05300
		Winter Peak	0.22000	0.23500
		Winter Off-Peak	0.05000	0.05300

EL-7 (CARE)	RES-7-L			
	ENERGY CHARGE (\$/KWH)			
		Summer Peak	0.37000	0.39600
		Summer Off-Peak	0.05000	0.05300
		Winter Peak	0.22000	0.23500
		Winter Off-Peak	0.05000	0.05300

E-8	RES-8			
	ENERGY CHARGE (\$/KWH)			
		Summer	0.07400	0.07900
		Winter	0.07400	0.07900

EL-8 (CARE)	RES-8-L			
	ENERGY CHARGE (\$/KWH)			
		Summer	0.07400	0.07900
		Winter	0.07400	0.07900

E-9	RES-9			
	ENERGY CHARGE (\$/KWH)			
		Summer Peak	0.16000	0.17100
		Summer Part Peak	0.09000	0.09600
		Summer Off-Peak	0.05000	0.05300
		Winter Partial Peak	0.07400	0.07900
		Winter Off-Peak	0.05000	0.05300

COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS

A-1	COM-1			
	ENERGY CHARGE (\$/KWH)			
		SUMMER	0.08900	0.09500
		WINTER	0.05900	0.06300
A-1 TOU	COM-1-TOU			
	ENERGY CHARGE (\$/KWH)			
		<u>SUMMER</u>		
		PEAK	0.10400	0.11100
		PART-PEAK	0.09800	0.10500
		OFF-PEAK	0.07700	0.08200
		<u>WINTER</u>		
		PART-PEAK	0.06700	0.07200
		OFF-PEAK	0.05200	0.05600
A-6	COM-6			
	ENERGY CHARGE (\$/KWH)			
		<u>SUMMER</u>		
		PEAK	0.23100	0.24700
		PART-PEAK	0.09100	0.09700
		OFF-PEAK	0.04500	0.04800
		<u>WINTER</u>		
		PART-PEAK	0.07100	0.07600
		OFF-PEAK	0.04600	0.04900
A-10-A	COM-10-A			
	ENERGY CHARGE (\$/KWH)			
		SUMMER	0.08700	0.09300
		WINTER	0.06300	0.06700
	DEMAND CHARGE (\$/KW)			
		SUMMER MAX	2.80000	3.00000
A-10-B	COM-10-B			
	ENERGY CHARGE (\$/KWH)			
		<u>SUMMER</u>		
		PEAK	0.10700	0.11400
		PART-PEAK	0.08800	0.09400
		OFF-PEAK	0.07500	0.08000
		<u>WINTER</u>		
		PART-PEAK	0.06800	0.07300
		OFF-PEAK	0.05800	0.06200
	DEMAND CHARGE (\$/KW)			
		SUMMER MAX	2.80000	3.00000

E-19-S, V

COM-19-S

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.10100	0.10800
PART-PEAK	0.07000	0.07500
OFF-PEAK	0.04900	0.05200

WINTER

PART-PEAK	0.06500	0.07000
OFF-PEAK	0.04600	0.04900

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	7.70000	8.20000
PART-PEAK	1.60000	1.70000

E-19-P, V

COM-19-P

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.10200	0.10900
PART-PEAK	0.06500	0.07000
OFF-PEAK	0.04600	0.04900

WINTER

PART-PEAK	0.06000	0.06400
OFF-PEAK	0.04600	0.04900

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	7.50000	8.00000
PART-PEAK	1.60000	1.70000

E-19-T, V

COM-19-T

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.07800	0.08300
PART-PEAK	0.06000	0.06400
OFF-PEAK	0.04800	0.05100

WINTER

PART-PEAK	0.05300	0.05700
OFF-PEAK	0.04500	0.04800

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	7.80000	8.30000
PART-PEAK	1.70000	1.80000

E-20-S

COM-20-S

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.09500	0.10200
PART-PEAK	0.06500	0.07000
OFF-PEAK	0.04600	0.04900

WINTER

PART-PEAK	0.05900	0.06300
OFF-PEAK	0.04300	0.04600

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	7.30000	7.80000
PART-PEAK	1.50000	1.60000

E-20-P

COM-20-P

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.10100	0.10800
PART-PEAK	0.06600	0.07100
OFF-PEAK	0.04700	0.05000

WINTER

PART-PEAK	0.05800	0.06200
OFF-PEAK	0.04600	0.04900

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	7.90000	8.50000
PART-PEAK	1.70000	1.80000

E-20-T

COM-20-T

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.07200	0.07700
PART-PEAK	0.05600	0.06000
OFF-PEAK	0.04300	0.04600

WINTER

PART-PEAK	0.05400	0.05800
OFF-PEAK	0.04200	0.04500

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	9.30000	9.90000
PART-PEAK	2.00000	2.10000

AGRICULTURAL CUSTOMERS

AG-1-A	AG-1-A			
	ENERGY CHARGE (\$/KWH)			
		SUMMER	0.08700	0.09300
		WINTER	0.06900	0.07400
	CONNECTED LOAD (\$/HP)			
		SUMMER MAX	1.10000	1.20000
		WINTER MAX	-	-

AG-1-B	AG-1-B			
	ENERGY CHARGE (\$/KWH)			
		SUMMER	0.08700	0.09300
		WINTER	0.06600	0.07100

AG-4-A	AG-4-A			
	ENERGY CHARGE (\$/KWH)			
		<u>SUMMER</u>		
		PEAK	0.12800	0.13700
		OFF-PEAK	0.05300	0.05700
		<u>WINTER</u>		
		PART-PEAK	0.05600	0.06000
		OFF-PEAK	0.04700	0.05000
	CONNECTED LOAD (\$/HP)			
		SUMMER	1.10000	1.20000
		WINTER	-	-

AG-4-B	AG-4-B			
	ENERGY CHARGE (\$/KWH)			
		<u>SUMMER</u>		
		PEAK	0.09800	0.10500
		OFF-PEAK	0.05500	0.05900
		<u>WINTER</u>		
		PART-PEAK	0.05400	0.05800
		OFF-PEAK	0.04500	0.04800
	DEMAND CHARGE (\$/KW)			
		<u>SUMMER</u>		
		MAX	1.90000	2.00000
		PEAK	1.90000	2.00000
		WINTER	-	-

AG-5-A

AG-5-A

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.11900	0.12700
OFF-PEAK	0.05700	0.06100

WINTER

PART-PEAK	0.06000	0.06400
OFF-PEAK	0.05000	0.05300

CONNECTED LOAD (\$/HP)

SUMMER	2.90000	3.10000
WINTER	-	-

AG-5-B

AG-5-B

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.11300	0.12100
OFF-PEAK	0.03500	0.03700

WINTER

PART-PEAK	0.05300	0.05700
OFF-PEAK	0.02900	0.03100

DEMAND CHARGE (\$/KW)

SUMMER

MAX	3.60000	3.90000
PEAK	4.40000	4.70000

WINTER	-	-
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AG-5-C

AG-5-C

ENERGY CHARGE (\$/KWH)

SUMMER

PEAK	0.09200	0.09800
PART-PEAK	0.04900	0.05200
OFF-PEAK	0.03600	0.03900

WINTER

PART-PEAK	0.04300	0.04600
OFF-PEAK	0.03300	0.03500

DEMAND CHARGE (\$/KW)

SUMMER

PEAK	8.00000	8.60000
PART-PEAK	1.50000	1.60000

WINTER	-	-
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STREET AND OUTDOOR LIGHTING

LS-1, LS-2, LS-3, OL-1	SL-1		
	ENERGY CHARGE (\$/KWH)	0.06800	0.07300

TC-1	TC-1		
	ENERGY CHARGE (\$/KWH)	0.07000	0.07500

DEEP GREEN OPTION

Customers electing the Deep Green service option will pay the applicable rate for the Light Green service option plus the Deep Green Energy Charge.

	ENERGY CHARGE (\$/KWH)	0.01000	0.01000
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Voltage Discount			
For primary voltage, each component of the standard rate shall be discounted.		4%	

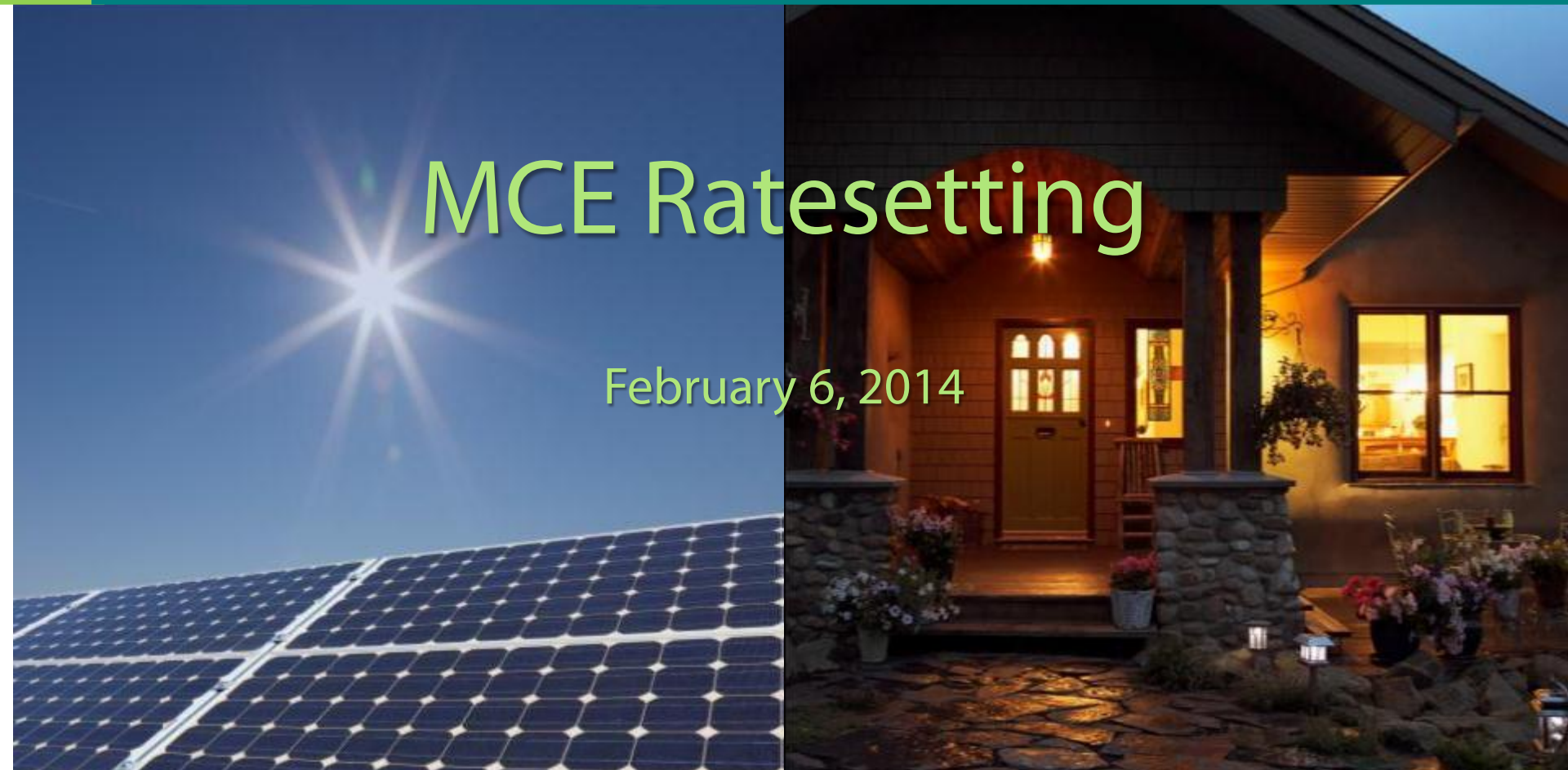


renewable. reliable. affordable.

Agenda Item #9-Att: MCE Proposed FY2015 Rates

MCE Ratesetting

February 6, 2014

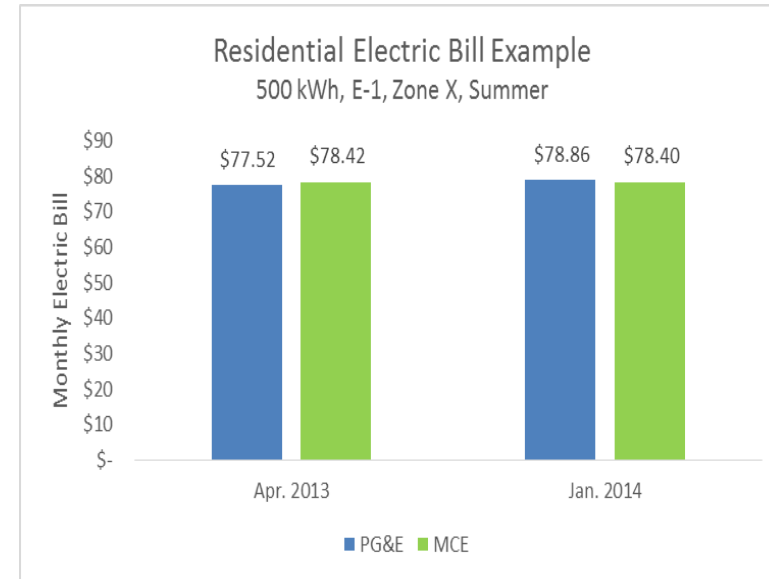


Topics for Today

- PG&E January 2014 Rate Change
- MCE Ratesetting Cycle
- Rate Design Policies and Objectives
- MCE Rate Design Process
- FY2015 Proposed Rates

PG&E January 2014 Rate Change

- On January 1st, PG&E increased its generation rates by an average of about 9% due to increased fuel and purchased power costs; total PG&E electric rates increased by 1.3%.
- PG&E's CCA surcharges (PCIA) also increased significantly, but there was little net change for most MCE customers due to offsetting reductions in PG&E non-generation charges.
- PG&E generation rates are expected to increase again in May as deferred GHG compliance costs are reflected in rates.




MCE Ratesetting Calendar

January

February

March

April

- 
- Preliminary budget developed
 - PG&E rate changes reviewed
 - Preliminary MCE rate proposal prepared
- Draft FY budget released
 - Proposed rates released
 - Public review/comment period begins
 - Customer notices
- Final FY Budget approved
 - Public review/comment period continues
- Final rates approved
 - Rates become effective

MCE Rate Design Policies

Revenue sufficiency: rates must recover all program expenses, debt service requirements, and prudent reserves; i.e., the “revenue requirement”.

Rate competitiveness: rates must allow MCE to successfully compete in the marketplace to retain and attract customers.

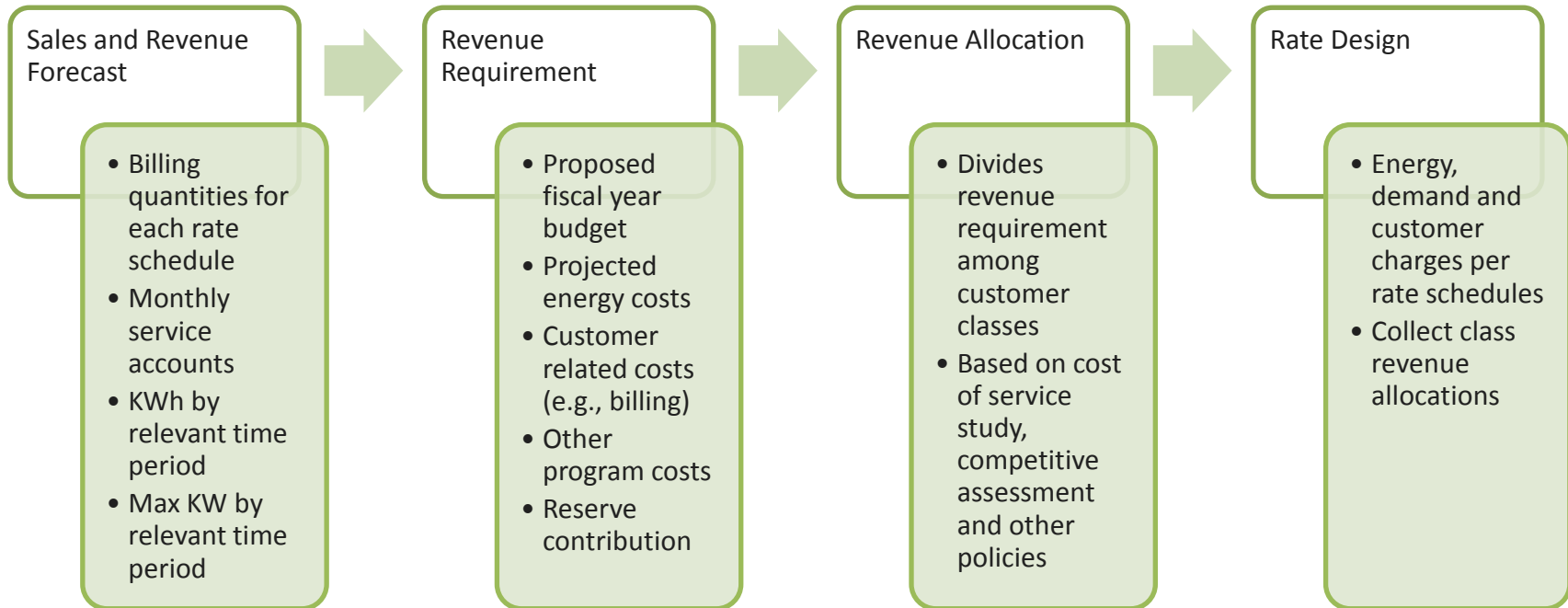
Rate stability: rates changes should be minimized to reduce customer bill impacts.

Customer understanding: rates should be simple, transparent and easily understood by customers.

Equity among customers: rate differences among customers should be justified by differences in usage characteristics or cost of service.

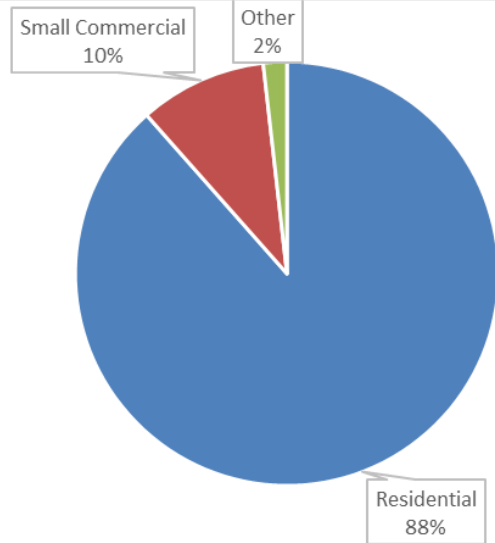
Efficiency: rates should encourage conservation and efficient use of electricity (e.g., off-peak vehicle charging).

FY 2015 MCE Rate Design Process

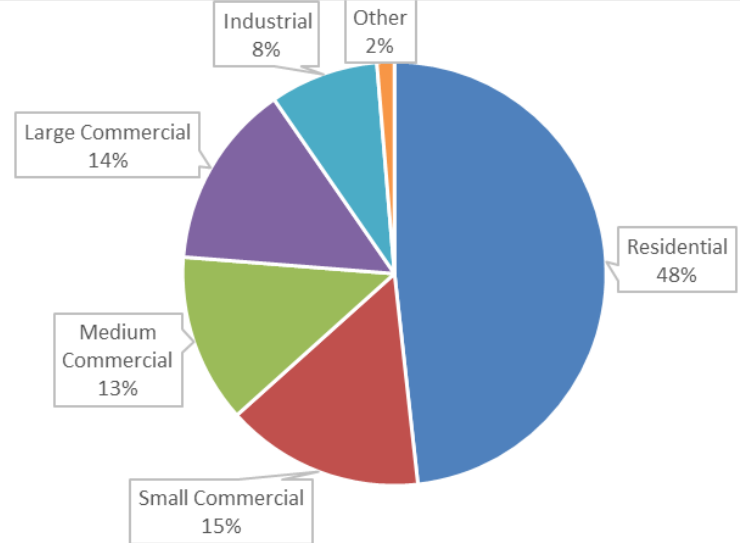


MCE Sales and Revenue Forecast (FY 2015)

Service Accounts



Revenue



Rate Group	Customer Type	Accounts	MWh	Revenue at Present Rates
Res-1	Residential	110,064	618,385	\$45,831,159
Com-1	Small Commercial	11,439	159,358	\$11,795,757
Com-6	Small Commercial	679	36,126	\$2,582,497
Com-10	Medium Commercial	911	155,262	\$12,245,315
Com-19	Large Commercial	339	187,715	\$13,414,046
Com-20	Industrial	16	118,036	\$7,881,970
Ag	Agricultural	102	3,878	\$250,518
SL-1	Street Lighting	511	13,837	\$940,892
TC-1	Traffic Control	365	1,084	\$75,912
Total		124,426	1,293,681	\$95,018,065

MCE FY 2015 Revenue Requirement (Preliminary)

MCE FY 2014-2015 Test Year Revenue Requirement

Revenues

Present Rate Revenues	\$ 95,018,065
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Expenses

Power Supply Expenses	\$ 88,410,551
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Other Operational Expenses	\$ 7,585,000
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Debt Service	\$ 1,195,000
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Uncollectibles	\$ 508,233
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EE rebates/Green Business	\$ 40,000
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Capital Outlay	\$ 20,000
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Local Renewable Energy Development Fund	\$ 109,994
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Reserve Contribution	\$ 3,777,849
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Total Revenue Requirement	\$ 101,646,627
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Surplus (Deficiency) in Funds	\$ (6,628,562)
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Required Rate Increase	7%
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Rate increase is primarily due to scheduled increase in power supply contract prices beginning in July 2014 and increased RPS compliance costs.

MCE Revenue Allocation

- How much of the revenue requirement should be allocated to each rate group?
- Relevant policies are rate stability, equity among customers, and rate competitiveness.

Option 1 is Proposed

Rate Group	Option 1: Allocation By Current MCE	
	Revenue	% Change
Res.	\$49,028,390	7%
Com-1	\$12,618,642	7%
Com-6	\$2,762,654	7%
Com-10	\$13,099,561	7%
Com-19	\$14,349,824	7%
Com-20	\$8,431,824	7%
Ag	\$267,994	7%
SL-1	\$1,006,529	7%
TC-1	\$81,208	7%
Total	\$101,646,627	7%

Option 2: Allocation By Cost of Service		% Change
\$50,503,337	10%	
\$12,757,967	8%	
\$2,696,305	4%	
\$12,000,979	-2%	
\$14,102,480	5%	
\$8,287,447	5%	
\$294,102	17%	
\$914,591	-3%	
\$89,420	18%	
\$101,646,627	7%	

Option 3: Allocation By PG&E Revenue		% Change
\$47,873,234	4%	
\$12,906,077	9%	
\$3,062,894	19%	
\$13,057,679	7%	
\$14,770,512	10%	
\$8,671,829	10%	
\$266,314	6%	
\$964,785	3%	
\$73,303	-3%	
\$101,646,627	7%	

MCE Competitive Assessment

- How does cost of MCE service compare to PG&E?

Rate Group	Revenue at Proposed MCE Generation Rates	PG&E PCIA and Franchise Fee Surcharges	PG&E Delivery Charges	Total MCE Generation + PG&E Charges	Revenue at Current PG&E Bundled Rates	Total Cost Difference	% Cost Difference
Res-1	\$ 49,028,390	\$ 7,173,272	\$ 69,427,002	\$ 125,628,664	\$ 123,083,447	\$ 2,545,217	2%
Com-1	\$ 12,618,642	\$ 1,636,609	\$ 16,716,454	\$ 30,971,705	\$ 31,181,619	\$ (209,914)	-1%
Com-6	\$ 2,762,654	\$ 371,010	\$ 3,292,966	\$ 6,426,630	\$ 6,725,865	\$ (299,235)	-4%
Com-10	\$ 13,099,561	\$ 1,724,960	\$ 12,416,203	\$ 27,240,725	\$ 27,051,283	\$ 189,441	1%
Com-19	\$ 14,349,824	\$ 1,711,957	\$ 11,516,017	\$ 27,577,798	\$ 28,070,845	\$ (493,047)	-2%
Com-20	\$ 8,431,824	\$ 969,072	\$ 4,619,559	\$ 14,020,456	\$ 14,338,967	\$ (318,511)	-2%
Ag	\$ 267,994	\$ 39,284	\$ 260,756	\$ 568,034	\$ 559,241	\$ 8,793	2%
SL-1	\$ 1,006,529	\$ 27,673	\$ 1,423,099	\$ 2,457,301	\$ 2,504,432	\$ (47,131)	-2%
TC-1	\$ 81,208	\$ 11,137	\$ 119,800	\$ 212,145	\$ 201,958	\$ 10,187	5%
Total	\$ 101,646,627	\$ 13,664,974	\$ 119,791,856	\$ 235,103,457	\$ 233,717,657	\$ 1,385,800	1%

Total delivered cost of MCE service is close to PG&E alternative.

Despite > \$13 million subsidy to PG&E electric procurement.

MCE Rate Design

- Proposal is to increase all MCE charges by system average percentage change.
- Maintains existing rate relationships among different types of MCE charges.

- MCE rate increase is mostly result of higher power purchase costs expected during the 2015 fiscal year.
- Rate of increase is below PG&E's increase in generation rates.
- PCIA remains a significant cost for MCE customers.
- MCE rates remain competitive.

Questions? Comments?



February 6, 2014

TO: Marin Clean Energy Board

FROM: Beckie Menten, Energy Efficiency Director

RE: Energy Efficiency Update and Home Utility Report Pilot Expansion
(Agenda Item #10)

ATTACHMENT: Energy Efficiency Program Fact Sheets

Dear Board Members:

SUMMARY:

The energy efficiency program has been going strong for the past year. This meeting provides an opportunity to consider program success and determine where expansion would be beneficial, as in the case of the Home Utility Report program.

Energy efficiency has always been an integral component of the MCE vision. The initial Business Plan included energy efficiency, and energy efficiency was included in the MCE Implementation Plan prepared in 2009. In February of 2012, the MCE Board approved the Marin Clean Energy Efficiency Program Plan, placing energy efficiency squarely amongst the programs of the MCE organization. To allow for fulfillment of this plan, MCE requested funding from the California Public Utilities Commission (CPUC).

In July of 2012, MCE submitted an application for funding under the 2013 -2014 Energy Efficiency Funding Cycle (A. 12-11-007). The application was based on the initial Energy Efficiency Program Plan, and included the following proposed sub-programs:

- Multi-family
- Small commercial
- Single family utility demand reduction pilot program and
- Four financing pilot programs: On Bill Repayment for multi-family, small commercial, and single family, and a standard offer pilot.

This application for funding was approved on the 9th of November, 2012, allocating over \$4 million to MCE for the implementation of energy efficiency programs. MCE Energy Efficiency Program Fact Sheets are attached here with summary information about each of the program elements which are now being provided to customers.

The single family energy efficiency program element is centered around the use of a technology platform to help Marin and City of Richmond residents engage with their energy use and find resources to help reduce consumption. The single family program has a budget of \$473,417. In February of 2013, your Board approved a contract with

Planet Ecosystems, Inc. (PEI) of \$250,730 to provide the web technology services for this program on a software-as-service model.

A major effort considered as part of this contract is a Home Utility Report (HUR). A Home Utility Report is mailed to residential customers. The report displays that customer's energy consumption compared to households with similar characteristics (for example, square footage and location) and demonstrates how the recipient could be performing better to save energy. The intention of the mailer is to motivate the recipient to take action to reduce their energy use, and provides the recipient with access to the web tool where they can connect with more resources.

The Home Utility Report is the primary energy saving mechanism of the single family program, as these reports have been shown in the past to provide a 1.87% energy reduction across the treatment group. Due to concerns about how such a report would be received in MCE's customer base, the MCE program initially offered these reports as a pilot. In November of 2013, PEI mailed 4,451 reports to Marin customers. MCE has been working closely with Nobel Americas Energy Solutions to monitor call center and account activity for the HUR program recipients, and as of December 31st there is no indication that these reports are causing a concern (note January metrics will be available on February 3rd).

HURs Metrics (as of December 31)	
HURs Recipients	4,451
Accounts Claimed	40
Calls to Call Center	4
Opt Outs	0
Opt Ups	1

Given the neutral response, MCE plans to roll the pilot into full expansion starting in February. This would mean extending the HURs mailers to an audience of approximately 20,000 recipients, across Marin and the City of Richmond.

Recommendation: There is no action requested at this time.



Energy Savings for your Multi-Family Property

MCE’s Multi-Family Energy Efficiency Program can help lower energy bills, reduce maintenance costs, and improve indoor air quality.

Market-rate and affordable properties in **Marin** and the **City of Richmond** are eligible to receive:

- **No-cost energy assessments (valued at \$3,000-\$5,000)**
- **No-cost energy and water saving measures for tenant units (avg. value of \$25 per unit)**
- **No-cost technical assistance to solicit bids and develop a comprehensive scope of work**
- **Rebates average 25% of project cost and as high as 60% (\$25/unit bonuses available)**
- **Post-project quality assurance**
- **Minimum 1 year contractor’s warranty**

Low cost financing available!

How does it work?

- ① Submit an application mceCleanEnergy.com/multifamily-app
- ② Get a no-cost energy assessment to uncover energy saving opportunities
- ③ Develop a scope of work
- ④ Receive no-cost energy and water saving installations for in-tenant units
- ⑤ Post-project evaluation
- ⑥ Receive rebates & realize savings!

Contact us to get started:

mceCleanEnergy.com/multifamily-savings
energysavings@mceCleanEnergy.com
 1 (888) 632-3674





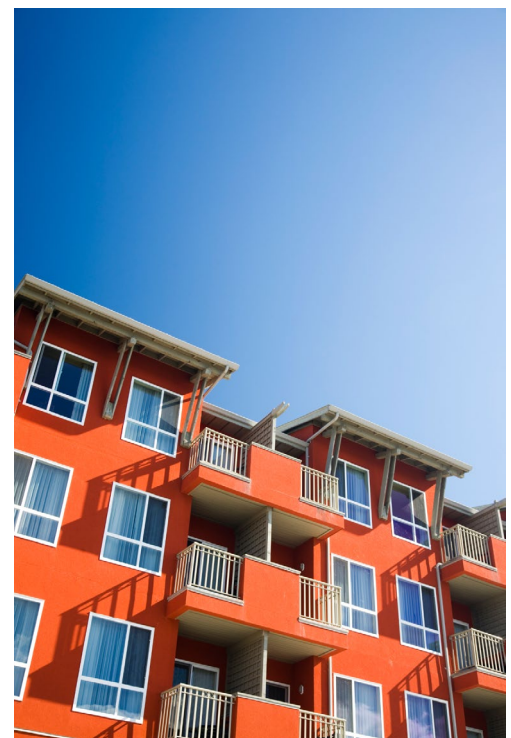
Green Property Loans


Finance your upgrade and start saving today!

MCE has partnered with River City Bank to offer **Green Property Loans** to provide multi-family properties with competitive financing for energy efficiency upgrades. This exciting new program allows property owners to finance energy improvements and re-pay the loan on their energy bill, removing up-front costs.

MCE customers with market-rate or affordable properties in **Marin** and the **City of Richmond** can take advantage of the following offering:

- \$10,000 - \$265,000 projects approved by MCE
- 5% interest rate (subject to change)
- 5-10 year terms
- Secured with a UCC-1 fixture filing
- Repay on your monthly PG&E bill
- \$250.00 non-refundable bank fee applies
- Must qualify: credit is subject to bank's approval; normal credit standards apply
- Now accepting applications!



 Printed on recycled paper.

Contact us to get started:

mceCleanEnergy.com/multifamily-savings

energysavings@mceCleanEnergy.com

1 (888) 632-3674





Energy Savings for your Business

MCE has partnered with SmartLights to offer small businesses help with lowering energy bills, reducing maintenance costs and improving productivity.

Small commercial properties in **Marin** and the **City of Richmond** are eligible to receive:

- **No-cost, no-obligation energy assessment (valued at \$300-\$400)**
- **Rebates averaging 40% of the cost of the measure and up to 100%**
- **Pre-negotiated contractor discounts**
- **Free start-to-finish project management**
- **Post-project quality assurance**
- **Minimum 1 year contractor's warranty**

Low cost financing available!



How does it work?

- 1 Complete an application mceCleanEnergy.com/business-app
- 2 Get a no-cost assessment
- 3 Develop scope of work
- 4 Secure financing
- 5 Schedule upgrades with a pre-qualified contractor
- 6 Receive rebates & realize savings!

Contact us to get started:

mceCleanEnergy.com/business-savings
energysavings@mceCleanEnergy.com
 1 (888) 632-3674



PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. © 2013 Pacific Gas and Electric Company. All rights reserved.*



Green Business Loans


Your energy efficiency finance solution.

MCE has partnered with River City Bank to offer **Green Business Loans** to provide small commercial properties with competitive financing for energy efficiency upgrades. This exciting new program allows property owners to finance energy improvements and re-pay the loan on their energy bill, removing up-front costs.

MCE customers with small businesses in **Marin** and the **City of Richmond** can take advantage of the following offering:

- \$10,000 - \$265,000 projects approved by MCE
- 5% interest rate (subject to change)
- 5-10 year terms
- Secured with a UCC-1 fixture filing
- Repay on your monthly PG&E bill
- \$250.00 non-refundable bank fee applies
- Must qualify: credit is subject to bank's approval; normal credit standards apply
- Now accepting applications



 Printed on recycled paper.

Contact us to get started:
mceCleanEnergy.com/business-loans
energysavings@mceCleanEnergy.com
 1 (888) 632-3674





Improve the Comfort of Your Home

Use MCE's "MyEnergyTool" to develop an action plan to save money by saving energy!

How does it work?

- 1 Create an account at: myenergytool.mcecleanenergy.com
- 2 Select a goal, for example: saving money on your utility bills, reducing your carbon emissions, or improving the health and comfort of your home
- 3 Enter energy usage and information about your home
- 4 Sit back and relax while MyEnergyTool creates a personalized plan to help you save energy and money
- 5 Connect with qualified contractors to help implement your plan
- 6 Find rebates and financing opportunities to reduce your costs

Solar Rebate Program NOW AVAILABLE!

\$500 rebates available for MCE residential customers. To qualify:

- Photovoltaic systems must have been purchased or building permits signed after 11/15/13
- Must be eligible for SASH or MASH program rebates (available to all MCE customers starting March 15, 2014)
- **Limited offering on first-come, first-serve basis**

For more information:

mceCleanEnergy.com/solar-rebates



Contact us to get started:

mceCleanEnergy.com/home-savings
energysavings@mceCleanEnergy.com
1 (888) 632-3674





Green Home Loans

Your energy savings finance tool.

MCE has partnered with First Community Bank to offer **Green Home Loans** to provide single-family property owners with competitive financing for energy efficiency upgrades. This exciting new program allows property owners to finance energy improvements and re-pay the loan on their energy bill, removing up-front costs.

MCE customers with single family properties in **Marin** and the **City of Richmond** can take advantage of the following offering:

- \$2,500 - \$30,000 projects approved by MCE (70% of cost must be for energy efficiency measures)
- 6.5% interest rate (subject to change)
- 5-10 year terms
- Unsecured
- 640 minimum FICO
- Repay on your monthly PG&E bill
- \$50 non-refundable application fee; \$150 loan documentation fee (can be financed)
- Now accepting applications!



 Printed on recycled paper.

Contact us to get started:

mceCleanEnergy.com/home-loans

energysavings@mceCleanEnergy.com

1 (888) 632-3674





February 6, 2014

TO: Marin Clean Energy Board

FROM: Beckie Menten, Energy Efficiency Director

RE: Addendum to the First Agreement with Strategic Energy Innovations for the Schools Energy Efficiency Program (Agenda Item #11)

ATTACHMENT: A. First Agreement with Strategic Energy Innovations
B. Proposed First Addendum to First Agreement with Strategic Energy Innovations

Dear Board Members:

SUMMARY:

The proposed First Addendum to the First Agreement with Strategic Energy Innovations (SEI) would allow for expansion of the successful MCE Schools Energy Efficiency Program, a component of the MCE single family energy efficiency program.

Energy efficiency has always been an integral component of the MEA vision. The initial Business Plan included energy efficiency, and energy efficiency was included in the MEA Implementation Plan prepared in 2009. In February of 2012, the MEA Board approved the Marin Energy Authority Energy Efficiency Program Plan, placing energy efficiency squarely amongst the programs of the MEA organization.

In July of 2012, MEA submitted an application for funding under the 2013 -2014 Energy Efficiency Funding Cycle (A. 12-11-007). The application was based on the initial Energy Efficiency Plan, and included the following proposed sub-programs:

- Multi-family
- Small commercial
- Single family utility demand reduction pilot program and
- Four financing pilot programs: On Bill Repayment for multi-family, small commercial, and single family, and a standard offer pilot.

This application was approved on the 9th of November, 2012, allocating over \$4 million to MEA for the implementation of energy efficiency programs.

The single family energy efficiency program is centered around the use of a technology platform to help Marin and City of Richmond residents engage with their energy use and find resources to help reduce consumption. The single family program has a budget of \$473,417.

In February of 2013, your Board approved a contract with Planet Ecosystems, Inc. (PEI) of \$250,730 to provide the web technology services for this program on a software-as-service model. Included in this overall contract was \$25,000 for a subcontract with Strategic Energy Innovations to deliver a school based energy efficiency program. In January of 2014, MCE executed a small First Agreement with SEI to move forward with initial program delivery and school recruitment efforts for the 2014 program. That First Agreement is attached (Attachment A).

Strategic Energy Innovations is a Marin based non-profit organization established in 1997 which has been providing energy efficiency programs in K-12 schools across the country for several years. In the 2013 contract term, SEI demonstrated their ability to contribute significantly towards the MCE efficiency program goals, working hard to achieve metrics outlined in the Program Implementation Plan and demonstrating an ability to problem solve to improve program delivery further. In the 2013 time frame, SEI delivered their curriculum in 7 schools across Marin. In 2013, SEI and PEI worked together to reach 813 students in Marin County schools, accomplishing the creation of 377 accounts on the online portal and the creation of 281 action plans.

SEI, PEI, and MCE have worked closely together to design the 2014 program to achieve the greatest amount of impressions in our community with the most cost-effective budget. The 2014 program proposal places less of an emphasis on in-classroom instruction and instead utilizes an assembly based approach to raise awareness and get kids excited. The program also intends to utilize a walk-a-thon model to empower the students to reach out to community members and get them engaged with the web tool, providing incentives for the highest achieving classrooms (both in terms of energy reductions accomplished and in terms of action plans created). The 2014 program proposal also includes participation in Richmond schools.

The proposed Addendum for consideration today would add \$27,300 to the existing First Agreement for a total not to exceed contract amount of \$49,800. This contract would be funded exclusively from the CPUC energy efficiency program funds. This contract represents 11% of the single family energy efficiency program budget, and 1% of the overall energy efficiency program budget. If this amendment is approved today, \$172,887 from the single family budget will remain unallocated (not including MCE staff expenditures).

Recommendation: It is recommended that the Board approved the proposed First Addendum to the First Agreement with Strategic Energy Innovations for MCE's Schools Energy Efficiency Program.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FIRST AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND STRATEGIC ENERGY INNOVATIONS**

THIS FIRST AGREEMENT ("Agreement") is made and entered into this day **January 27, 2014** by and between the MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and **Strategic Energy Innovations**, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: **EE program delivery for schools in Marin and Richmond**

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by MCE, the parties agree to the following:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:

MCE agrees to make available all pertinent data and records for review, subject to MCE Policy 001 - Confidentiality.

3. FEES AND PAYMENT SCHEDULE:

The fees and payment schedule for furnishing services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement. Contractor shall provide MCE with his/her/its Federal Tax I.D. number prior to submitting the first invoice. Contractor shall invoice MCE within 90 days of any services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond 90 days will not be reimbursable.

4. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **\$22,500**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **January 27, 2014**, and shall terminate on **December 31, 2014**. Certificate(s) of Insurance must be current on the day the Agreement commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor. The final invoice must be submitted within 30 days of completion of the stated scope of services.

6. INSURANCE:

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming the Marin Clean Energy and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to the MCE prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to MCE of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Contractor's obligations under Section 16 of this Agreement to indemnify, defend and hold the MCE harmless from any and all liabilities arising from the Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement. MCE agrees to timely notify the Contractor of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the agreement. In addition to any other available remedies, MCE may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

6.1 GENERAL LIABILITY

The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than one million dollars (\$1,000,000) with a two million dollar (\$2,000,000) aggregate limit. The MCE shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page. (see sample form: ISO - CG 20 10 11 85).

6.2 AUTO LIABILITY

Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Contractor in order to perform said services, Contractor shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit (\$1,000,000.00).

6.3 WORKERS' COMPENSATION

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to MCE prior to commencement of work.

6.4 PROFESSIONAL LIABILITY INSURANCE

Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Agreement effective date, the contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Contractor shall maintain a policy limit of not less than \$1,000,000 per incident. If the deductible or self-insured retention amount exceeds \$100,000, the MCE may ask for evidence that contractor has segregated amounts in a special insurance reserve fund or contractor's general insurance reserves are adequate to provide the necessary coverage and the MCE may conclusively rely thereon.

7. NONDISCRIMINATORY EMPLOYMENT:

Contractor and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of the MCE except for any subcontract work identified herein. If Contractor hires a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Agreement and shall require subcontractor to name Contractor as additional insured under this Agreement. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to the MCE evidence of same.

9. ASSIGNMENT:

The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the MCE.

10. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. MCE shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Contract period and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MCE. Contractor shall refund any monies erroneously charged.

11. WORK PRODUCT:

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of the MCE upon payment to Contractor for such work. The MCE shall have the exclusive right to use such materials in its sole discretion without further compensation to

Contractor or to any other party. Contractor shall, at the MCE's expense, provide such reports, plans, studies, documents and writings to the MCE or any party the MCE may designate, upon written request. Contractor may keep file reference copies of all documents prepared for the MCE.

12. TERMINATION:

- A. If the Contractor fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, the MCE may terminate this Agreement by giving five (5) calendar days written notice to the party involved.
- B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- C. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s).

13. AMENDMENT:

This Agreement may be amended or modified only by written agreement of all parties.

14. ASSIGNMENT OF PERSONNEL:

The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MCE, as is evidenced in writing.

15. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

16. INDEMNIFICATION:

Contractor agrees to indemnify, defend, and hold MCE, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement.

17. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS:

The Contractor shall comply with any and all Federal, State and local laws and resolutions (including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Resolution #2005-97 of the Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Agreement. Copies of any of the above-referenced local laws and resolutions may be secured from the MCE's contact person referenced in paragraph 19. NOTICES below.

19. NOTICES

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted and approved by this Agreement Manager and all notices shall be given to MCE at the following location:

Contract Manager:	Sarah Ritter, Administrative Associate
<hr/>	
MCE Address:	781 Lincoln Ave., Suite 320
	San Rafael, CA 94901
<hr/>	
Telephone No.:	(415) 464-6028
<hr/>	

Notices shall be given to Contractor at the following address:

Contractor:	Strategic Energy Innovations ATTN: Emily Courtney
Address:	899 Northgate Dr, Suite 410 San Rafael, CA 94903
Telephone No.:	(415) 507-2183

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

APPROVED BY

Marin Clean Energy:

By: [Signature]
Executive Officer

CONTRACTOR:

By: [Signature]
Name: Cyane Dandridge, Executive Director

By: _____
Chairman

MCE COUNSEL REVIEW AND APPROVAL (Only required if any of the noted reason(s) applies)

REASON(S) REVIEW:

- Standard Short Form Content Has Been Modified
- Optional Review by MCE Counsel at Marin Clean Energy's Request

MCE Counsel: [Signature]

Date: 1/29/2014

EXHIBIT A
SCOPE OF SERVICES (required)

MCE School Energy Program 2014

Scope of Services for Starter Agreement: The following scope of work will cover the essential items required to begin work on the 2014 MCE School Energy Program. Through this program SEI will run assemblies and community campaigns at 8 schools.

Scope of Work for Starter Agreement:

- ✓ **Assembly design & development:** SEI will adapt an existing SEI video to create assemblies on energy efficiency and conservation that is tailored toward instructing students to complete the online tool and recruit community members to pledge to complete action plans.
- ✓ **Scheduling and preparation for assemblies:** secure assembly time, space, and required AV equipment, and prepare for assemblies.
- ✓ **Refine instructions for tool use and content development to be implemented by PEI:** based on our experience in 2013 SEI will revise instructions to be given to families and community members on completing the online tool and creating action plans. SEI will collaborate with PEI on online tool design to best communicate its value to visitors and optimize the user experience.
- ✓ **Development of written bi-lingual home energy assessment:** to be used by students whose families are unable or do not want to complete the online tool at home
- ✓ **Development of outreach letters to principals, teachers and students:** SEI will develop outreach materials to recruit schools to participate.
- ✓ **Development of pledge form and pledge card for community outreach:** in order to assist students in recruiting community members SEI will develop a pledge form and pledge card to be signed by and given to community members.
- ✓ **Outreach & recruitment to both principals and teachers:** SEI will target elementary schools in Marin County and Richmond to secure 8 schools to participate, and SEI will communicate program incentives and components with teachers of those schools.

This starter agreement is not to exceed \$22,500.

EXHIBIT B
FEES AND PAYMENT SCHEDULE (required)

Hourly fees for professional services under this agreement will be billed monthly for all services rendered. In no event will the cost to MEA exceed \$22,500.

Labor Classification	Billing Rates (\$/Hr.)
Executive Director	\$157
Program Director	\$113
Project Manager	\$90
Project Coordinator	\$84
Associate Project Coordinator	\$79
Fellow	\$48

This FIRST ADDENDUM is made and entered into on February 6, 2014, by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and Strategic Energy Innovations (SEI) (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, MCE and the Contractor entered into an agreement to provide energy efficiency program delivery for schools in Marin and Richmond dated January 27, 2014 ("Agreement"); and

WHEREAS, Exhibit A of the Agreement obligated Contractor to provide all of the services described in Exhibit A; and

WHEREAS, the parties desire to amend the agreement to increase the scope of services set forth in Exhibit A; and

WHEREAS, Section 4 and Exhibit B to the agreement obligated the Contractor to be compensated in an amount not to exceed \$22,500; and

WHEREAS, the parties desire to amend the Agreement to increase the Agreement amount by \$27,300 for a total amount not to exceed \$49,800; and

NOW, THEREFORE, the parties agree to modify Section 4, Exhibit A and Exhibit B of the Agreement as set forth below.

AGREEMENT

1. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.
2. Section 4 is hereby amended in its entirety to read as follows:

MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of \$49,800.

3. Exhibit A is hereby amended to add the following revised scope of work:

The following scope of services describes the work that SEI will complete for the 2014 MCE School Energy Program. Through this program SEI will run assemblies and community campaigns at 8 schools and offer incentives to administrators, teachers and students to participate.

Program Elements

Development of Assemblies & Instruction Materials

- ✓ Assembly design & development: SEI will adapt an existing SEI video to create an assembly on energy efficiency and conservation that is tailored toward instructing students to complete the online tool and recruit community members to pledge to complete online action plans.
- ✓ Scheduling and preparation for assemblies: Prepare for assemblies, secure assembly time, space, and required AV equipment.
- ✓ Instructions for online home assessment tool use and collaboration on tool design with PEI: Based on our experience in 2013 SEI will revise instructions to be given to families and community members on completing the online tool and creating action plans. SEI will collaborate with PEI on online tool design to best communicate its value to visitors and optimize the user experience.
- ✓ Development single follow-up lesson to assembly and online tool use: Optional resource for teachers to deepen the impact of the message learned from the assembly and the online home energy assessment.
- ✓ Development of written bi-lingual home energy assessment: To be used by students whose families are unable or do not want to complete the online tool at home. Written assessments will be collected by SEI.

Development of Supportive Materials

- ✓ Development of outreach letters to principals, teachers and students: SEI will develop outreach materials to recruit participants.
- ✓ Development of pledge form and pledge card for community outreach: In order to assist students in recruiting community members, SEI will develop a pledge form and pledge card to be signed by and given to community members.

Outreach and Recruitment

- ✓ Outreach & recruitment to both principals and teachers: SEI will target elementary schools in Marin County and Richmond to secure 8 schools to participate, and SEI will communicate program incentives and program elements with teachers of those schools.

Running of Assemblies, Action Plans and Community Pledges Incentives

- ✓ Assemblies: SEI will run assemblies at schools on energy efficiency and conservation and will inform students how to participate in MCE's online home energy assessment tool.
- ✓ Action plans and community recruitment: SEI will facilitate student and family participation on MCE's online tool and a community outreach campaign for students to collect pledges from community members to increase participation and creation of action plans.
- ✓ Incentives: SEI will track participation in order to award incentives to students and schools in the form of:
 - School donation for action plan created
 - Prizes for top performing students and classes at each school
 - Prizes for participation in assemblies

Teacher and School Support

- ✓ Teacher and school support: SEI will provide support to administrators, teachers and student with using the online tool and recruiting community members.
- ✓ Bi-lingual home energy assessment support: SEI will provide follow-up to teachers and PEI to support students with a barrier to accessing the online tool.

Anticipated Outcomes

- ✓ Number of students reached: 2,400
 - Average 300 students per school, 8 schools
- ✓ Number of community members touched: 9,600
 - Average 300 students per school, 8 schools, average 4 community members touched per student
- ✓ Number of action plans created by students and community members: 1,520
 - Average 1/3 students reached and 30% of community member pledges (average of 1 per student) result in the creation of action plans.

This scope of services is not to exceed \$49,800.

4. Exhibit B is hereby amended in its entirety to read as follows:

Hourly fees for professional services under this Agreement will be billed monthly for all services rendered. In no event will the cost to MCE exceed \$49,800.

Contractor's hourly fees for professional services under this agreement are as follows:

Labor Classification	Billing Rates (\$/Hr.)
Executive Director	\$157
Program Director	\$113
Project Manager	\$90
Project Coordinator	\$84
Associate Project Coordinator	\$79
Fellow	\$48

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum on the day first written above.

CONTRACTOR:

MARIN CLEAN ENERGY:

By: _____

By: _____



February 6, 2014

TO: Marin Clean Energy Board
FROM: Jamie Tuckey, Communications Director
RE: Communications Update (Agenda Item #12)

Dear Board Members:

SUMMARY:

Rate Setting Procedures and Notifications

The Marin Clean Energy Implementation Plan describes the policies and procedures for disclosure and due process in setting rates and allocating costs among participants of Marin Clean Energy (MCE). As described in the Implementation Plan, the Executive Officer, with support of staff, advisors and committees, will prepare an annual budget and corresponding customer rates and submit these as a recommendation for a change in rates to the Board of Directors. The rates will be approved at a public meeting of the Board of Directors sixty days following submission of the proposed rates. The sixty day period following submission of the proposed rates allows time for customers to provide comments on the proposed rate changes prior to final adoption by the Board.

MCE has adopted customer noticing requirements similar to those the California Public Utilities Commission requires of PG&E.

Newspaper Noticing

Notice of rate changes will be published at least once in a newspaper of general circulation in the service area within ten days after submitting the application. Such notice will state that a copy of said application and related exhibits may be examined at MCE's offices, and shall state the locations of such offices.

In order to meet this requirement, MCE will post a public notice in the Marin Independent Journal, Pacific Sun, West County Times, and Richmond Post on or before February 16, 2014.

MCE Rate Change Disclosure for Newspaper Public Notice:

On February 6, 2014, the Marin Clean Energy (MCE) Board of Directors reviewed proposed rate changes. MCE provides customers with rate stability by typically adjusting rates only once per year to cover the costs of procuring 50% renewable energy. Proposed rates are comparable to current PG&E rates, and in some cases will continue to provide an overall cost savings for MCE customers. The proposed rates are

scheduled for approval by the MCE Board of Directors at a public meeting on April 3, 2014 and will be implemented on April 4, 2014.

MCE values community input. We invite you to review these rates and provide feedback. MCE's proposed rates, and PG&E cost comparisons, are available for review at www.mceCleanEnergy.com or at 781 Lincoln Avenue, Suite 320, San Rafael, CA 94901. You may also contact us at 1 (888) 632-3674 Monday through Friday between 7 A.M. and 7 P.M., or by email at info@mceCleanEnergy.org.

Direct Customer Noticing

Within forty-five days after submitting an application to increase any rate, MCE will furnish notice of its application to its customers affected by the proposed increase by including such notice with the regular bill for charges transmitted to such customers.

The notice will state the amount of the proposed increase expressed in both dollar and percentage terms, and a brief statement of the reasons the increase is required or sought.

To implement customer noticing a message will be included on all customer bills beginning February 7 and concluding on March 31, 2013. This time period will ensure that all customers are noticed within forty-five days of February 6, 2014. Unique messaging will be included for commercial and residential customers. The bill message is limited to three lines at eighty characters per line, including spaces.

Residential On-Bill Message:

To meet increased electricity costs, MCE has proposed a 7% (\$6,633,311) rate increase. Rates are comparable to current PG&E rates, and in some cases may continue to provide an overall cost savings. More info at mceCleanEnergy.org.

Commercial On-Bill Message:

To meet increased electricity costs, MCE has proposed a 7% (\$6,633,311) rate increase. However, most commercial rates will remain below current PG&E rates and provide an overall cost savings. More info at www.mceCleanEnergy.org.

Recommendation: Information item only. No action needed.