



**Marin Energy Authority
Board of Directors Meeting
Thursday, June 6, 2013
7:00 P.M.**

Dawn Weisz
Executive Officer

Damon Connolly
Chair
City of San Rafael

Kathrin Sears
Vice Chair
County of Marin

Bob McCaskill
City of Belvedere

Alexandra Cock
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
mceCleanEnergy.com

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

Agenda – Page 1 of 2

- 1. Board Announcements (Discussion)**
- 2. Public Open Time (Discussion)**
- 3. Resolution 2013-05 Commemorating Richard Collins (Discussion/Action)**
- 4. Report from Executive Officer (Discussion)**
- 5. Consent Calendar**
 - C.1 5.2.13 Board Meeting Minutes**
 - C.2 Monthly Budget Report**
 - C.3 Approved Contracts Update**
- 6. Energy Efficiency Update (Discussion)**
- 7. Agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program (Discussion/Action)**
- 8. MEA Green House Gas Emissions Analysis & Reporting (Discussion/Action)**
- 9. Communications Update (Discussion)**



Agenda material can be inspected in the Marin County Sheriff's lobby, located at 3501 Civic Center Drive, San Rafael, CA 94903. The meeting facilities are in accessible locations. If you are a person with a disability and require this document in an alternate format (example: Braille, Large Print, Audiotape, CD-ROM), you may request it by using the contact information below. If you require accommodation (example: ASL Interpreter, reader, note taker) to participate in any MEA program, service or activity, you may request an accommodation by calling (415) 464-6032 (voice) or 711 for the California Relay Service or by e-mail at djackson@mceCleanEnergy.com not less than **four work days** in advance of the event.



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Agenda – Page 2 of 2

**10. Employee Commute Alternatives Program
(Discussion/Action)**

11. Regulatory Update (Discussion)

12. Board Member & Staff Matters (Discussion)

13. Adjourn



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RESOLUTION NO. 2013-05

**RESOLUTION OF THE MARIN ENERGY AUTHORITY
COMMEMORATING THE LIFE AND LEGACY OF RICHARD "DICK" COLLINS**

WHEREAS, Richard B. Collins was born on December 1, 1933 in Santa Barbara, California and spent his childhood in Los Angeles; and

WHEREAS, Richard Collins served as a Sheriff in Lancaster County; and

WHEREAS, Richard Collins received his law degree from Loyola School of Law and soon after was instrumental in forming the law firm of Barrett, Stearns, Collins, et al; and

WHEREAS, Richard Collins was one of the youngest American Bar Association Presidents and specialized in Real Estate law for more than 40 years; and

WHEREAS, Richard Collins moved to Marin County in 1998; and

WHEREAS, Richard Collins served on the Tiburon Design and Review Board in 2001 and was named in 2002 to the Tiburon Planning Commission, where he served for five years; and

WHEREAS, Richard Collins was appointed to the Tiburon City Council in 2007, served as Town Mayor in 2010 and was again appointed to City Council in 2011; and

WHEREAS, the Marin Energy Authority ("MEA") is a joint powers authority established on December 19, 2008, and organized under the laws of the State of California; and

WHEREAS, Richard Collins was appointed as a founding Director of the Marin Energy Authority on January 29, 2009 until February 2013 and then served as an Alternate; and

WHEREAS, Richard Collins, as a public servant, philanthropist, and community servant, served as a delegate on boards and committees such as the Community Choice Aggregation Task Force, Community Development Block Grant Committee, Marin Telecommunications Agency, Richardson Bay Regional Agency; and

WHEREAS, Richard Collins consistently demonstrated a zeal for life; good humor and a sense of camaraderie, and had a keen business sense which he brought to every facet of his work; and

WHEREAS, Richard Collins leaves a legacy of environmental and business leadership that was loving, sincere, inspired, pragmatic, and selfless.

NOW, THEREFORE, BE IT RESOLVED that the Marin Energy Authority commemorates the life of Richard B. Collins, recognizes and echoes the commitment of Richard B. Collins to environmental protection, preservation and sustainable living, and encourages the people of Marin to recommit to fulfilling the vision of Richard B. Collins.

PASSED AND ADOPTED at a regular meeting of the Marin Energy Authority Board on this 6th day of June 2013, by the following vote:

AYES NOES ABSTAIN ABSENT

City of Belvedere
Town of Fairfax
County of Marin
City of Mill Valley
Town of Anselmo
City of San Rafael
City of Sausalito
Town of Tiburon
City of Larkspur
City of Novato
Town of Ross
City of Richmond
County of Marin

CHAIR, MARIN ENERGY AUTHORITY BOARD

ATTEST:

SECRETARY, MARIN ENERGY AUTHORITY

**MARIN ENERGY AUTHORITY
BOARD MEETING
THURSDAY, May 2, 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
Alexandra Cock, Town of Corte Madera
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 Green, Town of San Anselmo
Ray Withy, City of Sausalito
Emmett O'Donnell, Town of Tiburon

Absent: Larry Bragman, Town of Fairfax

Staff: Dawn Weisz, Executive Officer
Elizabeth Kelly, Legal Director
Beckie Menten, Energy Efficiency Coordinator
Alex DiGiorgio, Community Affairs Coordinator
Emily Goodwin, Internal Operations Coordinator
Greg Brehm, Resource Coordinator
Shalini Swaroop, Regulatory Counsel
Greg Stepanicich, General Counsel
John Maher, Maher Accountancy
Darlene Jackson, Clerk

Closed Session: 6:30 PM

Public Session: 7:30 PM

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:

- Green Power Partnership - All Marin County cities and towns that are MCE customers have been added to EPA Green Power Partnership website. Road signs are being delivered to respective cities and towns by MCE. If jurisdictions have not yet received their sign or want a formal council presentation they can request support from MCE staff.
- MEA's Better Business Bureau certification has been approved and we now have the ability to use the BBB logo on our marketing materials, website and Energy Efficiency program.
- GenPower, one of the facilities providing renewable power to MEA, had a ribbon cutting ceremony where MEA Account Manager Justin Kudo was able to attend, reporting back it was an exciting and educational event. MEA is purchasing 4 MW from GenPower.

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

- C.1 Minutes from 4.4.13 Board Meeting
- C.2 Monthly Budget Report
- C.3 Report on Approved Contracts
- C.4 Payment to Green Ideals Contract Overage
- C.5 Budget Amendments

M/s Greene/Athas (Passed 12-0-1) approved all items on the consent calendar. Director Bragman was absent.

Agenda Item #5 – Deep Green Local Renewable Development Fund (Discussion/Action)

Executive Officer Weisz informed the Board that this exciting project was presented and previously discussed at both Technical Committee and Executive Committee meetings. She discussed the key focus of the CCA Program was the development and implementation of local energy resources. Tying this goal to revenue from Deep Green customers is a great way to add distributed generation and other energy programs responsive to customer interests.

Through an ongoing evaluation of MCE's service territory, staff has identified a variety of potential project development sites suitable for solar projects.

MCE's Developed Projects

- MCE would develop and own projects to support long term goals for renewable power supply and cost stability.
- MCE's service territory has a variety of potential of project development sites to consider.
- The MCE 'Local Renewable Development Fund' could be created and linked to Deep Green Customer participation to spur additional project development and Deep Green customer lead generation.

Resource Coordinator Greg Brehm presented on the program progress to date.

First Project:

- Visibility and interest in local renewable projects is likely to stimulate additional Deep Green customer enrollments, and thereby provide support for more local projects in the future.

Pre-Development and Budget & Timeline:

- Site Control
- Site Plan
- Single Line Diagram

Ms. Weisz provided clarification related to an adjustment to show \$51,536 rather than \$52,000 as the exact amount of funds recommended for transfer from the MEA operating fund into an MEA Local Renewable Development Fund to cover expenses related to MEA Renewable Project Development. A press release will be issued introducing this project to the community.

Ms. Weisz and Mr. Brehm responded to questions from the Board related to pre-development costs, actual building costs and various options for project funding.

M/s Sears/Withy (Passed 12-0-1) approved recommendation to direct staff to transfer \$51,536 from the MEA operating fund into a MEA Local Renewable Development Fund to cover expenses related to MEA Local Renewable Project Development. Director Bragman was absent.

Agenda Item #6 Energy Efficiency Update and Standard Offer Program (Discussion)

Energy Efficiency Coordinator Beckie Menten recognized Mr. Dimarea Young, a RichmondBUILD student who was killed the first day of program training implementation in Richmond. MCE employees have donated funds to several nonprofit organizations in Richmond to recognize Mr. Young, as well as recognizing him on the MCE website and sending condolence cards to RichmondBUILD and the Young Family

Ms. Menten provided the following update on the Standard Offer Program

- Brochures in English & Spanish are now available
- Upgrades to web portal have been made and it will be updated on a regular basis. She encouraged each Board member to visit the website
- Total Portfolio Electricity Consumption
- Potential available in commercial and industrial sectors
- Potential available in agricultural sector in particular – PGE offers agricultural rebates but they do not have a program geared toward their customers in the standard offer fashion
- Potential available in streetlight program
- MCE program constraints
- Optimistic view
- Next steps

Ms. Menten responded to questions from the Board and a request from Director Tom Butt that a few hypothetical cases are presented to assist in better understanding how the standard offer program really works.

Agenda Item #7 – Communications Update (Discussion)

Community Affairs Representative Alex DiGiorgio provided the following update:

- Described business outreach, media briefings and community event and meeting participation. He commended colleague Elena Velez on an excellent job of reaching the Spanish-speaking churches and

communities at large. MCE will be represented at the Cinco de Mayo celebration in Richmond on Sunday, May 5th.

- Richmond customer participation
- Article in Pacific Sun – very exciting

Mr. DiGiorgio commended Communications Director Jamie Tuckey on a great job in City of Richmond advertising campaign.

Mr. DiGiorgio responded to questions from the Board and request to provide the Board with percentage of opt ups at the next meeting.

Agenda Item #8 – Regulatory Update (Discussion)

Legal Director Elizabeth Kelly provided update on:

- PG&E “Green Option” Settlement
- What the Green Option proposes
- Green Option creates cross-subsidies
- How we can encourage green opportunities that are offered in a fair and equitable marketplace
- How we can ensure a competitive environment for CCA’s

Ms. Kelly responded to questions from the Board. Chair Connolly commented that all of the Board comments are well taken. He was in Sacramento recently, met with the key legislative staff in charge of this Green Option being incorporated into proposed AB1014. He raised some of the same issues that Ms. Kelly presented in an attempt to advise legislative staff of fair and equitable parameters to consider, if the Green Option remains included in draft legislation.

Agenda Item #9 Board Member & Staff Matters (Discussion)

Chair Connolly complimented MEA staff on new shirts.

Agenda Item #10 – Adjourn

8:56PM

Damon Connolly, Chair, Marin Energy Authority

ATTEST:

Dawn Weisz, Executive Officer



June 6, 2013

TO: Marin Energy Authority Board
FROM: Emily Goodwin, Internal Operations Coordinator
RE: Monthly FY 14 Budget Report (Agenda Item #5 - C.2)
ATTACHMENT: April 2013 Budget Update (Unaudited)

Dear Board Members:

SUMMARY:

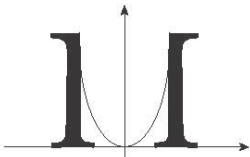
The attached budget update compares the recently adopted FY 2014 budget to the unaudited revenue and expenses of MEA for the month ending April 2013.

On April 4, 2013 your Board approved an amendment to the FY 14 budget, based on recommendations from our accountants, to better display MEA activity by function and use this format moving forward. April is the first month in which you'll see that change, illustrating the Energy Efficiency related revenue and expense leaving the Operating Budget and going to the Energy Efficiency budget.

Contributions revenue shows a credit of \$20,000 due to the accounting for contributed furniture. This is also factored into the Capital Outlay line item, as an expense of \$20,000. Increased Communications expenses are associated with the planned Richmond expansion. Communications expenditures were directly related to website redesign and advertising, in addition to the design, print and postage fees of Richmond communications and outreach.

Overall, MEA 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 Plumblne

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Marin Energy Authority

We have compiled the accompanying budgetary comparison schedule of Marin Energy Authority (a California Joint Powers Authority) for the period ended April 30, 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 Energy Authority.

Maher Accountancy

May 20, 2013



MARIN ENERGY AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through April 30, 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	\$ 4,882,730	\$ 81,982,270	5.62%
Public purpose energy efficiency program	2,100,000	67,291	2,032,709	3.20%
Total sources	<u>88,965,000</u>	<u>4,950,021</u>	<u>84,014,979</u>	<u>5.56%</u>
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Cost of energy	76,427,000	4,810,923	71,616,077	6.29%
Staffing	1,562,000	108,857	1,453,143	6.97%
Technical consultants	594,000	51,531	542,469	8.68%
Legal counsel	335,000	2,839	332,161	0.85%
Communications consultants and related expenses	650,000	184,254	465,746	28.35%
Data manager	2,534,000	167,936	2,366,064	6.63%
Service fees- PG&E	603,000	39,041	563,959	6.47%
Other services	333,000	14,591	318,409	4.38%
General and administration	297,000	25,926	271,074	8.73%
Marin County green business program	15,000	-	15,000	0.00%
Solar rebates	10,000	-	10,000	0.00%
Public purpose energy efficiency program	2,100,000	67,291	2,032,709	3.20%
Total current expenditures	<u>85,460,000</u>	<u>5,473,189</u>	<u>79,986,811</u>	<u>6.40%</u>
CAPITAL OUTLAY	20,000	3,744	16,256	18.72%
DEBT SERVICE	1,195,000	144,705	1,050,295	12.11%
Total expenditures	<u>86,675,000</u>	<u>5,621,638</u>	<u>\$ 81,053,362</u>	<u>6.49%</u>
Net increase (decrease) in available fund balance	<u>\$ 2,290,000</u>	<u>\$ (671,617)</u>		

ENERGY EFFICIENCY PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through April 30, 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	\$ 67,291	\$ 2,032,709	3.20%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Public purpose energy efficiency program	2,100,000	67,291	2,032,709	3.20%
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>		



June 6, 2013

TO: Marin Energy Authority Board
 FROM: Sarah Gardner, 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 month:

Month	Purpose	Contractor	Maximum Contract Amount	Term of Contract
May	Regulatory Services	Braun, Blaising, McLaughlin & Smith PC	\$5,000	1 Year
May	Creation of rate calculator for MCE website	Kenneth Mathew Fleisch	\$3,000	1 Year
May	Online advertising and media planning	MOGO Marketing	\$9,700	3.5 Months

Recommendation: Information only. No action required.



June 6, 2013

TO: Marin Energy Authority Board

FROM: Beckie Menten, Energy Efficiency Coordinator

RE: Energy Efficiency Update (Agenda item #6)

ATTACHMENT: Executed Term Sheet with First Community Bank for MCE Consumer Loan Program

Dear Board Members:

SUMMARY: This is a discussion only update on the MEA energy efficiency program.

Background

In August of 2012, MEA's application for energy efficiency funding for 2012 programs was approved by the California Public Utilities Commission, allocating \$328,000 in funding for a multifamily energy efficiency program. MEA has been ramping up and implementing this program since that time.

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

Accomplishments

Small Commercial

The small commercial program is in full swing and has been conducting door to door canvassing in San Rafael for the month of April and May. During this time, the team has visited 167 businesses, resulting in 28 audits of which two were comprehensive audits¹. The SmartLights team is now compiling reports and will be submitting those to the customer to solicit projects.

MEA staff met recently with the East Bay Energy Watch, which oversees the SmartLights program in the City of Richmond, to propose coordination on the program similar to what MEA has negotiated with PG&E and the County of Marin here in Marin. MEA, PG&E, and EBEW have agreed to a joint saturation campaign in Richmond and are targeting an August launch of the program. While some details remain to be

¹ These figures are as of April 25, 2013.

determined, staff is optimistic that this solution will provide a high level of service to Richmond commercial customers.

Multifamily

The multifamily program is in full swing with three projects in progress and six in the pipeline. The first targeted outreach effort was launched in the month of May, and included mailers providing summary information on the properties which were sent to pre-selected multifamily account holders in the Marin area. These mailers will be sent out in batches of 50 and will be followed up with phone calls to inform property owners and managers about the program offering. MEA staff are working with the City of Richmond to target property owners and managers in the Richmond area, and anticipate rolling out Richmond-specific outreach in June.

Single Family

The 'My Energy Tool' website was linked to the Google Analytics site last week, providing us with information on the traffic to the web portal. The first day that Google Analytics was tracking the site we received 34 unique visitors and 40 overall visits. The analytics will be tracked and modifications will be made to the site based on where users are exiting to maximize participation in the program.

The schools program is in full swing with classroom instruction taking place across Marin schools. Last week SEI worked with PEI and MEA to coordinate the construction of over 400 energy savings kits, containing CFL bulbs, LED nightlights, and other energy savings tips and tools. These kits will be sent to families that participate in the schools program and choose to receive a kit via the online web tool.

Financing

Multifamily and Small Commercial On-Bill Repayment

The Operating Agreement for the small commercial and multifamily On-Bill Repayment program is included in your Board Packet for review for this meeting. This is an important step towards finalizing the OBR program. Simultaneously, staff is working with subcontractors to the program to ensure that energy evaluation reports include information about the availability of financing, both to enable deeper investments in properties and to create traction for the OBR program.

Single Family On-Bill Repayment

MEA has signed a final term sheet for the single family On-Bill Repayment program with First Community Bank. The bank has agreed to lend at 6.5% interest on unsecured loans for FICOs as low as 640. This is a promising partnership and MEA looks forward to finalizing details. Staff anticipates an August launch for this program.

Challenges

Small Commercial

Out of the 28 audits provided to businesses to-date only 2 have been comprehensive whole building audits. This is typically because the owner is not on the premises when the team is on site, and the staff and managers may not have access to HVAC equipment and other areas of the building necessary for a more comprehensive analysis of the property. Staff recognizes the need to modify the canvassing approach currently employed in this program to address this issue and is working with SmartLights to enhance the outreach strategy.

The primary calculator employed in the small commercial program to calculate energy savings from lighting-based measures has some deficiencies, which regulators and program administrators at PG&E have proven reluctant to address. Staff is working with other affected program administrators in the Regional Energy Networks and with other local governments to attempt to address these issues and get them resolved.

On-Bill Repayment

PG&E has indicated that they do not feel the existing tariff provides sufficient coverage for the On-Bill Repayment services and has provided a draft agreement to define the administrative roles and responsibilities related to the OBR program for MEA and PG&E. MEA staff and external legal counsel has reviewed the agreement and will finalize and execute before implementation of the program.

Single Family Program

The initial pilot of the schools program is yielding important lessons regarding the best way to integrate a curriculum with the web tool. Staff is working with the PEI and SEI teams to identify solutions for improving web tool use.

Recommendation: Discussion item only.

April 30, 2013

Ms. Dawn Weisz, Executive Officer
Ms. Beckie Menten, Energy Efficiency Coordinator
Marin Energy Authority
781 Lincoln Ave., Suite 230
San Rafael, CA 94901
Transmitted via email scan

Re: Marin Clean Energy "MCE" Consumer Loan Program

Dear Ms. Dawn Weisz and Ms. Beckie Menten:

Following outlines the loan program offered by First Community Bank (FCB) to finance energy upgrades and improvements to individual's personal residences.

Collateral: N/A. Unsecured.

Minimum Loan Amount: \$ 2,500.00
Maximum Loan Amount: \$30,000.00

Payment Schedule: Monthly principal and interest, fully amortized.

Interest Rate: 6.50% fixed.

Maximum Term: 10 years.

Sample Monthly Payment: \$113.55 (based on a \$10,000 loan amount).
Annual Percentage Rate: 6.612% (based on a \$10,000 loan amount).

Minimum FICO Score: 640.

Qualifications: Proof of Homeownership; Property Taxes are Current.

Upfront Application Fee: \$50 (paid in cash).

Documentation Fee: \$150 (financed).

Late Fees:

Marin Energy Reserve Amounts

FICO Score 640-670: 15%.
FICO Score 671-700: 10%.
FICO Score 701+: 5%.

Joint Applicants: FICO Scores based on an average of both applicants.
If one score is below 640, the applicants do not qualify.



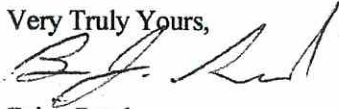
Marin Clean Energy
Consumer Loans
Page 2
April 16, 2013

The commitment for this loan program is through December 31, 2014. During the contract term, MEA agrees that this will be an exclusive program with FCB. This commitment is subject to final documentation of each parties responsibilities in the program including processing, billing, customer service, late payments and reserve establishment and use. Terms may be changed at any time during this commitment if agreed to by both FCB and MCE.

Signing this acknowledges the parties commitment to move forward on the development of a program based on the above offered terms.

Please feel free to call me at 707-636-9065 should you have any questions or further needs regarding this program. Many thanks for your cooperation and collaboration in this financing and energy upgrade opportunity. This commitment expires on May 10, 2013 if not accepted prior to then.


Very Truly Yours,



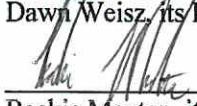
Brian Reed
CCO and Executive Vice President

Marin Energy Authority

By:


Dawn Weisz, its Executive Officer

By:


Beckie Menten, its Energy Efficiency Coordinator



June 6, 2013

TO: Marin Energy Authority Board

FROM: Beckie Menten, Energy Efficiency Coordinator

RE: Agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program (Agenda item #7)

ATTACHMENTS: A. Resolution 2013-06 Authorizing Approval of Agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program
B. Agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program
C. Executed Term Sheet with River City Bank for the Small Commercial and Multi-Family On-Bill Repayment Program

Dear Board Members:

Background

On the 9th of November, 2012, the CPUC approved MEA's application for funding for 2013 – 2014 energy efficiency programs, allocating over \$4 million to MEA. The 2013 – 2014 portfolio of programs includes continuation of the MEA multi-family energy efficiency program (EE), 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 Agreement before you for consideration today is the Operating Agreement which will define the basic terms and function of the Multi-Family and Small Commercial OBR Program (OBR Program, or the Program) and the relationship between River City Bank (RCB) and MEA.

Discussion

In February of 2013, MEA and River City Bank successfully agreed to a basic set of terms that would be available to MCE customers for financing energy efficiency improvements on multi-family and small commercial properties. At that time, MEA and River City Bank began developing an Operating Agreement, which defines the roles, responsibilities, and other structural components of the Multi-family and Small Commercial OBR program. The document presented before you for approval today is that basic foundation Agreement.

Financing is a critical step towards accomplishing energy efficiency upgrades. The initial costs associated with implementing an energy efficiency project can serve as a barrier for property owners who may be interested in making such improvements. While some

financing programs exist, many financial institutions are unfamiliar with EE lending and tend to place a higher interest rate on their products due to perceived risk of default on loans.

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.

The MCE OBR Program will be additionally secured with two components. First, RCB has requested that a UCC-1 Fixture Filing be placed on participating properties to record the debt on the title and ensure that RCB has a means of recuperating lost loan expenses upon foreclosure of the property or bankruptcy of the borrower. Second, MEA is providing a loan loss reserve that is funded through the Energy Efficiency program funds. The loan loss reserve is a fund that will be available to RCB upon default of loans and will help RCB to recuperate the losses it incurs through participating in this program. The total loss that RCB can collect is limited to 15% of the total program volume, though RCB may collect 100% of any *individual* loss up to that 15% cap. For example, RCB has agreed to lend \$3.65 million to MCE customers during the program term¹. MEA has agreed to provide a total of \$547,000 (15% of \$3.65 million), which will be available upon default. Thus, RCB can collect up to \$547,000 for losses incurred during participation in the program, but no more. RCB will be responsible for collections on any defaulted loans, and when collection efforts are successful, will refund the loan loss reserve fund (less any legal and collection fees incurred to obtain those funds.)

PG&E has indicated that they do not feel the existing tariff provides sufficient coverage for the On-Bill Repayment services and has provided a draft agreement to define the administrative roles and responsibilities related to the OBR program for MEA and PG&E. MEA staff and external legal counsel has reviewed the draft agreement and will finalize and execute before implementation of the program.

The first six months of this program will be conducted as a pilot program. This will be important as this program is the first of its kind, and it is likely that adjustments will need to be made. For this reason, staff seeks approval for the Executive Offer to make non-material amendments to this agreement to react to minor changes that may be necessary. Such approval is included in the recommendation presented below.

This draft Agreement was presented to the Executive Committee of the MEA Board on May 15th. The Executive Committee recommended that the Board approve this Agreement with specific edits incorporated. Those edits included modifying section 1.02 to include reference to the pilot period as either 6 months or \$500,000 in loans, whichever comes first. Additionally, the Executive Committee requested that the specific terms of lending be detailed explicitly in the Agreement. These terms are now included in section 2.02.01. Additionally, MEA has vetted this Agreement with external legal counsel² and has received final review of the attached draft.

¹ \$1 million is available for small commercial customers, and \$2.65 million is available for multi-family customers. These program volumes were suggested by MEA staff and are based on projections in the original application submitted to the CPUC in July of 2012.

² Jim Karpiak at Richards, Watson, and Gershon has reviewed this agreement under contract to MEA.

Recommendation: Approve Resolution 2013-06 Authorizing approval of the Agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program and authorize the Executive Officer to make non-material changes to the Agreement as necessary.

RESOLUTION NO. 2013-06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MARIN ENERGY AUTHORITY APPROVING THE AGREEMENT WITH
RIVER CITY BANK TO PROVIDE SERVICES FOR THE MCE ON-BILL
REPAYMENT PROGRAM**

WHEREAS, the Marin Energy Authority (“MEA”) 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, MEA members include the following MEA 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 City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Rafael, the City of Sausalito and the Town of Tiburon; and

WHEREAS, On the 9th of November, 2012, the CPUC approved MEA’s application for funding for 2013 – 2014 energy efficiency programs, allocating over \$4 million to MEA; and

WHEREAS, The 2013 – 2014 portfolio of programs includes an on bill repayment for multi-family and commercial customers; and

WHEREAS, In February of 2013, MEA and River City Bank agreed to a basic set of terms that would be available to MCE customers for financing energy efficiency improvements on multi-family and small commercial properties; and

WHEREAS, MEA is providing a loan loss reserve that is funded through the Energy Efficiency program funds allocated to MEA for this purpose; and

WHEREAS, The loan loss reserve is a fund that will be available to RCB upon default of loans and will help RCB to recuperate the losses it incurs through participating in this program; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Marin Energy Authority approves the agreement with River City Bank to Provide Services for the MCE On-Bill Repayment Program.

PASSED AND ADOPTED at a regular meeting of the Marin Energy Authority Board of Directors on this 6th day of June 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 ENERGY AUTHORITY BOARD

ATTEST:

SECRETARY, MARIN ENERGY AUTHORITY BOARD

**MCE SMALL COMMERCIAL AND MULTI-FAMILY ON-BILL REPAYMENT
PROGRAM**

OPERATING AGREEMENT

Dated as of _____

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DRAFT

MCE ON-BILL REPAYMENT PROGRAM

OPERATING AGREEMENT

This Operating Agreement for the MCE On-Bill Repayment Program (“Agreement”) is hereby made and entered into as of _____, 2013, between Marin Energy Authority, as Program Developer (“MEA”), and River City Bank, a California corporation (“RCB”). MEA and RCB 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, MEA has developed a program to provide resources and loans for enhancing the energy efficiency of existing buildings (the “Program”) in an effort to increase the adoption of energy efficiency measures by commercial property owners and multi-family property owners within its jurisdiction;

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

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

WHEREAS, the Parties now desire to enter into this Agreement 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 either during the first six (6) months of the Availability Period or until \$500,000 in loans have been originated through this

program, whichever comes first. 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.** No later than two (2) weeks prior to the end of the Pilot Program, the Parties will determine whether or not to continue the Program to Full Implementation. To the extent there is mutual agreement, Full Implementation will begin and continue through the Termination Date. If there is not mutual agreement, this Agreement shall terminate except as to OBR Loans already made.

(c) Except as otherwise provided in this Agreement, the Parties agree to offer the Program during the Availability Period.

1.03. Pilot Program Goals.

(a) During the Pilot Program, 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 RCB, (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

MEA represents and warrants to RCB as follows:

(a) Neither the execution of this Agreement nor compliance with the terms and provisions of this Agreement on the part of MEA 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 MEA 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 MEA.

ARTICLE II.

ROLES AND RESPONSIBILITIES

2.01. Marketing and Information Delivery

2.01.1 MEA

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

(c) Except as otherwise set forth in this Agreement, MEA, 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) MEA will define the business and information technology requirements, processes, procedures and reports necessary to implement the services described in this Agreement to RCB.

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

(f) MEA 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 RCB

RCB will (i) provide MEA with an approved form of Application for distribution to Borrowers interested in financing options and other information intended for public distribution and (ii) notify MEA of any material regulatory or policy change that may have an impact on the Program.

2.02. Summary of OBR Loan Terms

2.02.1 Basic Terms

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

(a) During the Pilot Program, the total combined Commercial Property Loan Commitment and the Multi-Family Loan Commitment shall not exceed \$500,000.00. During Full Implementation, the maximum amount of RCB funded OBR Loans will not exceed the Commercial Property Loan Commitment and the Multi-Family Loan Commitment, inclusive of OBR Loans funded during the Pilot Program.

(b) OBR Loans will be no less than \$10,000.00 per Borrower and no more than \$265,000.00 per Borrower; larger loans will be considered on a case by case basis by RCB. In each case, the OBR Loan amount will not be greater than the “Estimated Contractor Cost LESS the Rebate” as provided in the Energy Audit.

(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 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 Loans.

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

(f) OBR Loans will be disbursed by RCB to each Borrower in a single advance following evidence satisfactory to RCB 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 amortized over a period between five (5) to ten (10) years as determined by RCB.

(h) Subject to Section 6.01 and provided no default has occurred, the interest rate on OBR Loans will be fixed at a rate of five percent (5%) for the life of each OBR Loan. The OBR Loan will accrue interest daily and be calculated on a basis of actual days lapsed/360 days.

(i) Collateral held by RCB for each OBR Loan will include a UCC specific filing on the improvements and a fixture filing recorded with the respective county where the property is located.

(j) The OBR Loans shall be subject to defaults typically enforced by RCB in similar loans. 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 RCB deems the balance of the OBR Loan uncollectible.

(k) MEA shall establish a Loan Loss Reserve Account with RCB as provided in Section 5.05

(l) RCB will charge a non-refundable documentation fee equal to \$250 for each OBR Loan, payable by each Borrower at the time of execution of the Loan Documents.

(m) With prior approval by MEA, which approval shall not unreasonably be withheld, MEA will pay all RCB's reasonable out-of-pocket expenses including, but not limited to, legal fees and any expenses incurred by RCB as part of providing financing to MEA's customers under the OBR Program. RCB will notify MEA in advance regarding proposed scope of work and projected ranges of such expenses.

(n) RCB shall provide all disclosures to Borrowers in accordance with applicable law.

2.02.2 MEA Delivery of Information in connection with Loan Applications

In connection with an Application for a Loan, MEA will deliver to RCB:

(a) An Energy Audit;

(b) Scope of Work and Owner Agreement Form (substantially in the form of Exhibit K for Multi-Family Loans or Exhibit L for Small Commercial) Property Loans;

MEA acknowledges and agrees that RCB will rely on the accuracy and content of the information provided on the Energy Audit and Scope of Work, including Rebate Amount for purposes of underwriting and loan approval.

RCB acknowledges that MEA 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 RCB approval of Applications

RCB 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 RCB of an Application, RCB will (i) prepare Loan Documents in accordance with its standard practices and procedures, (ii) obtain Applicant's signature on Loan Documents, and (iii) notify MEA that an OBR Loan has been approved and provide MEA with the Borrower information required pursuant to Section 3.02.

MEA will (i) register Borrower information on MEA Systems and (ii) 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 efficiency measures defined in the Energy Audit and Scope of Work. Any additional or unforeseen costs and expenses arising during the course of construction are not subject to the OBR Loan or RCB's commitment to fund the OBR Loan.

(a) Under the terms of the Loan Documents, each Borrower will be required to immediately notify RCB 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 Energy Audit. Failure by a Borrower to promptly notify RCB may result in a cancellation of RCB's obligations under the Loan Documents and the OBR Loan.

(b) RCB will require written confirmation of the change in the Scope of Work and the Energy Audit by the Project Consultant and MEA.

(c) To the extent the Scope of Work is decreased, RCB will reduce the OBR Loan downward to conform to the changes provided in the change order or other documentation, but only to the extent that RCB approves of the confirmations as provided in paragraph (b) above from the Project Consultant and MEA.

(d) If there is an increase in the projected cost of the Energy Audit or Scope of Work, the Loan Documents will require that the Borrower either:

(i) Pay for such increased cost from Borrower's own resources, with confirmation of such amounts paid prior to any funding of the OBR Loan;

(ii) Cancel the OBR Loan with RCB until such time as the conditions resulting in the increase are resolved such that the original Scope of Work can be reinstated; or

(iii) Apply for a separate loan with RCB to finance the cost of the unforeseen condition resulting in the increase. To the extent a separate loan is granted for any purpose other

than that contemplated herein, it shall not be deemed an OBR Loan and shall not be subject to the terms and conditions of this Agreement.

2.03.3 Project Completion

(a) MEA and the Project Consultant shall notify RCB of Project Completion by submitting of the Certificate of Completion form attached as Exhibit A in addition to the statement of completion or post-install required by MEA. The Certificate of Completion shall be accompanied by a copy of (i) the Energy Audit, (ii) an executed Unconditional Waiver and Release signed by the Contractor, (iii) evidence that payment of the Rebate Amount has been authorized to Contractor, if relevant, and (iv) the “Installation Verification and Rebate Approval” memo provided with the Certificate of Completion.

ARTICLE III.

LOAN FUNDING AND PAYMENT PROCESSING

3.01. Loan Balances

The books and records of RCB 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, RCB will deliver a Loan Information Notice to MEA substantially in the form of Exhibit C for all new OBR Loans.

Following the initial funding:

- (a) RCB will be responsible for notifying MEA of delinquent OBR Loan information;
- (b) RCB will review reports and information provided by MEA and provide corrections on OBR Loan information in a timely manner substantially in the form of Exhibit D;
- (c) RCB will treat all information received from MEA as highly confidential and all information received by RCB, 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 MEA Non-Disclosure Agreement and CPUC Decision 12-08-045.
- (d) RCB 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. MEA as Billing Agent

MEA shall serve as the “Billing Agent” for RCB 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 MEA 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 RCB. In addition,

MEA will (1) communicate to RCB any issues that will impede timely or accurate remittance of payments and (2) authorize transfers from the Loan Loss Reserve for the portion of those OBR Loans deemed uncollectable by RCB in accordance with Section 5.05.

(a) MEA shall ensure that the amounts due and payable to RCB 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) MEA will comply with all applicable laws and regulations.

3.02.1 Monthly Reports

(a) On or before the 15th business day of each month, MEA will provide to RCB 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, MEA will provide to RCB 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, MEA will provide to RCB 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) MEA and RCB will use all reasonable efforts to ensure the accuracy of the information transmitted to and between each Party. RCB 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. RCB will notify MEA of any discrepancies or corrections.

(b) MEA will not make corrections or adjustments to OBR Loan information submitted by RCB 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, RCB 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 RCB, RCB shall complete and submit an "OBR Loan Correction Notice" substantially in the form of Exhibit D attached hereto.

(b) MEA 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 RCB'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 MEA for the prior week as reconciled in accordance with Section 3.02.2.

(c) Payments shall be disbursed by MEA to an account designated by RCB.

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 RCB and not submitted through the Energy Bill. RCB shall notify MEA if a payment is made directly to RCB, outside of the PGE Billing Statement, to confirm that the payment is not subject to Pro-Rata Sharing of Payments. RCB 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 MEA for allocation if Pro-Rata Sharing of Payments is in effect.

ARTICLE IV

CUSTOMER INQUIRIES – DISPUTE RESOLUTION

4.01. Customer Inquiries

(a) MEA 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) MEA 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 for RCB.

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

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

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

(f) During the Pilot Program, MEA and RCB 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 RCB records and the amount due according to MEA records, RCB 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, MEA 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.

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 MEA or RCB. 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, MEA 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.

5.01.1 (a) Carve-Out

MEA shall utilize the Carve-Out portion to adjust timing issues associated with Administrative Errors. MEA acknowledges and agrees that any funds debited from the Carve-Out must be restored in full within sixty (60) days after such debit. MEA will record and track the debits and credits to the Carve-Out with such information made available to RCB 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 RCB’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 RCB, RCB shall provide a thirty (30) day notice to MEA of the termination of the Carve-Out. MEA shall have a period of thirty (30) days following such notice to restore the Carve-Out to \$5,000.00.

5.02. Payment Default

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

5.02.1 Notification to Borrower

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

5.02.2 Late Fees imposed by RCB

To the extent a Borrower defaults under an OBR Loan, RCB shall have the right to (i) impose a late charge equal to the greater of 5.00% of the regularly scheduled payment or \$10.00 for payments past due in excess of 15 days, and (ii) increase the interest rate by 5.00%.

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 (i) failure by a Borrower to pay a PGE Billing Statement in full (outside of an Administrative Error), (ii) upon notice from RCB that an OBR Loan Payment is delinquent fifteen (15) days or more, and (iii) upon notice from MEA to RCB 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 of Payments will be determined by taking the total amount of MCE charges (inclusive of RCB charges) due on any single PGE Billing Statement and dividing the total amount by (i) the total amount of outstanding OBR Loan Payments reflected therein due and payable to RCB to determine the "RCB Pro-Rata Percentage" and (ii) the total amount of all Energy Amounts reflected therein due and payable to MCE to determine the "MCE Pro-Rata Percentage". In no event will the sum of the RCB 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 MEA to be paid in accordance with the Pro-Rata Percentages until such time as the OBR Loan and Energy Amount are either (i) restored to current payment status as mutually agreed between the Parties, or (ii) the OBR Loan has been repaid in full through the Loan Loss Reserve.

5.05. Loan Loss Reserve

Concurrent with the execution of this Agreement, MEA shall deposit in an account with RCB an amount equal to fifteen percent (15%) of the Loan Commitment (\$547,500.00), which includes the Carve-Out (the “Loan Loss Reserve”). The Loan Loss Reserve Account shall be in the name of MEA with debits and credits from and to the Loan Loss Reserve Account restricted as provided herein.

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 OBR Loans whereby the Borrower has defaulted under the terms of the Loan Documents and RCB deems the OBR Loan or a portion thereof as uncollectible. RCB in its sole discretion will request advances from the Loan Loss Reserve Account in accordance with this Section.

The amount available from the Loan Loss Reserve Account to RCB for each defaulted OBR Loan will include unpaid principal, interest, fees. Any amounts credited back to the Loan Loss Reserve Account in accordance with Section 5.05.2 shall be available to RCB for future OBR Loans.

RCB will submit a Notice of Loan Loss Reserve Advance to MEA 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

RCB will continue collection efforts on defaulted 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 RCB recovers or collects amounts on a defaulted OBR Loan where the unpaid balances were advanced from the Loan Loss Reserve Account, RCB 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 MEA), RCB shall provide MEA 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 reduced to fifteen percent (15%) of the outstanding funded OBR Loans 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 MEA.

5.05.5 Loan Loss Reserve Termination Date

The Loan Loss Reserve Account shall remain in effect and available to RCB until the earlier of (i) all collection efforts by RCB have ceased and the Loan Loss Reserve is depleted to a \$0.00 balance, and (ii) 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. RCB 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 MEA 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 or during Full Implementation.

RCB reserves the right to modify the Basic Terms of OBR Loans as may be necessary or deemed appropriate by RCB, provided however, that if RCB determines that the interest rate and maximum term for the OBR Loans may be subject to change, RCB shall give forty-five (45) days’ notice of such change to enable MEA to provide comment and to modify any Program marketing material as appropriate. To the extent MEA does not concur with the proposed change in interest rate, MEA reserves the right to terminate the Program with RCB. 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 MEA 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 (a) is or becomes publicly known through no fault on the part of the recipient; (b) is, at the time of disclosure, already known to the recipient without obligation restricting disclosure; (c) is, or subsequently becomes, rightfully and without breach of this Agreement, in the recipient's possession without any obligation restricting disclosure; or (d) 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) MEA 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.

6.04 Reliance among Parties

All information MEA provides to RCB hereunder (including that of MEA Service Providers but excluding confidential information provided within RCB 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 MEA's knowledge, so that RCB may rely upon its accuracy. MEA shall immediately notify RCB in writing of any change in the accuracy of any information MEA has previously provided to RCB.

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 (i) on the date of personal service on the Parties, (ii) on the third business day after mailing, if the document is mailed by registered or certified mail, (iii) one day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier, or (iv) 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 MEA

MEA 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. MEA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. RCB shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MEA'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

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

Application. A loan request form prepared by RCB 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 RCB 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.

Commercial Property Loan Commitment. Except as provided during the Pilot Program, an amount not to exceed \$1,000,000.00 in total OBR Loans funded by RCB for the purpose of energy upgrades to commercial real estate.

Contractor. A licensed general contractor engaged by Borrower and approved by MEA to complete the Scope of Work in accordance with the Energy Audit.

CPUC. California Public Utilities Commission

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 MEA or its subcontractor which includes a comprehensive evaluation, proposal and line item summary of energy efficiency measures submitted upon the request of an Borrower. The Energy Audit includes the Rebate Amount and is provided to Borrowers to assess potential savings and understand the estimated costs associated with such measures. For Multi-Family Commitments, the “Energy Evaluation Report” is the Energy Audit; for Commercial Property Commitments, the “Customer Report” is the Energy Audit.

Energy Project. The project as outlined in the Energy Audit and Scope of Work form executed by the Borrower.

Event of Default. A violation of a payment term, covenant or other condition of the Loan Documents as defined in section 2.02(1).

Final Inspection Report. A report completed by MEA, or its designee, confirming completion in full of the work required pursuant to the Energy Audit and Scope of Work. For Multi-Family Commitments, the “Multi-Family Energy Efficiency Program Statement of Completion” is the Final Inspection Report (substantially in the form of Exhibit I); for Commercial Property Commitments, the “SmartLights Check List-Post Install Site Inspection” is the Final Inspection Report (substantially in the form of Exhibit J).

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

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

Loan Commitment. Except as provided during the Pilot Program, an amount not to exceed \$3,650,000 in total Commercial Property Loan Commitments and Multi-Family Loan Commitments funded by RCB in connection with the Program.

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

Loan Loss Reserve Account. A deposit account established concurrent with the execution of this Agreement in an amount not to exceed equal to fifteen (15%) of the total Loan Commitment (\$547,500.00).

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.

MCE. Marin Clean Energy - the energy program provided by MEA.

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

Multi-Family Loan Commitment. Except as provided during the Pilot Program, an amount not to exceed \$2,650,000.00 in total OBR Loans funded by RCB for the purpose of energy upgrades to multi-family real estate.

NES. Noble America’s Energy Solutions; a Service Provider of MEA.

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

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

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 MEA.

Pilot Program. During the Availability Period, the date which is six (6) months from the funding date of the first OBR Loan made under the Program.

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 as certified by MEA and the Project Consultant to RCB.

Project Consultant. A Service Provider of MEA; any consultant engaged by MEA to provide services on behalf of MEA 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 which is subject to refund by the CPUC as outlined on the Energy Audit.

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, as reviewed and approved by MEA. For Multi-Family Commitments, the "Borrower Participation Agreement" is the Scope of Work (substantially in the form of Exhibit K); for Commercial Property Commitments, the "Customer Work Authorization" is the Scope of Work (substantially in the form of Exhibit L).

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

RCB:

MEA:

RIVER CITY BANK

MARIN ENERGY AUTHORITY

By: _____

By: _____

Its: _____

Its: _____

Address: _____

Address: _____

Fax No.: (916) _____

Fax No.: (____) _____

DRAFT

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 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 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 River City Bank in connection with the MCE On-Bill Repayment Program with the understanding and knowledge that River City 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 Energy Authority

DRAFT

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: River City Bank
Loan Servicing Department

To: Marin 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

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:

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: \$ _____

OTHER:

AUTHORIZED BY:

_____ DATE: _____

EXHIBIT E – NOTICE OF LOAN LOSS RESERVE ADVANCE

From: River City Bank

Loan Servicing Department

To: Marin Energy Authority

Re: Defaulted OBR Loan

Date:

Please be advised that River City 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:

(River City Bank)

Date: _____

EXHIBIT F – FORM OF LATE PAYMENT NOTIFICATION

NOTICE OF PAST DUE PAYMENT – IMMEDIATE ACTION REQUIRED

DRAFT



NOTICE OF OVERDUE PAYMENT: IMMEDIATE ACTION REQUIRED

Dawn Weisz
Executive Officer

[INSERT DATE]

Damon Connolly
Chair
City of San Rafael

[INSERT NAME]
[INSERT ADDRESS LINE 1]
[INSERT ADDRESS LINE 2]

Kathrin Sears
Vice Chair
County of Marin

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

Bob McCaskill
City of Belvedere

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 River City 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.

Alexandra Cock
Town of Corte Madera

Larry Bragman
Town of Fairfax

Len Rifkind
City of Larkspur

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 River City Bank. Please see the reverse page for payment options.

Ken Wachtel
City of Mill Valley

Denise Athas
City of Novato

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 River City Bank and collected on your energy bill. Failure to pay this charge may result in a default on your loan.

Tom Butt
City of Richmond

Carla Small
Town of Ross

Ford Greene
Town of San Anselmo

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 River City Bank will be considered in default as provided in your loan documents.

Ray Withy
City of Sausalito

Emmett O’Donnell
Town of Tiburon

781 Lincoln Avenue
Suite 320
San Rafael, CA 94901

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 River City Bank at (916) 567-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 MEA SERVICE PROVIDERS

PGE – Pacific Gas and Electric (provide brief description of relationship)

NES - Noble America’s Energy Solutions

Project Consultants (list and describe roles)

Association for Energy Affordability: Multi-Family Program Technical Consultants

Services Provided: Energy Audits, Project Installation Inspection, Technical Assistance to Program.

Community Energy Services Corporation SmartLights Program: Commercial Program Administrator

Services Provided: Energy Audits, Project Installation Inspection, Technical Assistance to Program.

Other

EXHIBIT H – CUSTOMER DISCLOSURE AND CERTIFICATION

You have applied for a loan with River City 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 River City 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]Billing Statement;
- 2) The OBR Loan installment payment is a separate obligation from your agreement and obligations with [PG&E][MEA].
- 3) Failure to pay your monthly PG&E Billing Statement, which includes both the [PG&E][MEA]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], **all future payments will be applied on a pro-rated basis between the OBR Loan and the [PG&E][MEA] portion of the billing statement.**
- 5) River City 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 River City 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], 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 River City 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-MEA] TO SHARE MY PGE INFORMATION WITH RIVER CITY BANK
- 3) I HEREBY AUTHORIZE RIVER CITY BANK TO SHARE INFORMATION WITH [MEA-PGE]
- 4) I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-MEA] AND RIVER CITY BANK

I UNDERSTAND THAT I MUST NOTIFY RIVER CITY BANK OF ANY INCREASED COSTS ASSOCIATED WITH THE SCOPE OF THE WORK APPROVED BY RIVER CITY BANK. RIVER CITY BANK IS UNDER NO OBLIGATION TO FUND THE OBR LOAN IF THE INCREASED COSTS ARE NOT COVERED BY SOURCES OUTSIDE OF THE OBR LOAN.

**EXHIBIT I: MULTI-FAMILY ENERGY EFFICIENCY PROGRAM STATEMENT OF
COMPLETION**



MULTI-FAMILY ENERGY EFFICIENCY PROGRAM STATEMENT OF COMPLETION

CUSTOMER/OWNER INFORMATION

Name of Property Owner

Property address

City

State

Zip

Organization name

Owner phone

Owner email

CONTRACTOR INFORMATION

Contractor name

Contractor Company Name

Contractor phone

Contractor email

INCENTIVE DISBURSEMENT

Please send the final incentive payment to:

Recipient name

Entity receiving incentive (check one):

Owner

Contractor

Mailing address

City

State

Zip

STATEMENT OF COMPLETION

By signing below, both the owner and contractor certify that all of the work in the attached proposal has been completed to program standards and is covered by a one-year warranty on all parts and labor effective as of the date listed below. The owner and contractor are in agreement that the final incentive payment should be sent to the recipient and location listed above.

Owner Signature

Date

Contractor Signature

Date

Contractor's One-Year Warranty Effective Date: _____

Check here to confirm attachment of final Contractor's Work Order, Purchase Order, or Contract





MULTI-FAMILY ENERGY EFFICIENCY PROGRAM STATEMENT OF COMPLETION

ELIGIBILITY REQUIREMENTS AND OTHER TERMS AND CONDITIONS:

1. **ELIGIBILITY:** The Marin Energy Authority's (MEA) Multi-family Energy Efficiency Program (MFEEP) offers free energy surveys, technical assistance, and financial incentives for efficiency measures to customers who are property owners or managers (customers) of multi-family residences. Customers must receive Marin Clean Energy and / or Pacific Gas and Electric gas and/or electric delivery service to be eligible. Incentives are available to customers for the purchase and installation of energy efficiency measures at the location where the qualifying project is to be installed. MEA will not offer financial incentives and/or rebates to those customers who have received financial incentives or rebates for the same eligible measure from the Pacific Gas and Electric Company, the BayREN, or any other ratepayer funded energy efficiency program. Signature on this form counts as affirmation that no other financial incentives have been applied for or collected for the same eligible measures included in this Scope of Work (SOW).
2. **QUALIFYING PROJECTS AND MEASURES:** Qualifying projects include electric or gas energy efficiency measures identified as eligible for incentives by MEA's implementation contractor based on an energy survey of the building. Qualifying projects do not include any electric or gas energy efficiency measures or energy efficiency equipment or services purchased, contracted for, or installed prior to the program start date.
3. **OWNER APPLICATION/PARTICIPATION AGREEMENT:** By signing this Participation Agreement to access the building's energy usage for the previous 12-24 months, customer authorizes MEA's technical implementation contractor to enter this building for the purposes of conducting an energy survey of the building's common area and individual units, installing MFEEP measures in individual units, installing any energy efficiency measures subsequently agreed to in a Scope of Work, inspecting installed measures and evaluating the performance of installed measures.
4. Residents of individual dwelling units in an eligible building for which a Participation Agreement has been signed by the building owner (or management company) are eligible to receive certain directly installed efficiency measures, including but not limited to compact fluorescent (CFL) or light-emitting diode (LED) bulbs, faucet and showerhead installation, pipe insulation, and light weatherization measures.
5. **INCENTIVE AMOUNTS:** The amounts of the incentives for which qualifying projects are eligible are set forth in the audit report provided to the customer.
6. **CUSTOMER WORK AUTHORIZATION AND PROJECT WORK PLAN:** MEA and/or MEA's implementation contractor will meet with the customer to discuss individual building objectives, provide information on alternatives, discuss process and create a work project and schedule. MEA and/or MEA's implementation contractor may select and provide one or more approved installation subcontractors to complete the measure installation work, or the customer may select one or more contractors so long as the customer is willing to procure a signed form from the contractor expressing intent to cooperate with the quality assurance and quality control provisions of the MFEEP. MEA's technical implementation contractor will schedule and/or monitor the required installation services.
7. **IMPLEMENTATION OF WORK AND PAYMENT OF INCENTIVES:** The customer must pay its share of the cost for each measure to be installed pursuant to the Scope of Work not later than the completion of installation of that measure. When MEA's technical implementation contractor confirms that installation of a specific measure is satisfactorily completed, MEA will arrange for payment of the incentive for that measure to the customer or, if authorized to do so by the building owner, directly to the installation contractor for that measure. MEA's quality assurance and/or quality control inspectors and/or MEA, in their sole discretion, may schedule and conduct a post-installation inspection to ensure satisfactory measure installation. Incentive checks will be sent after MEA's technical implementation contractor confirms satisfactory installation.
8. **CUSTOMER INFORMATION:** Customer agrees that MEA may provide customer information including customer name, account number, electric and/or gas consumption data and electric and/or gas energy savings to a third party evaluation contractor selected by the California Public Utilities Commission (CPUC) Energy Division or by Pacific Gas and Electric for program evaluation purposes. The evaluation contractor will keep customer information confidential. Customer information may also be provided to the California Public Utilities Commission. Any customer information provided to the CPUC will be aggregated with information about other customers and not personally identifiable.
9. **TAX LIABILITY AND CREDITS:** MEA is not responsible for any taxes which may be imposed on the customer as a result of measures installed under this program.
10. **DISPUTES:** MEA will have sole discretion to decide on the final resolution of any issues including but not limited to eligibility or incentives.
11. **PROGRAM CHANGES:** MEA reserves the right to change, modify, or terminate this program at any time without any liability except as expressly stated herein. MEA will honor all written commitments made in Scope of Work provided to customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the time specified in the Scope of Work.
12. **PROGRAM EXPIRATION:** This program will expire upon the earliest to occur: (i) December 31, 2014, (ii) when funds are depleted, or (iii) when the program is terminated.
13. **DISCLAIMER:** MEA makes no representations or warranties, expressed or implied, and does not guarantee that implementation of energy-efficiency measures or use of the equipment purchased or installed pursuant to this program will result in energy cost savings.
14. **INSTALLATION REQUIREMENTS:** All work must be in full compliance with the requirements of applicable laws, rules and regulations of authorities having governmental and regulatory jurisdiction. Additionally, work performed pursuant to this program must be overseen by AEA or other contractor identified by MEA. In the removal of old equipment the applicant confirms that as a requirement of the program, the owner or any subcontractor carrying out installation of measures under this program shall remove and dispose of any and all equipment or materials that are replaced or removed in accordance with all applicable laws, rules and regulations.

Mail Completed Form to: MCE Clean Energy, 781 Lincoln Ave, Suite 320, San Rafael, CA 94901
 E-mail to: ee@mceCleanEnergy.com
 Fax #: 415-459-8095
 Phone #: 415-464-6033



EXHIBIT J: SMARTLIGHTS CHECK LIST-POST INSTALL SITE INSPECTION

Smart Lights Program

1013 Pardee Street, Berkeley, CA 94710

Fax (510) 981-0102

Tel (510) 981-7750

www.smartlights.org



Project Completion and Acceptance Certificate

Customer:

The undersigned hereby certifies that all equipment and materials included in the Customer Report and Work Order have been furnished and installed, and that the work has been completed satisfactorily. The project is now complete and ready to be inspected.

The undersigned understands that the Contractor is not an employee nor representative of Community Energy Services Corp., and agrees that neither the aforementioned nor the SmartLights Program are in any way liable or responsible for any acts or omissions of Contractor.

Signature of Authorized agent		Date
Print Name		Title
Business Name	Address	City, State

Contractor:

The undersigned hereby certifies that all specified equipment has been furnished and installed to match the SmartLights project scope, and that the installed equipment complies with SmartLights equipment specifications. Warranty information has been provided to the customer listed below.

Signature of Contractor/Foreman/Installer		Date
Print Name		Title
Contracting Company Name	Address	City, State

EXHIBIT K: OWNER PARTICIPATION AGREEMENT



Multi-Family Energy Efficiency Program
OWNER'S AGREEMENT TO IMPLEMENT THE BUILDING SCOPE OF WORK

PROJECT #:

CUSTOMER NAME

ADDRESS

PG&E COMMON AREA ELECTRIC ACCOUNT NUMBER

CITY STATE

ZIP CODE

PG&E COMMON AREA GAS ACCOUNT NUMBER

DATE PRESENTED TO OWNER

List of Eligible Measures to Receive Incentives

Measure	Annual Energy Savings (kWh)	Annual Energy Savings (therms)	Estimated First Year Energy Cost Savings ¹	Incentive Amount	Owner Initials Here to Confirm Intention to Proceed with Measure

1. Based on average customer utility costs.

I, the owner of this building agree to implement each measure which is initialed above, and I hereby accept the Terms and Conditions.

CUSTOMER SIGNATURE

DATE

MCE PROGRAM CONTACT SIGNATURE

DATE

ELIGIBILITY REQUIREMENTS AND OTHER TERMS AND CONDITIONS:



Multi-Family Energy Efficiency Program

OWNER'S AGREEMENT TO IMPLEMENT THE BUILDING SCOPE OF WORK

1. **ELIGIBILITY:** The Marin Energy Authority's (MEA) Multi-family Energy Efficiency Program (MFEEP) offers free energy surveys, technical assistance, and financial incentives for efficiency measures to customers who are property owners or managers (customers) of multi-family residences. Customers must receive Marin Clean Energy and / or Pacific Gas and Electric gas and/or electric delivery service to be eligible. Incentives are available to customers for the purchase and installation of energy efficiency measures at the location where the qualifying project is to be installed. MEA will not offer financial incentives and/or rebates to those customers who have received financial incentives or rebates for the same eligible measure from the Pacific Gas and Electric Company, the BayREN, or any other ratepayer funded energy efficiency program. Signature on this form counts as affirmation that no other financial incentives have been applied for or collected for the same eligible measures included in this Scope of Work (SOW).
2. **QUALIFYING PROJECTS AND MEASURES:** Qualifying projects include electric or gas energy efficiency measures identified as eligible for incentives by MEA's implementation contractor based on an energy survey of the building. Qualifying projects do not include any electric or gas energy efficiency measures or energy efficiency equipment or services purchased, contracted for, or installed prior to the program start date.
3. **OWNER APPLICATION/PARTICIPATION AGREEMENT:** By signing this Participation Agreement to access the building's energy usage for the previous 12-24 months, customer authorizes MEA's technical implementation contractor to enter this building for the purposes of conducting an energy survey of the building's common area and individual units, installing MFEEP measures in individual units, installing any energy efficiency measures subsequently agreed to in a Scope of Work, inspecting installed measures and evaluating the performance of installed measures.
4. Residents of individual dwelling units in an eligible building for which a Participation Agreement has been signed by the building owner (or management company) are eligible to receive certain directly installed efficiency measures, including but not limited to compact fluorescent (CFL) or light-emitting diode (LED) bulbs, faucet and showerhead installation, pipe insulation, and light weatherization measures.
5. **INCENTIVE AMOUNTS:** The amounts of the incentives for which qualifying projects are eligible are set forth in the audit report provided to the customer.
6. **CUSTOMER WORK AUTHORIZATION AND PROJECT WORK PLAN:** MEA and/or MEA's implementation contractor will meet with the customer to discuss individual building objectives, provide information on alternatives, discuss process and create a work project and schedule. MEA and/or MEA's implementation contractor may select and provide one or more approved installation subcontractors to complete the measure installation work, or the customer may select one or more contractors so long as the customer is willing to procure a signed form from the contractor expressing intent to cooperate with the quality assurance and quality control provisions of the MFEEP. MEA's technical implementation contractor will schedule and/or monitor the required installation services.
7. **IMPLEMENTATION OF WORK AND PAYMENT OF INCENTIVES:** The customer must pay its share of the cost for each measure to be installed pursuant to the Scope of Work not later than the completion of installation of that measure. When MEA's technical implementation contractor confirms that installation of a specific measure is satisfactorily completed, MEA will arrange for payment of the incentive for that measure to the customer or, if authorized to do so by the building owner, directly to the installation contractor for that measure. MEA's quality assurance and/or quality control inspectors and/or MEA, in their sole discretion, may schedule and conduct a post-installation inspection to ensure satisfactory measure installation. Incentive checks will be sent after MEA's technical implementation contractor confirms satisfactory installation.
8. **CUSTOMER INFORMATION:** Customer agrees that MEA may provide customer information including customer name, account number, electric and/or gas consumption data and electric and/or gas energy savings to a third party evaluation contractor selected by the California Public Utilities Commission (CPUC) Energy Division or by Pacific Gas and Electric for program evaluation purposes. The evaluation contractor will keep customer information confidential. Customer information may also be provided to the California Public Utilities Commission. Any customer information provided to the CPUC will be aggregated with information about other customers and not personally identifiable.
9. **TAX LIABILITY and CREDITS:** MEA is not responsible for any taxes which may be imposed on the customer as a result of measures installed under this program.
10. **DISPUTES:** MEA will have sole discretion to decide on the final resolution of any issues including but not limited to eligibility or incentives.
11. **PROGRAM CHANGES:** MEA reserves the right to change, modify, or terminate this program at any time without any liability except as expressly stated herein. MEA will honor all written commitments made in Scope of Work provided to customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the time specified in the Scope of Work.
12. **PROGRAM EXPIRATION:** This program will expire upon the earliest to occur: (i) December 31, 2014, (ii) when funds are depleted, or (iii) when the program is terminated.
13. **DISCLAIMER:** MEA makes no representations or warranties, expressed or implied, and does not guarantee that implementation of energy-efficiency measures or use of the equipment purchased or installed pursuant to this program will result in energy cost savings.
14. **INSTALLATION REQUIREMENTS:** All work must be in full compliance with the requirements of applicable laws, rules and regulations of authorities having governmental and regulatory jurisdiction. Additionally, work performed pursuant to this program must be overseen by AEA or other contractor identified by MEA. In the removal of old equipment the applicant confirms that as a requirement of the program, the owner or any subcontractor carrying out installation of measures under this program shall remove and dispose of any and all equipment or materials that are replaced or removed in accordance with all applicable laws, rules and regulations.

EXHIBIT L: CUSTOMER WORK AUTHORIZATION

SmartLights Customer Participation Agreement

I, the undersigned, on behalf of the business customer identified below, acknowledge and agree to the following:

Eligibility

I am an electric or natural gas Customer of PG&E with an active meter serviced by PG&E. If I have an existing on-site cogeneration or self generation, the SmartLights program will not pay incentives for energy savings that exceed my annual energy usage from PG&E.

Project Completion

I have reviewed the recommendations in the Customer Report and Work Order. I hereby authorize the SmartLights Program of Community Energy Services Corp. ("CESC") to contact a participating licensed contractor ("Installation Contractor") to complete the recommended energy efficiency project. I have obtained any necessary authorization from the landlord or property manager to complete the project. In most cases, the project should be completed within 3 weeks of signing the attached Customer Work Order. Work will occur during a time that is mutually agreeable to both me and the Installation Contractor. Labor for work performed outside of the normal work week will be charged accordingly. I understand that I am responsible for paying my portion of the project costs (total costs minus the Instant Rebate), and that my portion is due to the Installation Contractor upon project completion and receipt of the project invoice. I, as a California consumer, am not obligated to purchase any full fee service or other service not funded by this Program. Los consumidores en California no están obligados a comprar servicios completos o adicionales que no estén cubiertos bajo este programa. Funding for the Program is limited. Instant Rebates will be paid on a first-come, first-served basis until 12/31/2014 or until funds are depleted, whichever occurs first. Rebates are considered taxable income. Prices and rebates subject to change if I delay installation by more than 2 months after contract signing.

Correction of Electrical Code Violations is Not Covered

Although code violation are rarely found, if any code violations are found that affect the completion of the project, I can either opt to (1) have the Installation Contractor stop work and charge me only for completed work, or (2) have the Installation Contractor provide an additional estimate for correcting the code violations. Costs for correcting the code violations are solely my responsibility and are outside the scope of this contract.

Role of Administrators and Contractors, Access Agreement

I will be signing a Customer Work Order contract (attached) with the Installation Contractor for work recommended in the Customer Report and Work Order. In the event of any defect in the work (including equipment and installation), I will look solely to the equipment manufacturer or Installation Contractor and I absolve CESC and its employees of any liability with respect to the work. I agree to allow CESC staff and/or external PG&E-approved verifiers access to the facility should external inspection be required for purposes of verification, monitoring, and program evaluation. The rebate is subject to change if any equipment is not found installed as specified. This Program is funded by California utility ratepayers under the auspices of the California Public Utilities Commission. Este programa está financiado por los usuarios de servicios públicos en California bajo la jurisdicción de la Comisión de Servicios Públicos de California.

Estimate Energy Savings

The estimated energy savings quoted in the Customer Report and Work Order are based on the equipment operating schedules that are included in the proposal and an averaged PG&E utility rate. I believe these schedules accurately describe how the equipment is operated at the facility listed in this document. Since many factors contribute to energy use in any facility, and the installed equipment is only one factor, I understand that CESC and the Installation Contractor assigned to me do not guarantee that a specific level of energy or cost savings will result from the implementation of energy conservation measures funded under this Program.

Life of Product

I understand incentive payments are based on related energy benefits over the life of the product. I agree if 1) I do not provide PG&E with 100% of the related benefits for the life of the product or a period of 5 years, whichever is less, or 2) I cease to be a distribution Customer of PG&E during said time period, then I shall refund a prorated amount of incentive payment(s) to PG&E based on the actual period of time for which I provided the related energy benefits as an electric Customer of PG&E.

"Double Dipping"

I can only use the SmartLights Program rebates to offset costs for the work and equipment specified as part of the project. I will not be able to apply financial incentives offered by another utility, state, or manufacturer program funded by California ratepayers under the auspices of the California Public Utilities Commission towards work or equipment that is covered by this Agreement. I agree not to apply for or receive incentives or services for the project work or equipment from another utility, state, or manufacturer program.

Limitation of PG&E Liability

Neither PG&E nor any of its employees make any warranty, express or implied, nor assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any data, information, method, product or process disclosed in this document and other Program documents (the "disclosed items"). In addition, PG&E and its employees do not represent that use of the disclosed items will not infringe any privately-owned rights, including, but not limited to, patents, trademarks, or copyrights.

Parallel Review

All proposed projects containing calculated lighting measures are subject to the CPUC Energy Division's (ED) Parallel Review process. With the pending approval of the Lighting Calculator, SmartLights Program has received approval to pilot a streamlined "modified review" process, in order to reduce the amount of time and resources required by the ED process. Utilizing the process includes inherent risks related to changes in savings values and incentive values, in any case that changes are made to the Lighting Calculator and/or my project. I agree to allow SmartLights to submit information pertinent to my project to the CPUC ED to implement this review.

Signature of Authorized Customer Representative

Date

Joanna Perez-Green
Outreach Coordinator
Community Energy Services Corp.

Customer Work Order and Contractor Work Agreement

Customer Work Order

I, the undersigned, on behalf of the business customer identified below, acknowledge and agree to the following:

I hereby authorize the licensed Installation Contractor below to perform work as recommended in the Customer Report and Work Order and to use such labor and material as deemed advisable. I will be invoiced for the Customer Net Cost of \$1,549.33, which is equal to the Total Installed Cost minus the Instant Rebate. Payment is due to the Installation Contractor immediately upon completion of the installation, unless otherwise arranged with the Installation Contractor. All goods remain the property of the Installation Contractor until paid in full. Invoices aged over 30 days from date of invoice will become past due and a monthly service charge of 1.5% may be added to any outstanding balance, and may incur legal action.

Warranties

Per the equipment and installation standards of the SmartLights Program, the Installation Contractor will provide me with the following manufacturer warranties:

- New LED luminaries shall be warranted by the manufacturer for a period not less than 5 years.
- New LED lamps shall be warranted by the manufacturer for a period not less than 3 years.
- Ballasts for tubular fluorescent lamps shall be warranted by the manufacturer for a period of not less than 5 years.
- Tubular and compact fluorescent lamps (CFLs) shall be warranted by the manufacturer for a period of not less than 1 year.
- New fixtures shall be warranted by the manufacturer for a period of not less than 1 year.
- Exit signs shall be warranted by the manufacturer for a period of not less than 10 years.
- Photocells, time clocks, and occupancy sensors shall be warranted by the manufacturer for a period of not less than 3 years.

In addition, the Installation Contractor will warrant the labor portion on all installed products for one year after project completion.

I understand that, after the 1-year contractor labor warranty expires and for any product that is not covered by the above, it is my responsibility to contact the manufacturer of any failed equipment to take advantage of the manufacturer's warranty.

Change Orders

Proposed changes adding more than \$25 to the original estimate must be approved in writing by me before proceeding. It is the responsibility of the Installation Contractor to identify any discrepancies in fixture quantities and any issues affecting retrofit viability prior to or during construction of each space and to notify SmartLights staff in writing of any proposed changes in scope. It is also the responsibility of the Installer to notify me of any proposed changes to the scope, and to get my signed approval on the change order provided to the contractor by SmartLights staff.

The SmartLights Customer Work Order is part of this direct agreement with the Installation Contractor. I agree to sign the forms necessary for the Installation Contractor to receive the rebate funds when the work is complete.

I have read, understood, and accept all of the above terms and conditions; I authorize the work to proceed; and I shall be bound by all of the terms and conditions as ordered by the undersigned and his/her agents.

Signature of Authorized Business Representative

_____ Date _____

Joanna Perez-Green
 Outreach Coordinator
 Community Energy Services Corp.
 1013 Pardee Street, Suite 201
 Berkeley CA 94710
 joanna@ebenergy.org
 joanna@ebenergy.org

***** CUSTOMER DO NOT WRITE IN THIS BOX*****

Contractor Work Agreement

I, the undersigned, on behalf of the Installation Contractor identified below, acknowledge and agree to the following:
 The price and specifications of this bid proposal are satisfactory and are hereby accepted by the Installation Contractor. The cost of the work included in this bid proposal is not to exceed \$2,902.97 unless a customer signed and approved change order is received by the SmartLights Project Manager. I agree to honor the terms and conditions of the accompanying Customer Work Order.

All work will be completed within 3 weeks of the project start date shown below or by an agreed upon alternate date provided to SmartLights, in writing, by me.

All work will be completed pursuant to the SmartLights Program Manual and Installation Standards. In order for the SmartLights Program to release the project for invoicing, the undersigned will provide to the customer warranty information for all equipment installed, and submit to the Program a completed Project Completion and Acceptance Certificate, including a complete materials list.

Yes, I accept the project, to start on:

No, I do not accept the project - state reasons below:

.....

Signature of Contractor Representative:

Date: _____

Print name: _____

Company: _____

Address: _____

City, State, Zip: _____



February 25, 2013

Dawn Weisz
Executive Officer
Beckie Menten
Marin Energy Authority
781 Lincoln Avenue, Suite 320
San Rafael, CA 94901

Re: Financing for MEA's commercial and multi-family customers under the On-Bill Repayment (OBR) Program.

Dear Ms. Weisz & Ms. Menten:

River City Bank (Bank) is pleased to provide this proposal for financing of Marin Energy Authority's On-Bill Repayment Program.

OBR Program Loan (Summary of Terms)

Borrowers: Individuals or legal entities that are the utility account holders and legal title holders for commercial and multi-family properties participating in the OBR Program. Each applicant will have to be individually approved for financing based on the Bank's underwriting criteria.

Loan Amount: Total Loan Commitment – up to \$3,650,000
Commercial Properties – up to \$1,000,000
Multi-Family Properties - up to \$2,650,000

Minimum Loan Amount: \$10,000 per Borrower
Maximum Loan Amount: \$265,000 per Borrower, larger loans will be considered on a case by case basis.

Loan Type: Non-revolving line of credit allowing for individual term loans during the Availability Period.

- Purpose:** To finance energy efficiency improvements/retrofits to the account holder's property, as recommended by a qualified independent energy auditor approved by and monitored by MEA.
- Availability:** Two years from the date of the first loan made under the OBR Program or December 31st, 2014 whichever comes first. Bank shall have no obligation to disburse additional funds under this credit facility thereafter – i.e. any undrawn loan commitment will be cancelled at that time. Note: Availability will be phased over the first 6 months of the program or the “pilot period” during which time aggregate loan funding will not exceed \$500,000.
- Disbursements:** Loan disbursements shall be made in a single advance following evidence, satisfactory to Bank, of project completion in accordance with the terms and conditions of the energy audit and contractor agreement.
- Repayment:** Each loan made under this facility will be repaid by the Borrower/account holder via equal monthly payments of interest and principal amortized over a period of 5 to 10 years as determined by Bank depending on the useful life of the energy efficiency improvements.
- Maturity:** Each loan made under this facility will mature in 5 to 10 years from the date of loan documents.
- Interest Rate:** Fixed at 5.00% for the life of the loan. This interest rate may be changed upon 45 days advance notice from Bank to MEA. Bank and MEA will confer on the terms of the rate increase prior to affecting such change; however, Bank reserves the right to increase the rate without the consent of MEA. MEA reserves the right to put the OBR program on hold should the interest rate increase.
- Collateral:** UCC specific filing on fixtures and energy improvements.
- Loan Loss Reserve:** MEA to establish a loan loss reserve account with River City Bank equal to 15% of the total loan commitment or \$547,500 fully funded prior to disbursement of the initial loan. The Bank will have a perfected security interest in the account. A separate agreement will govern terms, conditions and payments to and from this account.
- Interest Calculation:** Bank calculates interest on an actual/360 day basis.
- Loan/Documentation Fee:** \$250 per loan, payable at document signing.

Other Costs:

With prior approval by MEA, MEA to pay all of Bank's reasonable out of pocket expenses including, but not limited to, legal fees and any expenses incurred by the Bank as a part of providing financing to MEA's customers under the OBR Program. MEA will be notified in advance regarding scope of work and projected range of such expenses.

Additional Requirements

1. Funds will be dispersed directly to the contractor upon signed affidavit under penalty of perjury by project inspector, contractor and property owner that the scope of work was completed as agreed.
2. Documentation for Applicants under the OBR Program will include, but not be limited to: 1) a completed RCB loan application, 2) supporting documents for the legal entity holding title to the property, 3) an operating statement, schedule of debt, rent roll and most recent tax return for the property, 4) copy of the energy audit describing scope of work to be completed, and 5) any other information required by the Bank to complete its underwriting due diligence.
3. Each loan is due and payable in full upon the following events: 1) the Borrower sells the property; 2) Borrower is no longer a MEA customer; 3) Borrower defaults under the terms of the note.
4. A separate agreement between MEA and River City Bank governing payment logistics and operational responsibilities of the OBR Program (including the role of third parties such as PG&E, Noble Energy Solutions, third party energy auditors and contractors) is required prior to the financing phase of the program.

Bank reserves the right to terminate this proposal at any time prior to Bank's receipt of acceptance by Borrower, but in no case shall this proposal be outstanding for more than 14 days from its origination date. This proposal may not be transferred or assigned without prior written consent of Bank.

Please be advised that the loan is subject to underwriting and final credit approval by the Bank. Notwithstanding any other language of agreement that may appear elsewhere in this non-binding letter of intent, it is expressly understood and agreed that this letter of intent does not and shall not constitute a binding agreement between the parties in any manner, but only reflects proposed terms of a transaction which may become acceptable to the parties when fully documented and signed by all of the appropriate parties to such documentation.

Thank you for considering River City Bank for your financing needs. If you would like for us to move forward on the basis proposed, please acknowledge by signing below. Please let me know if you have any questions at this time.

Sincerely,



Stephen Fleming
President & CEO

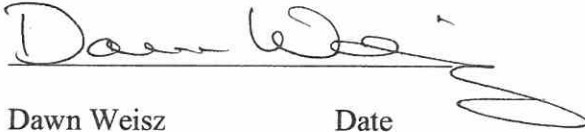
(916) 567-2469
sfleming@rcbank.com



Randy Bhungal
VP / Portfolio Manager

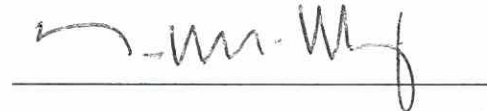
(916) 567-2712
randy.bhungal@rcbank.com

Accepted by:



Dawn Weisz
Executive Director

Date
2-26-13



Damon Connolly
Chairman of the Board

Date



June 6, 2013

TO: Marin Energy Authority Board

FROM: Kirby Dusel, Resource Planning & Renewable Energy Programs

RE: MEA Greenhouse Gas Emissions Analysis & Reporting (Agenda Item #8)

ATTACHMENTS: A. Understanding MCE's GHG Emission Factors
B. MCE Emission Factor Certification Template, as provided by The Climate Registry

Dear Board Members:

Background

A key tenet of MCE's mission, and a charter objective of the agency, is to reduce energy related greenhouse gas emissions (GHGs) through the development and use of various clean energy resources. As such, MCE has committed to assembling a power supply portfolio that not only exceeds the renewable energy content offered by the incumbent utility (PG&E) but also provides customers with a "cleaner" energy alternative, as measured by a comparison of the portfolio GHG emission rate (or emission factor) published by each organization. This comparison will be performed on an annual basis in consideration of each utility's (MCE and PG&E) most recently published emission factor. Due to typical timelines affecting the availability of such information, the current comparison will generally reference data that was published 12 to 24 months prior to the current calendar year. This waiting period is necessary to facilitate the compilation of final electric energy statistics (e.g., customer energy use and renewable energy deliveries) and to allow sufficient time for data computation and review before releasing such information. For example, PG&E's 2011 emission factor was recently published in February 2013 – this is the most current available emission factor for PG&E; similarly, MCE's 2011 emission factor should be considered current until data for the 2012 calendar year can be analyzed, reviewed and finalized. For purposes of this document, the aforementioned emission factor comparison will focus on the 2011 calendar year.

For subsequent years (post-2011), MCE will procure GHG-free energy supplies in sufficient quantities to ensure that MCE provides its customers with cleaner electric energy. The noted future purchases of GHG-free energy supplies will be based on reasonable projections of PG&E's emission rate, which will take into consideration planned increases in Renewables Portfolio Standard procurement obligations and any other publicly available discussion of PG&E's planned procurement activities and/or projections. Through this ongoing process, MCE will ensure the procurement (and

delivery) of energy supplies that generate fewer GHG emissions per megawatt hour than the incumbent utility.

About Emission Rates

Portfolio emission rates reflect the proportionate use of various fuel sources and resource types within a utility's supply portfolio. To the extent that selected resources emit GHGs while producing electric energy, such resources will increase the utility's portfolio emission factor. Conversely, the inclusion of resources that do not emit GHGs will reduce the utility's portfolio emission factor. In general, renewable energy resources, which use fuel sources like wind and solar energy, have been identified as non-polluting or GHG-free. Similarly, hydroelectric and nuclear generators, which do not involve GHG-emitting combustion processes, are also considered to be non-polluting or carbon-neutral (i.e., the net emissions impact associated with electric power production is less than or equal to the status quo). Consistent with its adopted Integrated Resource Plan, MCE does not engage in procurement transactions with nuclear generating facilities and will rely exclusively on renewable energy resources and hydroelectricity to ensure delivery of a comparatively cleaner energy supply.¹

Because of widely varying opinions and computations focused on the environmental impacts associated with specific generating technologies, it is important to identify an industry-accepted standard when determining the emission impacts attributable to generating facilities included within a utility's supply portfolio. To avoid the potential for perpetual policy and accounting changes that could result from the use of ad hoc (and potentially inaccurate) emission calculations for certain generating resources, MCE decided to incorporate statistics prepared by the California Air Resources Board (CARB) when determining emissions associated with its energy supply portfolio. In particular, CARB's published emission rate for unspecified sources, or "system power", provides an unbiased, publicly available reference that can be incorporated in instances where specific generating sources cannot be identified. Application of standards such as this will facilitate an "apples to apples" comparison of emission factors posted by MCE and other electric utilities, including PG&E.

MCE has also joined The Climate Registry, "a nonprofit collaboration among North American states, provinces, territories and Native Sovereign Nations that sets consistent and transparent standards to calculate, verify and publicly report greenhouse gas emissions into a single registry." Through its membership, MCE has access to the policies, procedures and GHG accounting guidelines endorsed by this organization and can incorporate such guidelines when determining its portfolio emissions factor. Also, for certain MCE customers that are also members of The Climate Registry, MCE has prepared the attached Emission Factor Certification template, which can be used by these customers when completing voluntary reporting efforts to The Climate Registry. Looking ahead, MCE will continue to update (and post on its website) this certification template so that it can be readily accessed and used by MCE customers.

Determination of MCE's Total Portfolio Emission Factor

For the 2011 calendar year, MCE's supply portfolio was heavily weighted towards non-carbon emitting resources. In fact, over 60% of MCE's energy supply is attributable to various renewable energy and hydroelectric purchases, which do not emit GHGs. The following table summarizes MCE's aggregate energy purchases, including both Light Green and Deep Green sales volumes, for the 2011 calendar year. It is important to

¹ Conversely (and according to its September 2012 Power Content Label bill insert), PG&E's published 2011 power mix included 22% nuclear generation.

note that all “zero carbon” energy volumes are attributable to hydroelectric generating sources located within California and throughout the Western U.S.

2011	MWh Purchased	% Total
RPS – Eligible Renewable	51,525	27.8%
Non-RPS Eligible Renewable	14,000	7.5%
Zero Carbon	46,500	25.1%
System Power	73,468	39.6%
Total	185,493	100%

When determining MCE’s aggregate portfolio emission factor, the aforementioned CARB statistic of 0.428 metric tons CO₂e/MWh was applied to MCE’s system power purchases, which totaled 73,468 MWh during the 2011 calendar year. All other non-emitting resources were assigned an emission factor of zero. As such, MCE’s portfolio emissions for the 2011 calendar year totaled 31,444 metric tons or approximately 69 million pounds. These emission totals were divided by MCE’s aggregate energy deliveries of 185,493 MWhs, resulting in an MCE portfolio emissions rate of 0.170 metric tons CO₂e/MWh, or 374 lbs/MWh, for the 2011 calendar year. The following table provides additional detail regarding these emissions computations for MCE’s 2011 supply portfolio.

2011 Calendar Year	MWh Purchased	% Total	Emission Rate (metric tonnes CO ₂ e/MWh)	Total Emissions (metric tonnes)	Emission Rate (lbs CO ₂ e/MWh)	Total Emissions (lbs)
RPS – Eligible	51,525	27.8%	0.000	0	0	0
Non-RPS Eligible Renewable	14,000	7.5%	0.000	0	0	0
Zero Carbon	46,500	25.1%	0.000	0	0	0
System Power	73,468	39.6%	0.428	31,444	944	69,322,640
Totals	185,493	100%	0.170	31,444	374	69,322,640

Based on these calculations, it has been determined that MCE’s 2011 aggregate portfolio emission factor was approximately 5% lower than PG&E’s reported 2011 emission factor of 393 lbs/MWh.²

As previously noted, MCE will continue to update subsequent annual emissions factors based on currently available data, including actual energy purchases and CARB’s then-effective emission rate for unspecified sources.

Recommendation: Approve the use, distribution and web posting of: 1) MCE’s Emission Factor Certification Template, as provided by The Climate Registry; and 2) the “Understanding MCE’s GHG Emission Factors” document.

² PG&E’s final 2011 emission factor, as reported at <http://www.pgecurrents.com/2013/02/20/pge%E2%80%99s-clean-energy-reduces-greenhouse-gas-emissions/>.

Understanding MCE's GHG Emission Factors

Summary

One environmental metric for the MCE program is the greenhouse gas (GHG) emissions profile of the MCE supply portfolio. This paper describes the methodology used to calculate GHG emissions rates for the MCE program. Based on this methodology, the current GHG emissions rates for the MCE supply portfolio and retail service options are as follows:

Light Green Service (50% Renewable):	389 lbs CO₂e/MWh
Deep Green Service (100% Renewable):	0 lbs CO₂e/MWh
Total MCE Portfolio:	374 lbs CO₂e/MWh

Background

A key tenet of MCE's mission, and a charter objective of the agency, is to reduce energy related greenhouse gas emissions through the development and use of various clean energy resources. As such, MCE has committed to assembling a power supply portfolio that not only exceeds the renewable energy content offered by the incumbent utility, Pacific Gas & Electric Company (PG&E), but also provides customers with a "cleaner" energy alternative, as measured by a comparison of the portfolio GHG emission rate (or emission factor) published by each organization. This comparison will be performed on an annual basis in consideration of each utility's most recently published emission factor. Due to typical timelines affecting the availability of such information, the current comparison will generally reference data that was published 12 to 24 months prior to the current calendar year. This waiting period is necessary to facilitate the compilation of final electric energy statistics (e.g., customer energy use and renewable energy deliveries) and to allow sufficient time for data computation and review before releasing such information to the public. For example, PG&E's 2011 emission factor was recently published in February 2013 – this is the most current available emission factor for PG&E; similarly, MCE's 2011 emission factor should be considered current until data for the 2012 calendar year can be analyzed, reviewed and finalized. For purposes of this document, the aforementioned emission factor comparison will focus on the 2011 calendar year.

For subsequent years (post-2011), MCE will procure GHG-free energy supplies in sufficient quantities to ensure that MCE provides its customers with a cleaner electric energy. The noted future purchases of GHG-free energy supplies will be based on reasonable projections of PG&E's emission rate, which will take into consideration planned increases in Renewables Portfolio Standard procurement obligations and any other publicly available discussion of PG&E's planned procurement activities and/or projections. Through this ongoing process, MCE will ensure the procurement (and delivery) of energy supplies that generate fewer GHG emissions per megawatt hour than the incumbent utility.

About Emission Rates

Portfolio emission rates reflect the proportionate use of various fuel sources and resource types within a utility's supply portfolio. To the extent that selected resources emit GHGs while producing electric energy, such resources will increase the utility's portfolio emission factor. Conversely, the inclusion of resources that do not emit GHGs will reduce the utility's portfolio emission factor. In general, renewable energy resources, which use fuel sources like wind and solar energy, have been identified as non-polluting or GHG-free. Similarly, hydroelectric and nuclear generators, which do not involve GHG-emitting combustion processes, are also considered to be non-polluting or carbon-neutral (i.e., the net emissions impact associated with electric power production is less than or equal to the status quo). Consistent with its adopted Integrated Resource Plan, MCE does not engage in procurement

transactions with nuclear generating facilities and will rely exclusively on renewable energy resources and hydroelectricity to ensure delivery of a comparatively cleaner energy supply.¹

Because of widely varying opinions and computations focused on the environmental impacts associated with specific generating technologies, it is important to identify an industry-accepted standard when determining the emission impacts attributable to generating facilities included within a utility's supply portfolio. To avoid the potential for perpetual policy and accounting changes that could result from the use of ad hoc (and potentially inaccurate) emission calculations for certain generating resources, MCE decided to incorporate statistics prepared by the California Air Resources Board's (CARB) when determining emissions associated with its energy supply portfolio. In particular, CARB's published emission rate for unspecified sources, or "system power", provides an unbiased, publicly available reference that can be incorporated in instances where specific generating sources cannot be identified. With regard to the aforementioned emission rate for unspecified sources, CARB has assigned a rate of 0.428 metric tonnes carbon dioxide equivalent per megawatt hour (MT CO₂e/MWh), or 943.58 pounds CO₂e/MWh (lbs CO₂e/MWh). This emission rate can be referenced in section 95111(b)(1) of the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions: <http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2012-clean.pdf>. Application of standards such as this will facilitate an "apples to apples" comparison of emission factors posted by MCE and other electric utilities, including PG&E.

MCE has also joined The Climate Registry, "a nonprofit collaboration among North American states, provinces, territories and Native Sovereign Nations that sets consistent and transparent standards to calculate, verify and publicly report greenhouse gas emissions into a single registry." Through its membership, MCE has access to the policies, procedures and GHG accounting guidelines endorsed by this organization and can incorporate such guidelines when determining its portfolio emissions factor. Also, for certain MCE customers that are also members of The Climate Registry, MCE has prepared the attached Emission Factor Certification template, which can be used by these customers when completing voluntary reporting efforts to The Climate Registry. Looking ahead, MCE will continue to update (and post on its website) this certification template so that it can be readily accessed and used by MCE customers.

Calculating GHG Emissions from Unspecified Sources

Not all electric energy purchases are associated with specific generating facilities. Many industry contracts identify the use of "system power," a term of art that is regularly used in the utility industry to define electric energy that is produced and delivered to the grid by various generating resources not under contract with specific buyers, instead of specific generating facilities. Such delivery arrangements provide increased flexibility for energy sellers which often result in reduced energy prices for buyers. While there are certain efficiency improvements that result from the use of system power, there are also complications that can surface when attempting to quantify GHG emissions associated with energy production from unspecified generating sources. Because many load-serving entities (LSEs) within California rely heavily on the use of system power to fulfill their respective service obligations, it is important to identify an emission factor for related energy deliveries that can be referenced by LSEs when compiling emission statistics. As previously noted, CARB has established an emission factor for unspecified generating sources to facilitate GHG calculations and reporting associated with the use of system power. MCE staff engaged CARB in discussions and email exchanges to confirm the appropriate use of this emission rate for all unspecified/system power purchases; CARB advised MCE to use this published emission factor when determining GHG emissions associated with such purchases. Based on MCE's recent communications with CARB staff, CARB has no eminent plans to update this factor. MCE will continue to monitor this item and will

¹ Conversely (and according to its September 2012 Power Content Label bill insert), PG&E's published 2011 power mix included 22% nuclear generation.

update its future emission factor calculations in consideration of any adjustments that may be made by CARB to this statistic.

Identification of a credible, publicly available system power emission factor is particularly relevant for MCE, which relies on the use of system power to meet some of its customers' non-renewable energy requirements. CARB's emission factor for unspecified sources has been applied by MCE when determining total emissions associated with system power purchases. It is also noteworthy that PG&E appears to have applied the same factor when calculating emissions associated with unspecified generating sources.

Determination of MCE's Total Portfolio Emission Factor

For the 2011 calendar year, MCE's supply portfolio was heavily weighted towards non-carbon emitting resources. In fact, over 60% of MCE's energy supply is attributable to various renewable energy and hydroelectric purchases, which do not emit GHGs. The following table summarizes MCE's aggregate energy purchases, including both Light Green and Deep Green sales volumes, for the 2011 calendar year. It is important to note that all "zero carbon" energy volumes are attributable to hydroelectric generating sources located within California and throughout the Western U.S.

2011	MWh Purchased	% Total
RPS – Eligible Renewable	51,525	27.8%
Non-RPS Eligible Renewable	14,000	7.5%
Zero Carbon	46,500	25.1%
System Power	73,468	39.6%
Total	185,493	100%

When determining MCE's aggregate portfolio emission factor, the aforementioned CARB statistic of 0.428 metric tons CO₂e/MWh was applied to MCE's system energy purchases, which totaled 73,468 MWh during the 2011 calendar year. All other non-emitting resources were assigned an emission factor of zero. As such, MCE's portfolio emissions for the 2011 calendar year totaled 31,444 metric tons or approximately 69 million pounds. These emission totals were divided by MCE's aggregate energy deliveries of 185,493 MWhs, resulting in an MCE portfolio emissions rate of 0.170 metric tons CO₂e/MWh, or 374 lbs/MWh, for the 2011 calendar year. The following table provides additional detail regarding these emissions computations for MCE's 2011 supply portfolio.

2011 Calendar Year	MWh Purchased	% Total	Emission Rate (metric tonnes CO ₂ e/MWh)	Total Emissions (metric tonnes)	Emission Rate (lbs CO ₂ e/MWh)	Total Emissions (lbs)
RPS – Eligible	51,525	27.8%	0.000	0	0	0
Non-RPS Eligible Renewable	14,000	7.5%	0.000	0	0	0
Zero Carbon	46,500	25.1%	0.000	0	0	0
System Power	73,468	39.6%	0.428	31,444	944	69,322,640
Totals	185,493	100%	0.170	31,444	374	69,322,640

Based on these calculations, it has been determined that MCE's 2011 aggregate portfolio emission factor was approximately 5% lower than PG&E's reported 2011 emission factor of 393 lbs/MWh.²

Determination of MCE's Light Green and Deep Green Emission Factors

While certain stakeholders may be interested in MCE's previously discussed aggregate emission factor, there is also an interest in clearly understanding the specific emission factors associated with MCE's retail supply options: Light Green (minimum 50% renewable energy content beginning in the 2012 calendar year) and Deep Green (100% renewable energy content). As such, MCE has calculated product-specific emission factors, which may be useful to certain customers who want to better understand the direct environmental impacts resulting from energy consumption within their respective households and/or businesses. It is important to note that any MCE customer may choose to "zero out" energy-related emissions by voluntarily selecting the Green-e certified Deep Green 100% renewable energy option. For more information regarding Deep Green enrollment, customers are encouraged to visit: www.mceCleanEnergy.com/deepgreen.

Light Green: MCE diligently plans and procures electricity to ensure the cleanest possible power supply for Light Green customers. During the 2011 calendar year, MCE delivered a total of 178,139 MWh to Light Green customers of which 50,054 MWh (28.1% of total) were supplied from qualifying, California Renewables Portfolio Standard ("RPS") eligible sources, including biomass, landfill gas and wind. An additional 8,117 MWh (4.6% of total) were supplied from other wind resources, many of which have been certified as Green-e Energy eligible by the Center for Resource Solutions (CRS). MCE also delivered 46,500 MWh (26.1% of total) from non-polluting hydroelectric generators. The aforementioned resources, which comprised 58.8% of MCE's total Light Green supply portfolio, were all determined to be carbon-free or carbon-neutral based on specified fuel sources. The balance of Light Green resource requirements were supplied from unspecified sources, or "system power." This CARB emission rate of 943.58 lbs CO₂e/MWh was multiplied by total system power deliveries (73,468 MWh, or 41.2% of total), resulting in total Light Green portfolio emissions of 69.3 million pounds of CO₂ equivalent. As this total represented the entirety of emissions associated with MCE's Light Green power supply portfolio, the amount of 69.3 million pounds of CO₂ equivalent was divided by the total delivered Light Green electricity volume of 178,139 MWh, resulting in a 2011 Light Green emission factor of 389 lbs CO₂e/MWh.

Deep Green: A voluntary, 100% renewable energy supply option that is available to all customers within the MCE service territory. During the 2011 calendar year, MCE supplied a total of 7,353 MWh to Deep Green customers. A total of 1,471 MWh (20% of total) were supplied from qualifying, California RPS-eligible wind sources. An additional 3,574 MWh (48.6% of total) were supplied from other wind resources, which have been certified as Green-e Energy eligible by the CRS. The balance of Deep Green electricity supplies (2,309 MWh, or 31.4% of total) were procured from solar resources located in California's Central Valley. As a result of the 100% renewable energy supply that was delivered to Deep Green customers, the emission factor was determined to be zero lbs CO₂e/MWh.

As previously noted, MCE will continue to update subsequent annual emissions factors based on currently available data, including actual energy purchases and CARB's then-effective emission rate for unspecified sources. Any questions regarding this information should be forwarded to info@mceCleanEnergy.com. Additional information regarding MCE's emission factors can be located at www.mcecleanenergy.com.

² PG&E's final 2011 emission factor, as reported at <http://www.pgecurrents.com/2013/02/20/pge%E2%80%99s-clean-energy-reduces-greenhouse-gas-emissions/>.

MCE Emission Factor Certification Template, as provided by The Climate Registry:

June 6, 2013

[Member] may use the Marin Energy Authority's (MEA) 2011 emission factor in their voluntary greenhouse gas report submitted to The Climate Registry. Please note that MEA's MCE program, the first operating Community Choice Aggregation program in California, offers two distinct retail supply options: 1) Light Green, which is the default retail supply option that procured more than 32% renewable energy for MCE customers during the 2011 calendar year (beginning in 2012, Light Green customers began receiving a minimum 50% renewable energy supply); and 2) Deep Green, a voluntary retail supply option that procures 100% renewable energy for participating MCE customers.

With respect to the Light Green retail supply option, the 2011 emission factor was determined to be 389 pounds of carbon dioxide equivalent per megawatt hour (lbs CO²e/MWh). For the Deep Green retail supply option, the 2011 emission factor was determined to be zero lbs CO²e/MWh, as a result of MCE delivering 100% renewable energy to participating customers. When considered in aggregate, MCE's total portfolio emission factor, which reflects the procurement of resources sufficient to supply all MCE customers (both Light Green and Deep Green), was determined to be 374 lbs CO²e/MWh for the 2011 calendar year – this statistic has been calculated for informational purposes only. In reporting to The Climate Registry, [Member] has selected the appropriate emissions factor corresponding with the retail supply option(s) under which [Member] received electric service during the 2011 calendar year.

MEA has calculated its 2011 emission factor of 389 lbs CO²e/MWh for the Light Green product and zero lbs CO²e/MWh for the Deep Green product based on the following independently developed methodology:

1. Light Green retail electricity product: The Marin Energy Authority diligently plans and procures electricity to ensure the cleanest possible power supply for Light Green customers. During the 2011 calendar year, MCE delivered a total of 178,139 MWh to Light Green customers of which 50,054 MWh (28.1% of total) were supplied from qualifying, California Renewables Portfolio Standard (RPS) eligible sources, including biomass, landfill gas and wind – these RPS-eligible renewable energy volumes will be used to demonstrate compliance with California's RPS and will be retired through the Western Renewable Energy Generation Information System (WREGIS) consistent with applicable regulatory guidelines. An additional 8,117 MWh (4.6% of total) were supplied from wind resources not qualifying for California's RPS – these renewable energy volumes will also be retired through the WREGIS system. MCE also delivered 46,500 MWh (26.1% of total) from non-polluting hydroelectric generators. The aforementioned resources, which comprised 58.8% of MCE's Light Green supply portfolio, were all determined to be carbon-free or carbon-neutral based on specified fuel sources. The balance of Light Green resource requirements were supplied from unspecified sources, or "system power", for which the California Air Resources Board (CARB) has assigned an emission rate of 0.428 metric tonnes CO²e/MWh, or 943.58 lbs CO²e/MWh. This emission rate is publicly available and can be referenced in section 95111(b)(1) of the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions: <http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-2012-clean.pdf>. MEA staff engaged CARB in discussions and email exchanges to confirm the appropriate use of this emission rate for all unspecified/system power purchases; CARB advised MEA to use this published emission factor when determining GHG emissions associated with such purchases.

For purposes of determining MCE's Light Green emission factor for the 2011 calendar year, the aforementioned CARB emission rate of 943.58 lbs CO²e/MWh was multiplied by total system power deliveries (73,468 MWh, or 41.2% of total), resulting in Light Green portfolio emissions of 69.3 million pounds of CO² equivalent. As this total represented the entirety of emissions associated with MCE's Light Green power supply portfolio, the amount of 69.3 million pounds of CO² equivalent was divided by the total delivered Light Green electricity volume of 178,139 MWh, resulting in a 2011 Light Green emission factor of 389 lbs CO²e/MWh.

2. Deep Green retail electricity product: The Marin Energy Authority offers the Deep Green, 100% renewable energy retail supply option on a voluntary basis. During the 2011 calendar year, MCE supplied a total of 7,353 MWh to Deep Green customers. A total of 1,471 MWh (20% of total) were supplied from qualifying, California RPS-eligible wind sources – these RPS-eligible renewable energy volumes will be used to demonstrate compliance with California's RPS and will be retired through the WREGIS consistent with applicable regulatory guidelines. An additional 3,574 MWh (48.6% of total) were supplied from wind resources not qualifying for California's RPS – these renewable energy volumes have been retired through the WREGIS system. The balance of Deep Green electricity supplies (2,309 MWh, or 31.4% of total) were procured from solar resources located in California's Central Valley – these renewable energy volumes have been retired through the WREGIS system. As a result of the 100% renewable energy supply that was delivered to Deep Green customers, the resultant emission factor was determined to be zero lbs CO²e/MWh.

To determine MCE's total portfolio emission factor for the 2011 calendar year, which reflects the procurement of resources sufficient to supply both Light Green and Deep Green customers, MCE's total portfolio emissions of 69.3 million pounds of CO² equivalent were divided by total retail sales to all MCE customers (both Light Green and Deep Green), which equaled 185,493 MWhs.¹ The resultant emission factor for MCE's total supply portfolio was determined to be 374 lbs CO²e/MWh.

With respect to the noted renewable energy and hydroelectric purchases included within MCE's Light Green and Deep Green energy supply portfolios, MEA has retained all pertinent transaction records, including applicable renewable energy certificates received through WREGIS, to substantiate its procurement activities and emission factor calculations. When determining the aforementioned emission factors, MEA has only reflected the impacts of renewable and carbon-neutral/carbon-free resources for which it owns and possesses applicable renewable energy certificates and/or transaction records. All applicable renewable energy certificates are held in MEA's WREGIS account until such time that certain certificates must be "retired" to demonstrate mandatory and/or voluntary compliance. Any questions regarding the previously noted emission factors and/or related calculations should be directed to the following point of contact:

Kirby Dusel
kirby@paradigmec.com
Marin Energy Authority
781 Lincoln Avenue, Suite 320
San Rafael, California 94901
1 (888) 632-3674

¹ The sum of MCE's Light Green and Deep Green energy sales may not equal total reported MCE retail sales due to numeric rounding.



June 6, 2013

TO: Marin Energy Authority Board

FROM: Emily Goodwin, Internal Operations Coordinator

RE: Employee Commute Alternatives Program (Agenda Item #10)

ATTACHMENT: PowerPoint Presentation

Dear Board Members:

SUMMARY:

MEA recruited key staff during FY 2012/13 to provide programs to a growing customer base and expand services. In an ongoing effort to further strengthen the organization, MEA seeks to enhance core values and goals by implementing an Employee Commute Alternatives Program for staff in our current fiscal year.

MEA's headquarters are strategically located next to the San Rafael transit hub in an "A" rated, LEED certified commercial space offering bike lockers, showers and convenient and safe pedestrian access to local shops/restaurants. MEA is in prime position to capitalize on our existing office location and amenities by offering the proposed commute alternatives program.

Similar commute alternative programs and commute ordinance programs offered by other organizations have proven effective at simultaneously offering and promoting mass transit, carpool and other green commute options. Such programs have significantly minimized single passenger ridership and enabled employees to lead by example in further reducing their carbon footprint. Finally, many widely adopted commute alternative programs have produced measurable results in adding to workplace wellness and employee retention.

Implemented in late March, 2013 the San Rafael Corporate Center parking policy served as an added catalyst in formulating MEA's Commute Alternatives Program as a limited number of individual parking places were available to tenant organizations. While that particular situation has since been remedied and all staff now have a dedicated parking pass, the challenge helped MEA push an

emerging employee program further along towards reaching a final product for this added component of the employee benefits package.

MEA collected ideas on best practices from around the Bay Area in both public and private sectors in addition to soliciting input from staff and Board members. MEA's goal is to establish a sound and sustainable Employee Commute Alternatives Program for staff that fits within current and future budgets, with special consideration of short and long term fiscal impact.

MEA reviewed multiple municipalities and community resources in designing the proposed Program and key features are provided below:

County of Marin & City of Richmond:

- Pre-tax contribution
- Emergency ride home

Contra Costa, Alameda Counties and SF City/County:

- Monthly/Quarterly raffles for qualified commuters/carpoolers
- Commuter Benefits Ordinance (elected city administration)
- Pre-tax contribution
- Emergency ride home

Numerous private/public/academic sector employee programs

- Pre-tax contribution
- Monthly/quarterly raffles for qualified commuters/carpoolers
- Commute/carpool expense stipend ranging \$3-6/day (each pay period)
- Discounted enrollment fee (Zipcar); discounted rates (Zipcar and City Car Share)
- Discounted EV charging stations
- Commuter Benefits Ordinance for San Francisco businesses and related supply chain

511.org Rideshare Program

- Bay Area wide resource to employers

MEA developed the proposed Program by including many of the shared best practices of organizations listed above. The proposed program elements were also discussed at the Executive Committee meetings on April 17 and May 15, 2013.

The proposed Program includes a multi-layered approach with incentives based on best practices and with sensitivity to long term budgetary constraints. The target pilot launch would occur in July 2013 and allow roughly six months of initial implementation to test the design. Initial program assessment would occur in December 2013 via surveys from staff and evaluation from project administrator, Internal Operations Coordinator. Our goal is to have a final program design

complete, by way of adopted improvements (following internal assessment) and implemented by January 2014.

The proposed Employee Commute Alternatives Program design would include the key components shown below. These elements are aimed to engage the highest number of employees at the maximum participation level:

1. Pre tax employee fund

- Administered by Maher Accountancy
- All employees can set aside up to \$100 per month

2. Clipper card for mass transit (bus, train & ferry)

- Offered to employees who use mass transit a minimum of 3 days/week
- \$60 per month

3. Gas card for carpoolers – minimum 2 passengers

- Offered to employees who carpool a minimum of 3 days/week
- \$60 per month

4. Quarterly raffle to further incentivize employees

- Available to all employees who carpool, bike or use mass transit a minimum of 3 days/week
- Raffle at staff meeting, end of each quarter – prize selected by winner

Prizes include (\$50 on one of the following):

- Clipper Card (mass transit)
- Gas Card (carpool)
- Local bike shop gift certificate (tune up expenses)

5. Emergency Ride Home (and other TAM services)

- Free assistance for folks who bike, carpool or ride mass transit and want the assurance of having a ride in case of emergency

6. 511.org Ride Share Program

- Free assistance that conveniently matches folks for carpooling throughout the region, based on shared location & work hours

This program would be funded by existing budget allocated in the staffing line item for the Board approved budget. It is likely that this program will utilize between \$4,500 and \$6,800 annually of the \$1,562,000 allocated to this line item. The MEA Executive Committee has discussed the program elements described above and recommend the approval of this Employee Commute Alternatives Program on May 15, 2013.

Recommendation: Approve proposed MEA Employee Commute Alternatives Program and direct staff to proceed with implementation.



Employee Commute Alternatives Program



June 6, 2013

Background

- MEA seeks to build on existing core values and goals by offering low cost, high impact programs for customers and staff
- MEA's headquarters selected in part due to proximity to San Rafael transit hub and amenities such as bike lockers, showers and convenient pedestrian access to local merchants
- Proposed Employee Commute Alternatives Program capitalizes on office location, amenities and further enhances workplace environment & culture
- Similar regional programs prove effective at:
 - Promoting mass transit, carpool and green commute options
 - Minimizing single passenger vehicle ridership
 - Empowering employees to further reduce carbon footprint
 - Enhancing job wellness & employee retention

- Catalyst – San Rafael Corporate Center parking policy (March 2013)
- Best practices collected – public/private sectors and staff
- Developed sound and sustainable MEA Employee Commute Alternatives Program
- Proposed Program includes multi-faceted design to meet various needs
- Target pilot launch - July 2013
- Initial program review - December 2013
- Final program design – January 2014

Review of multiple municipalities and community resources:

- ✓ County of Marin & City of Richmond
 - Pre tax contribution
 - Emergency ride home

- ✓ Contra Costa, Alameda Counties and SF City/County
 - Monthly/quarterly raffles for qualified commuters/carpoolers
 - Commuter Benefits Ordinance (San Francisco City/County)
 - Pre tax contribution
 - Emergency ride home

- ✓ Numerous private/public/academic sector employee programs
 - Pre tax contribution
 - Monthly/quarterly raffles for qualified commuters/carpoolers
 - Commute/carpool expense stipend ranging from \$3-6/day (each pay period)
 - Discounted enrollment fee for Zipcar and discounted rates for Zipcar & City Car Share
 - Discounted EV charging stations
 - Commuter Benefits Ordinance for supply chain

- ✓ 511.org Rideshare Program
 - Bay Area wide resource to employers

MCE Program Design

Multi layered program design would include:

- ✓ Pre tax employee fund
 - All employees can set aside up to \$100 per month
 - Administered by Maher Accountancy
- ✓ Clipper card for mass transit (bus, train & ferry)
 - Offered to employees who use mass transit minimum 3 days/week
 - \$60 per month
- ✓ Gas card for carpoolers – minimum 2 passengers
 - Offered to employees who carpool minimum 3 days/week
 - \$60 per month
- ✓ Quarterly raffle to further incentivize employees
 - Offered to employees who bike, carpool or use mass transit minimum 3 days/week
 - Raffle at staff meeting, end of each quarter – prize selected by winner
 - Prizes include (\$50 value):
 - Clipper Card (mass transit)
 - Gas Card (carpool)
 - Local bike shop gift certificate (tune up expenses)
- ✓ Emergency Ride Home (and other T.A.M. services)
- ✓ 511.org Ride Share Program

Questions?





**REGULATORY UPDATE
SUMMARY OF PROCEEDINGS**

MEA BOARD MEETING – JUNE 6, 2013

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

Cost Allocation and Procurement Affecting CCA

1) PG&E Energy Resource Recovery Account (ERRA) 2014..... A.13-05-XXX

<u>MEA’s Interest:</u>	To address PG&E’s proposed revenue requirements from both bundled and unbundled customers during 2014 and factors in revised PCIA calculations.	
<u>Actions Taken:</u>		
<u>Next Steps:</u>	- PG&E to file and serve Application and Testimony	[May 31]

2) PG&E 2014 General Rate Case – Phase 2 A.13-04-012

<u>MEA’s Interest:</u>	To address rate design and other issues applicable to CCA and MEA.	
<u>Actions Taken:</u>	- Protest to PG&E Application	May 20
<u>Next Steps:</u>	- Prehearing Conference	June 2
	- PG&E Updates Exhibits	August 2*
	- Mandatory Settlement Conference 1	September 6*
	- DRA Serves Testimony	September 30*
	- Intervenors Serve Testimony	November 11*
	- Mandatory Settlement Conference 2	December 6*
	- All-party Rebuttal Testimony	December 20*
	- Evidentiary Hearings	Jan. 13-24, 2014*
	- Opening Briefs	Feb. 11, 2014*
	- Reply Briefs	Feb. 25, 2014*
	- Proposed Decision	May 26, 2014*
	- Final Decision	June/July 2014*
	- Rates Effective	May 1, 2014*
	* Indicates PG&E Proposed Schedule	

3) PG&E Nuclear Decommissioning A.12-12-012

<u>MEA’s Interest:</u>	Ensure that costs of nuclear decommissioning are appropriately allocated.	
<u>Actions Taken:</u>		

<u>Next Steps:</u>	- Awaiting Scoping Memo and Ruling
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4) Petition for Rulemaking on Cost Allocation Issues P.12-12-010

<u>MEA’s Interest:</u>	MEA has petitioned the CPUC to start a proceeding in which cost allocation, cross-subsidization and non-bypassable charge issues will be addressed.	
<u>Actions Taken:</u>	- MEA has urged CPUC staff to make a timely determination on whether to institute a new rulemaking.	
<u>Next Steps:</u>	- Deadline for Commission to determine whether to institute a new rulemaking as requested.	June 18

5) PG&E 2014 General Rate Case – Phase 1 A.12-11-009

<u>MEA’s Interest:</u>	To address cost functionalization and other issues applicable to CCA and MEA.	
<u>Actions Taken:</u>	- DRA Report Served	May 3
	- Safety and Enforcement Reports Submitted	May 17
	- MEA Testimony served	May 17
	- Safety and Enforcement Audit Report	May 31
<u>Next Steps:</u>	- Workshop on SED Reports	June 12
	- Rebuttal Testimony Served (incl. responsive Testimony to SED Reports)	June 28
	- Evidentiary Hearings begin	July 15
	- Evidentiary Hearings end	August 9
	- Settlement Conference	August 12-13
	- Comparison Exhibit	August 23
	- Opening Briefs	September 6
	- Reply Briefs	September 27
	- Update Filing	October 4
	- Update Hearing	October 14
	- Proposed Decision	November 19
	- Decision	December 19

6) EPIC Implementation Applications A.12-11-001, et al.

<u>MEA’s Interest:</u>	To insure that the program administrators (PG&E, SCE, and SD&GE) are applying these funds to programs in a competitively neutral fashion.	
<u>Actions Taken:</u>	- Proposed Decision issued	May 24
<u>Next Steps:</u>	- Comments on Proposed Decision	June 13
	- Reply Comments on Proposed Decision	June 18

- Final Decision	[June 27]
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7) PG&E Green Option A.12-04-020

<u>MEA’s Interest:</u>	Ensure appropriate cost allocation of PG&E “Green Option.”	
<u>Actions Taken:</u>	- Comments on Settlement	May 13
	- Motion to Consolidate with SDG&E SunRate	May 22
	- Reply Comments on Settlement	May 28
<u>Next Steps:</u>	- Parties’ Response to MEA’s Motion for Consolidation with A.12-01-008	June 5
	- Awaiting ALJ Ruling on procedural next steps	

8) 2012 Long Term Procurement Plan (LTPP) R.12-03-014

<u>MEA’s Interest:</u>	Involvement regarding the cost allocation mechanism (CAM) and other matters.	
<u>Actions Taken:</u>	<u>Track 3 – Procurement Rules & Bundled Procurement:</u>	
	- Comments on Track 3 Procurement Rules	April 26
	- Reply Comments on Track 3 Procurement Rules	May 10
<u>Next Steps:</u>	<u>Track 3 – Procurement Rules & Bundled Procurement:</u>	
	- Awaiting additional Ruling or Proposed Decision regarding Procurement Rules	
	- Awaiting Scoping Memo and Schedule regarding Bundled Procurement	

9) PG&E Economic Development Rate..... A.12-03-001

<u>MEA’s Interest:</u>	This rate subsidy is intended to prevent companies from departing from California due to high energy costs; the rate is applied inequitably to CCA customers.	
<u>Actions Taken:</u>	-	
<u>Next Steps:</u>	- Awaiting Proposed Decision	

10) GHG Costs (AB 32 Implementation) R.11-03-012

<u>MEA’s Interest:</u>	MEA will monitor this new Commission rulemaking which will address potential utility cost and revenue issues associated with greenhouse gas (GHG) emissions.	
<u>Actions Taken:</u>	<u>Track 1: GHG Revenue – Finalization of EITE and small business revenue allocation formulae</u>	

	- Energy Division Staff Proposal	May 15
	- Proposed Decision on MEA Petition for Modification	May 28
<u>Next Steps:</u>	<u>Track 1: GHG Allowance Revenue Allocation</u>	
	- Comments on Proposed Decision	June 17
	- Reply Comments on Proposed Decision	June 24
	<u>Track 1: GHG Revenue – Implementation Plans</u>	
	- Proposed Decision on Utility Implementation Plans	[June]
	<u>Track 1: GHG Revenue – Finalization of EITE and small business revenue allocation formulae</u>	
	- Public workshop to discuss proposal	
	- Energy Division final Staff Proposal	May/June
	- Comments on final staff proposal	June 24
	- Proposed Decision Expected	July 8
	<u>Track 2: Low Carbon Fuel Standard (LCFS) Credit Revenue Allocation</u>	[September]
	- Proposed Decision on LCFS Proposals	
	<u>Track 3: GHG Procurement and Revenue Allocation for Gas Utilities</u>	
	- PHC to discuss process to address GHG procurement and revenue issues for gas utilities	

11) CHP Settlement..... A.08-11-001, et al.

<u>MEA’s Interest:</u>	Address issues raised by the combined heat and power (CHP) settlement approved in December 2011.	
<u>Actions Taken:</u>	- Alternate Resolution E-4529 to PG&E Advice Letter 4074-E (RA-Only CHP) Served	May 24
	- Alternate Resolution E-4569 to SCE Advice Letter 2771-E Served	May 24
	- Revised Resolution E-4529 to PG&E Advice Letter 4074-E (RA-Only CHP) Served	May 28
	- Revised Resolution E-4569 to SCE Advice Letter 2771-E Served	May 28
<u>Next Steps:</u>	- Comments on Alternate Draft Resolution E-4529	June 13
	- Comments on Alternate Draft Resolution E-4569	June 13
	- Comments on Revised Resolution E-4529	June 17
	- Comments on Revised Resolution E-4569	June 17
	- Commission Vote on Resolution E-4529 or Alternate Resolution	[June 27]

12) SDG&E SunRate..... A.12-01-008

<u>MEA’s Interest:</u>	Ensure appropriate cost allocation of SDG&E’s “SunRate,” which is similar to PG&E’s “Green Option Tariff.” MEA is engaged on a limited basis in this proceeding.	
<u>Actions Taken:</u>	- ALJ Grants MEA Motion for Party Status	April 22
	- Reply Brief	April 26
	- SDG&E updated prepared direct testimony	May 10
	- Motion for Consolidation	May 21
	- Intervenor prepared direct testimony	May 24
<u>Next Steps:</u>	- Parties’ Response to MEA Motion for Consolidation with A.12-04-020	June 5
	- Concurrent rebuttal testimony	June 7
	- SDG&E compliance filing identifying remaining issues of material disputed fact	June 19
	- Hearings, if applicable	June 24-25
	- Second set of Opening Briefs, request for oral argument	July 30
	- Second set of Reply Briefs	August 15

Rulemakings on Standards

13) Residential Rate Rulemaking..... R.12-06-013

<u>MEA’s Interest:</u>	MEA will be participating to ensure that residential rate design elements facilitate customer choice.	
<u>Actions Taken:</u>	- MEA Motion to Delineate Generation and Non-Generation Rate Functions Within Proposals	April 8
	- Rate design proposals served	May 29
	- MEA Request for Evidentiary Hearings	May 29
<u>Next Steps:</u>	- ALJ Response to MEA Motion anticipated	[June]
	- Opening Comments	July 1
	- Reply Comments	July 15
	- Briefing Cycle	August 1 & 7
	- Proposed Decision Issued	September/October

14) Code of Conduct CCA Proceeding – SB 790 R.12-02-009

<u>MEA’s Interest:</u>	Addresses requirements set forth in SB 790 for the commission to consider and adopt a Code of Conduct applicable to IOUs.	
<u>Actions Taken:</u>	- MEA Protest to Advice Letter 4210-E	April 22
	- PG&E Response to Protest to Advice Letter 4210-E	April 29

<u>Next Steps:</u>	- [Commission Action on Advice Letter 4210-E]	[June]
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15) Resource Adequacy..... R.11-10-023

<u>MEA’s Interest:</u>	Track revisions to resource adequacy rules as they apply to CCA.	
<u>Actions Taken:</u>	<u>Phase 2 – Flexible Capacity</u>	
	- Comments on Flexible Capacity Issues	April 5
	- Response to Motion for Evidentiary Hearings	April 11
	- Reply Comments on Flexible Capacity Issues	April 15
	- CAISO published final 2014 LCR Report	April 30
	- CAISO publishes draft 2014 LCR Report	April 2
	- CAISO publishes final 2014 LCR Report	May 1
	- Comments on final 2014 LCR to Commission	May 10
	- Reply comments on final LCR to Commission	May 17
	- Proposed Decision	May 28
<u>Next Steps:</u>	<u>Phase 2 – Local Capacity, Flexible Capacity, etc.</u>	
	- Comments on Proposed Decision	June 17
	- Reply Comments on Proposed Decision	June 24
	- Final Decision adopting 2014 LCR and other topics within Scope	June 27

16) Energy Storage R.10-12-007

<u>MEA’s Interest:</u>	This Phase 2 would “develop the costs and benefits for [energy storage systems] and establish how they should be allocated.”	
<u>Actions Taken:</u>	-	
<u>Next Steps:</u>	- Proposed Decision	[September]

Energy Efficiency

17) Applications for 2013-2014 Energy Efficiency Programs A.12-07-001, *et al.*

<u>MEA’s Interest:</u>	This proceeding is the venue for MEA’s application for energy efficiency funds pursuant to §381.1(a) for the 2013-14 funding cycle.	
<u>Actions Taken:</u>	-	
	- Advice Letter for MEA 2013-14 Energy Efficiency Plans	May 7
	- Opening Comments	May 17
	- Reply Comments	May 22
<u>Next Steps:</u>		

18) Efficiency Savings and Performance Incentive (ESPI) Design..... R.12-01-005

<u>MEA's Interest:</u>	Determine methodologies for incentives for energy efficiency programs.	
<u>Actions Taken:</u>	- Motion for Party Status	April 26
	- Comment on ESPI Methodologies	April 26
	- Reply Comments on ESPI Methodologies	May 3
<u>Next Steps:</u>	- Awaiting Commission Ruling or Proposed Decision	

19) Energy Efficiency and EM&V..... R.09-11-014

<u>MEA's Interest:</u>	Address EE program issues as they arise; EE Funds for CCAs	
<u>Actions Taken</u>	-	
<u>Next Steps:</u>	- Comments on Proposed Decision - Reply Comments on Proposed Decision - Awaiting next steps on SB 790/EE components per 03/25 Ruling - Awaiting revisions to EE Policy Manual per 03/25 ruling - Awaiting guidance next steps for 2015 and Beyond CCA EE Programs	

Data and Smart Grid Proceedings

20) Customer Data Access Proceeding..... A.12-03-002, et al.

<u>MEA's Interest:</u>	Ensure fair access of CCAs to data, including data backhaul mechanisms.	
<u>Actions Taken:</u>	-	
<u>Next Steps:</u>	- Awaiting Proposed Decision	

21) IOU Smart Grid Deployment PlansA.11-06-006, A.11-06-029, A.11-07-001

<u>MEA's Interest:</u>	Ensure appropriate cost allocation of the approximately \$1.3 billion to \$2.05 billion PG&E is requesting for this program.	
<u>Actions Taken:</u>	-	
<u>Next Steps:</u>	- Proposed Decision to be issued	[TBD]
	- Comments on Proposed Decision	[TBD]
	- Reply Comments on Proposed Decision	[TBD]
	- Proceeding to be closed per Extension of Statutory Deadline	June 2

22) Smart Grid Privacy Policies..... R.08-12-009

<u>MEA's Interest:</u>	Determination of what privacy and security rules for energy usage data should be applicable to CCAs.	
<u>Actions Taken:</u>	<u>Phase 3 – Energy Data Center:</u> - Attendance of workshops to raise MEA issues	April
<u>Next Steps:</u>	<u>Phase 3 – Energy Data Center:</u> - Working Group Report - Comments on Working Group Report - Reply Comments on Working Group Report	June 10 June 20 June 27