



MCE Executive Committee Meeting
Monday, March 2, 2026
12:00 p.m.

1125 Tamalpais Avenue, San Rafael, CA 94901
2300 Clayton Road, Suite 1500, Concord, CA, 94520

Public comments may be made in person or remotely via the details below.

Remote Public Meeting Participation

Video Conference: <https://t.ly/DnY7U>

Phone: Dial (669) 900-9128, Meeting ID: 861 2234 3784, Passcode: 415565

Materials related to this agenda are available for physical inspection at MCE's offices in San Rafael at 1125 Tamalpais Avenue, San Rafael, CA 94901 and in Concord at 2300 Clayton Road, Suite 1500, Concord, CA 94520.

DISABLED ACCOMMODATION: If you are a person with a disability who requires an accommodation or an alternative format, please contact MCE at (888) 632-3672 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

Agenda Page 1 of 2

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Action)
 - C. 1. Approval of 2.2.26 Meeting Minutes
 - C.2. Proposed Sixth Agreement with EV.Energy Corp.
 - C.3. Proposed Third Agreement with Energy Solutions
 - C.4. Proposed Schedule A.4 to Master Services Agreement with CLEAResult Consulting, Inc.

C.5. Review Draft 3.19.26 Board Agenda

6. Selection of Executive Committee Vice Chair (Discussion/Action)
7. Proposed Fiscal Year 2026/27 Budgets (Discussion/Action)
8. Committee & Staff Matters (Discussion)
9. Adjourn

The Executive Committee may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the items are described.

DRAFT
MCE EXECUTIVE COMMITTEE MEETING MINUTES
February 2, 2026
12:00 P.M.

Present: Stephanie Andre, City of Larkspur
Kari Birdseye, City of Benicia, left at 1:00 p.m.
Cindy Darling, City of Walnut Creek, Acting Chair
Stephanie Hellman, Alternate, Town of Fairfax, left at 3:03 p.m.
Devin Murphy, City of Pinole, arrived at 12:22 p.m.
Laura Nakamura, City of Concord
Beth Painter, City of Napa, left at 1:37 p.m.
Max Perrey, City of Mill Valley, Chair, left at 12:50 p.m.
Shanelle Scales-Preston, County of Contra Costa
Sally Wilkinson, City of Belvedere

**Staff
& Others:** Jared Blanton, VP of Public Affairs
Kaladhar Bollampalli, Director of Power Systems and Analytics
Jesica Brooks, Lead Board Clerk and Executive Assistant
Vidhi Chawla, VP of Power Resources
Vicken Kasarjian, Chief Operating Officer
Jonnie Kipyator, Principal Manager, Power Analytics
Tanya Lomas, Board Clerk
Linda Lye, Senior Legal Counsel
Nathaniel Malcolm, Senior Commercial Counsel
Catalina Murphy, General Counsel
Ashley Muth, Internal Operations Associate
Efren Oxlaj, Manager of Finance
Justine Parmelee, VP of Internal Operations
Zae Perrin, VP of Customer Operations
Mike Rodriguez-Vargas, Internal Operations Assistant
Enyonam Senyo-Mensah, Manager of Internal Operations
Dan Settlemyer, Internal Operations Associate
Sabrinna Soldavini, VP of Policy
Maíra Strauss, Chief Financial Officer
Jamie Tuckey, Chief Customer Officer
Dawn Weisz, Chief Executive Officer

1. Roll Call

Chair Perrey called the regular Executive Committee meeting to order at 12:00 p.m. with quorum established by roll call.

DRAFT

2. Board Announcements (Discussion)

Comments were made by Directors Painter, Birdseye and Llorens-Gulati.

3. Public Open Time (Discussion)

Comments were made by members of the public, Dan Segedin, Jody Timms, and Nick Pappas.

4. Report from Chief Executive Officer (Discussion)

Dawn Weisz, Chief Executive Officer, introduced this item and addressed questions from committee members.

Chair Perrey opened the public comment period and there was a comment by member of the public, Nick Pappas.

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 1.5.26 Meeting Minutes (Action)
- C.2 Approval of 1.9.26 Continued Meeting Minutes (Action)
- C.3 Review Draft 2.19.26 Board Agenda (Action)

Chair Perrey opened the public comment period and there were no comments.

Action: It was M/S/C (Llorens-Gulati/Darling) **to approve Consent Calendar items C.1-C.3.** Motion carried by unanimous roll call vote.

6. Selection of Executive Committee Chair (Discussion/Action)

Chair Perrey thanked the committee for his time served as Chair.

Chair Perrey opened the public comment period and there were no comments.

Action: It was M/S/C (Llorens-Gulati/Murphy) **to Select Barbara Coler (Town of Fairfax) as Executive Committee Chair.** Motion carried by unanimous roll call vote.

Director Darling stood in as Acting Chair after the approval of item 6.

7. Integrated Resource Plan Review (Discussion)

Sabrina Soldavini, VP of Policy and Vidhi Chawla, VP of Power Resources, Nathaniel Malcolm, Senior Commercial Counsel, Jonnie Kipyatory, Principal Manager, Power Analytics, presented this item and addressed questions from Committee members.

DRAFT

Acting Chair Darling opened the public comment period and there were comments made by members of the public, Nick Pappas and Dan Segedin.

No Action Required.

8. MCE Rate Reduction Proposals (Discussion/Action)

Maíra Strauss, Chief Financial Officer and Kaladhar Bollampalli, Director of Power Systems and Analytics, presented this item and addressed questions from Committee members.

Acting Chair Darling opened the public comment period and there were comments made by members of the public, Dan Segedin, Ken Strong, Robert Miller, Nick Pappas and Jody Timms.

Action: This item was not voted on due to loss of quorum.

9. Proposed Fiscal Year 2026/27 Budget Elements (Discussion)

This item was not discussed due to loss of quorum.

10. Voting Processes in the Operating Rules & Regulations: General Admin Matters and Matters that relate to the CCA (Discussion)

This item was not discussed due to loss of quorum.

11. Committee & Staff Matters (Discussion)

This item was not discussed due to loss of quorum.

12. Adjournment

Acting Chair adjourned the meeting at 3:04 p.m. due to loss of quorum.

Cindy Darling, Acting Chair

Attest:

Dawn Weisz, Secretary



March 2, 2026

TO: MCE Executive Committee
FROM: Melanie Biesecker, Senior Customer Programs Manager
RE: Proposed Sixth Agreement with EV.Energy Corp. (Agenda Item #05 C.2)
ATTACHMENT: Sixth Agreement with EV.Energy Corp.

Dear Executive Committee Members:

Summary:

The proposed Sixth Agreement with EV.Energy Corp. ("Agreement") would provide MCE with the ability to continue: scaling up residential EV smart charging, enhancing retention strategies, testing dynamic rates, and increasing accessibility for income-qualified customers and other priority populations. Smart charging helps MCE customers save money, reduce grid emissions, and improve grid reliability by shifting and shaping EV load away from the 4–9 p.m. peak demand period when electricity costs are high.

Background

Launched in Fall 2021, MCE Sync is a smart phone app managed by EV.Energy Corp. that automates home EV charging to use the least expensive and cleanest energy on the grid.

EV adoption in MCE's service area is amongst the highest in the nation and new EV sales made up 29% of total light duty vehicle sales in 2025. The EV market continues to grow, and MCE strives to influence charging behavior and optimize the load from EV charging in order to maximize benefits for MCE customers, MCE, and the grid as a whole. On average, 80% of EV charging happens at home with every EV adding around 50% to a resident's overall electricity usage. As more MCE customers adopt EVs, the necessity of smart EV charging will be even more critical.

MCE Sync Standard Tier participants are completing 93% of home EV charging outside of the peak 4–9 p.m. period, resulting in average bill savings of \$14/month. Customers who participated in MCE Sync-scheduled low carbon events that occurred in 2025 reduced grid emissions even further, by 34%.

In 2024, MCE and EV.Energy Corp. collaborated on the design and implementation of a Dynamic Rewards Tier to test the impacts of dynamic signals and rewards. This was part of EV.Energy Corp.'s

greater *Responsive, Easy Charging Products with Dynamic Signals (REDWDS)* grant funding from the California Energy Commission. Within the first 3 months, the pilot enrolled 365 customers, 27% of whom live in a Disadvantaged Community (DAC) (based on SB535 Cal EnviroScreen 4.0). Pilot participants saw average savings of \$19/month and an increase of 5% in daytime charging over the Standard Rewards Tier. In 2025, customers in the Dynamic Rewards Tier completed 96% of home EV charging outside of the peak 4–9 p.m. period, with 9% higher daytime charging than those on the Standard Rewards Tier.

In 2025, staff delivered key enhancements for the program, including:

- Development and deployment of a customer service chatbot in support of customer experience and retention;
- Translation of the app into Spanish, to increase accessibility;
- Design and implementation of an EV Charger Rebate pilot, providing income-qualified customers with rebates up to \$600 to cover the cost of an MCE Sync-compatible charger, to enable more customers to participate in the program;
- Implementation of Customer Relation Management (CRM) Application Programming Interfaces (APIs) to provide a more efficient method for tracking program participation and customer tickets within MCE's CRM system

The Proposed Agreement

The proposed Agreement would continue EV.Energy Corp.'s management of MCE Sync, with a focus on maximizing customer retention and participation in the program, through:

- Multi-channel marketing, outreach, and education, focused on recruitment for the Standard Rewards and Dynamic Rewards tiers, as well as increasing enrollment among priority populations;
- Continuing to offer a home EV Charger Rebate pilot for income-qualified customers without compatible equipment;
- Implementing CRM APIs to provide a more efficient method for tracking program participation; and
- Continuous improvements and feature enhancements to the MCE Sync app.

The proposed Agreement includes a goal to increase enrollment to 7,200 participating EVs by March 31, 2027. There are currently 4,580+ participating EVs. Additionally, the program aims to further increase active smart-charging participation, reduce charging during peak hours, and increase daytime charging.

If approved, the proposed Agreement would provide \$506,100 for managed charging implementation, \$12,500 for API development, \$126,000 for marketing, and up to \$281,825 in direct customer incentives. In addition to the earned customer incentives, this program is estimated to collectively save participating customers \$1M on their energy bills in FY2026/27.

Fiscal Impacts:

The FY 2026/27 proposed budget of \$926,425 is derived from the Local Program Fund, which is generated from a portion of Deep Green customer revenue.

Recommendation:

Approve the proposed Sixth Agreement with EV.Energy Corp and authorize the CEO to execute if MCE's Board approves applicable FY 2026/27 funding.

MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT
SIXTH AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND EV.ENERGY CORP.

THIS SIXTH AGREEMENT ("Agreement") is made and entered into on _____ by and between MARIN CLEAN ENERGY (hereinafter referred to as "MCE") and EV.ENERGY CORP., a Delaware corporation with principal address at: 2100 Geng Road, Suite 210, Palo Alto, California 94301, United States (hereinafter referred to as "Contractor") (each, a "Party," and, together, the "Parties").

RECITALS:

WHEREAS, MCE desires to retain Contractor to provide the services described in **Exhibit A** attached hereto and by this reference made a part hereof ("Services");

WHEREAS, Contractor desires to provide the Services to MCE;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the Services in accordance with the terms and conditions of this Agreement. "Services" shall also include cloud-based and/or SaaS solutions provided as part of the Services and any other work performed by Contractor pursuant to this Agreement.

2. FEES AND PAYMENT SCHEDULE; INVOICING:

The fees and payment schedule for furnishing Services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement ("Term"). Contractor shall provide MCE with Contractor's Federal Tax I.D. number prior to submitting the first invoice. Contractor is responsible for billing MCE in a timely and accurate manner. Unless otherwise specified in Exhibit B, Contractor shall email invoices to MCE on a monthly basis for any Services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond ninety (90) days will not be reimbursable. The final invoice must be submitted within thirty (30) days of completion of the stated scope of services or termination of this Agreement. MCE will process payment for undisputed invoiced amounts within thirty (30) days.

3. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the Services to be provided herein exceed the maximum sum of **\$926,425**.

4. TERM OF AGREEMENT:

This Agreement shall commence on **April 1, 2026** ("Effective Date") and shall terminate on **March 31, 2027**, unless earlier terminated pursuant to the terms and conditions set forth in Section 12.

5. REPRESENTATIONS; WARRANTIES; COVENANTS:

5.1. CONTRACTOR REPRESENTATIONS AND WARRANTIES. Contractor represents, warrants and covenants that (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of **California**, (b) it has full power and authority and all regulatory authorizations required to execute, deliver and perform its obligations under this Agreement and all exhibits and addenda and to engage in the business it presently conducts and contemplates conducting, (c) it is and will be duly licensed or qualified to do business and in good standing under the laws of the State of California and each other jurisdiction wherein the nature of its business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder, (d) it is qualified and competent to render the Services and possesses the requisite expertise to perform its obligations hereunder, (e) the execution, delivery and performance of this Agreement and all exhibits and addenda hereto are within its powers and do not violate the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, (f) this Agreement and each exhibit and addendum constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, and (g) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.

5.2. COMPLIANCE WITH APPLICABLE LAW. At all times during the Term and the performance of the Services, Contractor shall comply with all applicable federal, state and local laws, regulations, ordinances and resolutions ("Applicable Law")

- 5.3. LICENSING.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all required permits, licenses, certificates and registrations required for the operation of its business and the performance of the Services. Contractor shall promptly provide copies of such licenses and registrations to MCE at the request of MCE.
- 5.4. NONDISCRIMINATORY EMPLOYMENT.** Contractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, gender identity, age or condition of disability. Contractor understands and agrees that Contractor is bound by and shall comply with the nondiscrimination mandates of all federal, state, and local statutes, regulations, and ordinances.
- 5.5. PERFORMANCE ASSURANCE.** Regardless of the specific Services provided, Contractor shall also maintain any payment and/or performance assurances as may be requested by MCE during the performance of the Services.
- 5.6. SAFETY.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it shall:
- (a) abide by all applicable federal and state Occupational Safety and Health Administration requirements and other applicable federal, state, and local rules, regulations, codes and ordinances to safeguard persons and property from injury or damage;
 - (b) abide by all applicable MCE security procedures, rules and regulations and cooperate with MCE security personnel whenever on MCE's property;
 - (c) abide by MCE's standard safety program contract requirements as may be provided by MCE to Contractor from time to time;
 - (d) provide all necessary training to its employees, and require Subcontractors to provide training to their employees, about the safety and health rules and standards required under this Agreement;
 - (e) have in place an effective Injury and Illness Prevention Program that meets the requirements all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code. Additional safety requirements (including MCE's standard safety program contract requirements) are set forth elsewhere in the Agreement, as applicable, and in MCE's safety handbooks as may be provided by MCE to Contractor from time to time;
 - (f) be responsible for initiating, maintaining, monitoring and supervising all safety precautions and programs in connection with the performance of the Agreement; and
 - (g) monitor the safety of the job site(s), if applicable, during the performance of all Services to comply with all applicable federal, state, and local laws and to follow safe work practices.
- 5.7. BACKGROUND CHECKS.**
- a) Contractor hereby represents, warrants and covenants that any employees, members, officers, contractors, Subcontractors and agents of Contractor (each, a "Contractor Party," and, collectively, the "Contractor Parties") having or requiring access to MCE's Confidential Information and Personal Data ("Covered Personnel") shall have successfully passed background screening on each such individual, prior to receiving access, which screening may include, among other things to the extent applicable to the Services, a screening of the individual's educational background, employment history, valid driver's license, and court record for the seven (7) year period immediately preceding the individual's date of assignment to perform the Services.
 - b) INTENTIONALLY OMITTED
 - c) To the maximum extent permitted by applicable law, Contractor shall maintain documentation related to such background and drug screening for all Covered Personnel and make it available to MCE for audit if required pursuant to the audit provisions of this Agreement.
 - d) INTENTIONALLY OMITTED
- 5.8. INTENTIONALLY OMITTED.**
- 5.9. QUALITY ASSURANCE PROCEDURES.** Contractor shall comply with the following requirements (the "Quality Assurance Procedures"): (i) industry standard best practices; (ii) procedures that ensure customer satisfaction; and (iii) any additional written direction from MCE.
- 5.10. ASSIGNMENT OF PERSONNEL.** The Contractor shall not substitute any personnel for those specifically named in its proposal, if applicable, unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MCE, as is evidenced in writing.
- 5.11. INTENTIONALLY OMITTED.**

6. INSURANCE:

At all times during the Term and the performance of the Services, Contractor shall maintain the insurance coverages set forth below. All such insurance coverage shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming Marin Clean Energy and its employees, directors, officers, and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to MCE prior to commencement of Services. Certificate(s) of insurance must be current as of the Effective Date, and shall remain in full force and effect through the Term. If scheduled to lapse prior to termination date, certificate(s) of insurance must be automatically updated before final payment may be made to Contractor. Contractor shall provide MCE 30 days' notice in writing of any cancellation or reduction of coverage. Insurance coverages shall be payable on a per occurrence basis only.

Nothing in this Section 6 shall be construed as a limitation on Contractor's indemnification obligations in Section 17 of this Agreement.

Should Contractor fail to provide and maintain the insurance required by this Agreement, in addition to any other available remedies at law or in equity, MCE may suspend payment to the Contractor for any Services provided during any period of time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required insurance coverage.

6.1. GENERAL LIABILITY. The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than **two million dollars (\$2,000,000) with a four million dollar (\$4,000,000)** aggregate limit. "Marin Clean Energy" shall be named as an additional insured on the commercial general liability policy and the certificate of insurance shall include an additional endorsement page (see sample form: ISO - CG 20 10 11 85).

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

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

6.4. INTENTIONALLY OMITTED

6.5. PRIVACY AND CYBERSECURITY LIABILITY. Contractor shall maintain privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs) of at least \$1,000,000 US per occurrence.

7. FINANCIAL STATEMENTS:

Contractor shall deliver financial statements on an annual basis or as may be reasonably requested by MCE from time to time. Such financial statements or documents shall be for the most recently available audited or reviewed period and prepared in accordance with generally-accepted accounting principles.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior, written approval of MCE, except for any subcontract work expressly identified herein in Exhibit A. "Subcontractor" shall mean a third-party to whom Contractor delegates specific deliverables listed in Exhibit A. If Contractor hires a Subcontractor under this Agreement as applicable to the services the Subcontractor provides, Subcontractor shall be bound by all applicable terms and conditions of this Agreement, and Contractor shall ensure the following:

8.1. Subcontractor shall comply with the following terms of this Agreement: Sections 9, 10, Exhibit A.

8.2. Subcontractor shall provide, maintain and be bound by the representations, warranties and covenants of Contractor contained in Section 5 hereof (as may be modified to be applicable to Subcontractor with respect to Section 5.1(a) hereof) at all times during the Term of such subcontract and its provision of Services.

8.3. Subcontractor shall comply with the terms of Section 6 above, including, but not limited to providing and maintaining insurance coverage(s) identical to what is required of Contractor under this Agreement, and shall name MCE as an additional insured under such policies. Contractor shall collect, maintain, and promptly forward to MCE current evidence of such insurance

provided by its Subcontractor. Such evidence of insurance shall be included in the records and is therefore subject to audit as described in Section 9 hereof.

8.4. Subcontractor shall be contractually obligated to indemnify the MCE Parties (as defined in Section 17 hereof) pursuant to the terms and conditions of Section 17 hereof.

8.5. Subcontractors shall not be permitted to further subcontract any obligations under this Agreement.

Contractor shall be solely responsible for ensuring its Subcontractors' compliance with the terms and conditions of this Agreement made applicable above and to collect and maintain all documentation and current evidence of such compliance. Upon request by MCE, Contractor shall promptly forward to MCE evidence of same. Nothing contained in this Agreement or otherwise stated between the Parties shall create any legal or contractual relationship between MCE and any Subcontractor, and no subcontract shall relieve Contractor of any of its duties or obligations under this Agreement. Contractor's obligation to pay its Subcontractors is an independent obligation from MCE's obligation to make payments to Contractor. As a result, MCE shall have no obligation to pay or to enforce the payment of any monies to any Subcontractor.

9. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor shall keep and maintain on a current basis full and complete records and documentation pertaining to this Agreement and the Services, whether stored electronically or otherwise, including, but not limited to, valuation records, accounting records, documents supporting all invoices, employees' time sheets, receipts and expenses, and all customer documentation and correspondence (the "Records"). MCE shall have the right, during regular business hours, to review and audit all Records during the Term and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written request from MCE. Contractor shall refund any monies erroneously charged. Contractor shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by MCE based on undisputed audit findings.

10. DATA, CONFIDENTIALITY AND INTELLECTUAL PROPERTY:

10.1. DEFINITION OF "MCE DATA". "MCE Data" shall mean all data or information provided by or on behalf of MCE, including but not limited to, customer Personal Information; energy usage data relating to, of, or concerning, provided by or on behalf of any customers; all data or information input, information systems and technology, software, methods, forms, manuals, and designs, transferred, uploaded, migrated, or otherwise sent by or on behalf of MCE to Contractor as MCE may approve of in advance and in writing (in each instance); account numbers, forecasts, and other similar information disclosed to or otherwise made available to Contractor. MCE Data shall also include all data and materials provided by or made available to Contractor by MCE's licensors, including but not limited to, any and all survey responses, feedback, and reports subject to any limitations or restrictions set forth in the agreements between MCE and their licensors. MCE Data also includes any data created as a result of MCE's use of the Contractor's Services.

"Confidential Information" under this Agreement shall have the same meaning as defined in the Marin Clean Energy Non-Disclosure Agreement between the Parties dated April 24, 2023.

10.2. DEFINITION OF "PERSONAL INFORMATION". "Personal Information" includes but is not limited to the following: personal and entity names, e-mail addresses, addresses, phone numbers, any other public or privately-issued identification numbers, IP addresses, MAC addresses, and any other digital identifiers associated with entities, geographic locations, users, persons, machines or networks. Contractor shall comply with all applicable federal, state and local laws, rules, and regulations related to the use, collection, storage, and transmission of Personal Information.

10.3. MCE DATA SECURITY MEASURES. Prior to Contractor receiving any MCE Data, Contractor shall comply, and at all times thereafter continue to comply, in compliance with MCE's Data security policies set forth in MCE Policy 009 (available upon request) and MCE's Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy ("Security Measures") and pursuant to MCE's Confidentiality provisions in Section 5 of the Marin Clean Energy Non-Disclosure Agreement between the parties dated **April 24, 2023**, and as set forth in MCE Policy 001 - Confidentiality. MCE's Security Measures and Confidentiality provisions require Contractor to adhere to reasonable administrative, technical, and physical safeguard protocols to protect the MCE's Data from unauthorized handling, access, destruction, use, modification or disclosure.

10.4. CONTRACTOR DATA SECURITY MEASURES. Additionally, Contractor shall, at its own expense, adopt and continuously implement, maintain and enforce reasonable technical and organizational measures consistent with the sensitivity of Personal Information and Confidential Information including, but not limited to, measures designed to (1) prevent unauthorized access

to, and otherwise physically and electronically protect, the Personal Information and Confidential Information, and (2) protect MCE content and MCE Data against unauthorized or unlawful access, disclosure, alteration, loss, or destruction.

10.5. RETURN OF MCE DATA. Promptly after this Agreement terminates unless the parties enter into a second agreement, (i) Contractor shall securely destroy all MCE Data in its possession and certify the secure destruction in writing to MCE, and (ii) each Party shall return (or if requested by the disclosing Party, destroy) all other Confidential Information and property of the other (if any), provided that Contractor's attorney shall be permitted to retain a copy of such records or materials solely for legal purposes.

10.6. OWNERSHIP AND USE RIGHTS.

- a) **MCE Data.** Unless otherwise expressly agreed to in writing by the Parties, MCE shall retain all of its rights, title and interest in MCE's Data.
- b) **Intellectual Property.**
 - 1. **Work Product.** Unless otherwise expressly agreed to in writing by the Parties and subject to 10.6(b)(2) below, any and all deliverables, materials, information, or other intellectual property created, prepared, accumulated or developed by Contractor or any Contractor Party for MCE under this Agreement ("Work Product"), including finished and unfinished inventions, processes, templates, documents, drawings, designs, calculations, valuations, maps, plans, workplans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, manuals, visual materials, data, data models and samples, including summaries, extracts, analyses and preliminary or draft materials developed in connection therewith, and including any intellectual property therein, shall be owned by MCE. Work Product shall not include any modifications to any part of the Contractor's intellectual property, software, algorithm, vehicle/charger application programming interfaces ("APIs"), or mobile app. MCE shall have the exclusive right to use the Work Product in its sole discretion and without further compensation to Contractor or to any other party. Contractor shall, at MCE's expense, provide Work Product to MCE or to any party MCE may designate upon written request. Contractor may keep one file reference copy of Work Product prepared for MCE solely for legal purposes and if otherwise agreed to in writing by MCE. In addition, Contractor may keep one copy of Work Product if otherwise agreed to in writing by MCE. The Work Product shall be owned by MCE upon its creation. Contractor agrees to execute any such other documents or take other actions as MCE may reasonably request to perfect MCE's ownership in the Work Product.
 - 2. **Contractor's Pre-Existing Materials.** To the extent the Work Product includes Contractor's Pre-Existing Materials, Contractor hereby grants MCE on behalf of its customers and the CPUC for governmental and regulatory purposes a non-exclusive, worldwide, unlimited, fully paid, right to access and use and sublicense others to use the Pre-Existing Materials for its and their business purposes during the Term of this Agreement. MCE will not resell, modify, decompile, disassemble, or reverse engineer the Pre-Existing Materials except as otherwise expressly authorized under this Agreement or permitted by Law; MCE will not remove any proprietary marks or confidentiality notices appearing on the Pre-Existing Materials. Unless otherwise expressly agreed to by the Parties, Contractor shall retain all of its rights, title and interest in Contractor's Pre-Existing Materials. Any and all claims to Contractor's Pre-Existing Materials to be furnished or used to prepare, create, develop or otherwise manifest the Work Product must be expressly disclosed to MCE prior to performing any Services under this Agreement. For the avoidance of doubt, "Contractor's Pre-Existing Materials" means Contractor's pre-existing intellectual property and materials developed prior to and/or independently of this Agreement, and includes Contractor's cloud-based software solutions, mobile application and designs, and APIs used by Contractor in the performance of Services.
- c) The intellectual property of the software, algorithm, vehicle and charger APIs, and mobile app provided by the Contractor (other than open-source software and third-party software) is, and shall remain, the property of the Contractor, and the Contractor reserves the right to grant a license to use its software to any other party or parties. MCE acquires no rights in or to the Contractor's software and accompanying documentation other than those expressly granted by this Agreement except MCE shall own any data or results from MCE's use of the software. MCE shall not permit any third parties (apart from its employees, including fellows and/or interns, and customers) to access the Contractor's software and/or Services without its prior written consent.
- d) **APIs.** MCE acknowledges that the Contractor's Services are partly dependent on open-source software and third-party APIs made available from electric vehicle and charger manufacturers. MCE acknowledges that this open-source software is provided 'as is' and the Contractor makes no representation or warranty that third-party APIs will be continuously available throughout the term of this Agreement.

10.7. EQUITABLE RELIEF. Each Party acknowledges that a breach of this Section 10 would cause irreparable harm and significant damages to the other Party, the degree of which may be difficult to ascertain. Accordingly, each Party agrees that MCE shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of MCE Data or Personal Information, in addition to any other rights and remedies that it may have at law or otherwise; and Contractor shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of Contractor's Pre-Existing Materials, in addition to any other rights and remedies that it may have at law or otherwise.

11. FORCE MAJEURE:

A Party shall be excused for failure to perform its obligations under this Agreement if such obligations are prevented by an event of Force Majeure (as defined below), but only for so long as and to the extent that the Party claiming Force Majeure ("Claiming Party")

is actually so prevented from performing and provided that (a) the Claiming Party gives written notice and full particulars of such Force Majeure to the other Party (the "Affected Party") promptly after the occurrence of the event relied on, (b) such notice includes an estimate of the expected duration and probable impact on the performance of the Claiming Party's obligations under this Agreement, (c) the Claiming Party furnishes timely regular reports regarding the status of the Force Majeure, including updates with respect to the data included in Section 10 above during the continuation of the delay in the Claiming Party's performance, (d) the suspension of such obligations sought by Claiming Party is of no greater scope and of no longer duration than is required by the Force Majeure, (e) no obligation or liability of either Party which became due or arose before the occurrence of the event causing the suspension of performance shall be excused as a result of the Force Majeure; (f) the Claiming Party shall exercise commercially reasonable efforts to mitigate or limit the interference, impairment and losses to the Affected Party; (g) when the Claiming Party is able to resume performance of the affected obligations under this Agreement, the Claiming Party shall give the Affected Party written notice to that effect and promptly shall resume performance under this Agreement. "Force Majeure" shall mean acts of God such as floods, earthquakes, fires, orders or decrees by a governmental authority (including "shelter-in-place" orders), civil or military disturbances, wars, riots, terrorism or threats of terrorism, utility power shutoffs, strikes, labor disputes, pandemic, or other forces over which the responsible Party has no control and which are not caused by an act or omission of such Party.

12. TERMINATION:

- 12.1.** If the Contractor fails to provide in any manner the Services required under this Agreement, otherwise fails to comply with the terms of this Agreement, violates any Applicable Law, makes an assignment of any general arrangement for the benefit of creditors, files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it, otherwise becomes bankrupt or insolvent (however evidenced), or becomes unable to pay its debts as they fall due, then MCE may terminate this Agreement by giving five (5) business days' written notice to Contractor.
- 12.2.** Either Party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days' written notice to the other Party. Notice of termination shall be by written notice to the other Party and be sent by registered mail or by email to the email address listed in Section 19.
- 12.3.** In the event of termination not the fault of the Contractor, the Contractor shall be paid for Services performed up to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s). Notwithstanding anything contained in this Section 12, in no event shall MCE be liable for lost or anticipated profits or overhead on uncompleted portions of the Agreement. Contractor shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of MCE, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12. Also, as a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12, Contractor shall have delivered to MCE any and all Intellectual Property (as defined in Section 10.6(b)) prepared for MCE before the effective date of such termination.
- 12.4.** MCE may terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.
- 12.5.** The Contractor may terminate this Agreement with immediate effect if MCE fails to make payment within 30 calendar days' written notice of arrears which have accumulated to a value greater than or equal to \$20,000 worth of previously raised and overdue invoices.
- 12.6.** Upon termination of this Agreement for any reason, Contractor shall and shall cause each Contractor Party to bring the Services to an orderly conclusion as directed by MCE and shall return all MCE Data (as defined in Section 10.1 above) and Intellectual Property to MCE.
- 12.7.** Notwithstanding the foregoing, this Agreement shall be subject to changes, modifications, or termination by order or directive of the California Public Utilities Commission ("CPUC"). The CPUC may from time to time issue an order or directive relating to or affecting any aspect of this Agreement, in which case MCE shall have the right to change, modify or terminate this Agreement in any manner to be consistent with such order or directive.
- 12.8.** Notwithstanding any provision herein to the contrary, Sections 2, 3, 8.4, 9, 10, 12, 15, 16, 17, 18, 19, 20, 21, 22, 24 and Exhibit B of this Agreement shall survive the termination or expiration of this Agreement.

13. ASSIGNMENT:

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

14. AMENDMENT; NO WAIVER:

This Agreement may be amended or modified only by written agreement of the Parties. Failure of either Party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

15. DISPUTES:

Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Any dispute that cannot be resolved between Contractor's contract representative and MCE's contract representative by good faith negotiation efforts shall be referred to Legal Counsel of MCE and an officer of Contractor for resolution. Within 20 calendar days after delivery of such notice, such persons shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If MCE and Contractor cannot reach an agreement within a reasonable period of time (but in no event more than 30 calendar days), MCE and Contractor shall have the right to pursue all rights and remedies that may be available at law or in equity. All negotiations and any mediation agreed to by the Parties are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.

16. JURISDICTION AND VENUE:

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

17. INDEMNIFICATION:

To the fullest extent permitted by Applicable Law, Contractor shall indemnify, defend, and hold MCE and its employees, officers, directors, representatives, and agents ("MCE Parties"), harmless from and against any and all actions, claims, liabilities, losses, costs, damages, and expenses (including, but not limited to, litigation costs, attorney's fees and costs, physical damage to or loss of tangible property, and injury or death of any person) arising out of, resulting from, or caused by: a) the negligence, recklessness, intentional misconduct, fraud of all Contractor Parties; b) the failure of a Contractor Party to comply with the provisions of this Agreement, including the failure to pay Participants (defined below in Exhibit A) the Participant's expected incentive amounts, or Applicable Law., or Applicable Law; c) any defect in design, workmanship, or materials carried out or employed by any Contractor Party; d) breach of any third party intellectual property rights; e) breach of applicable laws; or f) breach of privacy, security or confidentiality obligations. Except for claims arising from Contractor's breach of confidentiality with MCE Data, Contractor's liability to MCE shall not exceed the maximum value of this Agreement listed in Section 3.

18. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.). Pursuant to MCE's Joint Powers Agreement, MCE is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. No Contractor Party shall have rights and nor shall any Contractor Party make any claims, take any actions, or assert any remedies against any of MCE's constituent members in connection with this Agreement.

19. INVOICES; NOTICES:

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted by email to:

Email Address:	invoices@mcecleanenergy.org
----------------	-----------------------------

All other notices shall be given to MCE at the following location:

Contract Manager:	Monique McCool
-------------------	----------------

MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901

Email Address:	contracts@mcecleanenergy.org
----------------	------------------------------

Telephone No.:	(415) 464-6049
----------------	----------------

Notices shall be given to Contractor at the following address:

Contractor:	Nick Wooley
Address:	2100 Geng Road, Suite 210, 437 Kipling Street, Palo Alto, California 94301, United States
Email Address:	nick.woolley@ev.energy
Telephone No.:	07940712031

20. ENTIRE AGREEMENT; ACKNOWLEDGMENT OF EXHIBITS:

This Agreement along with the attached Exhibits marked below constitutes the entire Agreement between the Parties. In the event of a conflict between the terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement shall govern.

	☒	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>	<u>MCE'S INITIALS</u>
<u>EXHIBIT A.</u>	X	Scope of Services		
<u>EXHIBIT B.</u>	X	Fees and Payment		
<u>EXHIBIT C.</u>	X	MCE CRM Access Protocols		
<u>ATT A.</u>	X	Canto Terms & Conditions		

21. SEVERABILITY:

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provision, will continue in full force and effect and will in no way be impaired or invalidated.

22. INDEPENDENT CONTRACTOR:

Contractor is an independent contractor to MCE hereunder. Nothing in this Agreement shall establish any relationship of partnership, joint venture, employment or franchise between MCE and any Contractor Party. Neither MCE nor any Contractor Party will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided for herein.

23. TIME:

Time is of the essence in this Agreement and each and all of its provisions.

24. THIRD PARTY BENEFICIARIES:

The Parties agree that there are no third-party beneficiaries to this Agreement either express or implied.

25. FURTHER ACTIONS:

The Parties agree to take all such further actions and to execute such additional documents as may be reasonably necessary to effectuate the purposes of this Agreement.

26. PREPARATION OF AGREEMENT:

This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and this Agreement shall not be construed against either Party as a result of the manner in which this Agreement was prepared, negotiated or executed.

27. DIVERSITY SURVEY:

Pursuant to Senate Bill 255 which amends Section 366.2 of the California Public Utilities Code, MCE is required to submit to the California Public Utilities Commission an annual report regarding its procurement from women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises ("WMDVLGBTBE"). Consistent with these requirements, Contractor agrees to provide information to MCE regarding Contractor's status as a WMDVLGBTBE and any engagement of WMDVLGBTBEs in its provision of Services under this Agreement. Concurrently with the execution of this Agreement, Contractor agrees to complete and deliver MCE's Supplier Diversity Survey, found at the following link: <https://form.asana.com/?k=jSGYk4x3sf2dHfSzywc2fg&d=163567039999692> (the "Diversity Survey") within thirty (30) days of the Effective Date of this Agreement. Because MCE is required to submit annual reports and/or because the Diversity Survey may be updated or revised during the term of this Agreement, Contractor agrees to complete and deliver the Diversity Survey, an updated or revised version of the Diversity Survey or a similar survey at the reasonable request of MCE within thirty (30) days of receiving said request, and to otherwise reasonably cooperate with MCE to provide the information described above. Contractor shall otherwise reasonably cooperate with MCE to provide all such information and ensure submission in the timeframe reasonably requested by MCE.

28. COUNTERPARTS:

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

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

APPROVED BY

MARIN CLEAN ENERGY:

CONTRACTOR:

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

MODIFICATIONS TO STANDARD SHORT FORM

☒ Standard Short Form Content Has Been Modified

List sections affected: 1, 5.5, 5.6, 5.7, 5.8, 5.9, 5.11, 6, 7, 8, 10.1, 10.5, 10.6, 11, 12.5, and 17.

Approved by MCE Counsel: _____ Date: _____

EXHIBIT A SCOPE OF SERVICES

Contractor shall provide the following Services under the Agreement as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

Contractor will continue to scale the MCE Sync Program ("MCE Sync" or "Program"), by providing the following tasks:

- TASK 1 - Managed EV Charging and Program Management;
- TASK 2 - Marketing and MCE Sync App Participant Enrollment; and

Definitions

- "Participant" - a unique MCE Sync user account.
- "Eligible New Participant" - a Participant that has successfully connected an eligible EV or charger to Contractor's platform, completed at least one charging session, and has been verified as an MCE customer.
- "Eligible Participant" - a Participant that has already received the One-Time Enrollment Incentive and is enrolled in either the Standard Rewards Tier or the Dynamic Rewards Tier.
- "Participant EV" - a compatible EV (or non-compatible EV paired with a compatible charger) connected to Contractor's platform.
- "Active Vehicle" - a Participant EV that has completed at least one charging session within the previous 180 days.
- "Event" - low carbon or other market/demand response events as agreed upon by Contractor and MCE.
- "Standard Rewards Tier" - the legacy MCE Sync rewards tier which includes the following benefits: 1) smart charging feature that charges Participants' EVs according to their MCE electricity rate, 2) a \$50 One-Time Enrollment Incentive and 3) \$10 monthly Participation Incentives.
- "Dynamic Rewards Tier" - a new MCE Sync rewards tier that Participants may opt in to that allows Eligible Participants access to an enhanced smart charging experience by scheduling Eligible Participants' EV charging and paying out Participation Incentives according to dynamic signals. This is part of Contractor's participation in the California Energy Commission's (CEC) ChargeWise Program; duration expected to be approximately 12 months under Phase 2 of the grant-funded program.
- "One-Time Enrollment Incentive" - a \$50 incentive paid following the first calendar month in which a Participant is deemed an Eligible New Participant.
- "Participation Incentives"
 - Participation Incentives for the Standard Rewards Tier include \$10 monthly incentives paid out to Eligible Participants whose EVs are plugged in and who allow Contractor to optimize EV charging during at least 2 Events per calendar month.
 - Participation Incentives for the Dynamic Rewards Tier include \$40 max monthly incentives which is calculated based on the pricing associated with the dynamic reward plan signal and the Participants' enrolled electricity rate.
- "Charger Rebate(s)" – a rebate of up to \$600, of which MCE will be responsible for 50% (\$300), to reimburse for the purchase of an eligible MCE Sync compatible charger that will be available to eligible customers to enable participation in MCE Sync Dynamic Rewards. Charger Rebates will be limited to customers identified by MCE as income qualified due to their participation in the MCE EV Instant Rebate program who do not have an MCE Sync compatible vehicle and are not already enrolled with a compatible charger.
- "Charger Rebate Participant" – a Participant that has received a Charger Rebate from MCE Sync and has met all eligibility criteria to receive the rebate, including participating in the Dynamic Rewards Tier.
- "ChargeWise" - a managed charging pilot program spearheaded by Contractor via a grant ("REDWDS") awarded to Contractor by the California Energy Commission (CEC). MCE's involvement with the ChargeWise program is dependent on Contractor's funding approval from the CEC and includes: collaborating and providing match funding for the development, implementation, and testing of dynamic signals and rewards; providing enrollment and Participation Incentives; and helping fund acquisition of compatible smart chargers to expand access to Participants who do not have compatible equipment to participate.

For Task 1 - Managed EV Charging and Program Management, Contractor will:

1. Enroll Participants who, through enrollment, will be provided managed EV charging and be eligible for either the Standard Rewards Tier or Dynamic Rewards Tier.
2. Aim to enroll Participants in the Peak Flex market;

3. Verify that new Participants are MCE customers, calculate and administer One-Time Enrollment Incentives to Eligible New Participants and ongoing Participation Incentives to Eligible Participants through payment platforms including but not limited to PayPal and Venmo;
4. In accordance with any service level-requirements as required by MCE, provide, track and analyze front-line customer service, complaint handling, issue resolution, and technical assistance for Participants, and maintain the Frequently Asked Questions (FAQs) and website for Participant engagement;
5. Help fund Charger Rebates where MCE will be responsible for 50% (up to \$300) of the total cost of the charger for Participants that do not have compatible equipment to participate.
6. Run, maintain, and continuously improve the Contractor platform, ensuring compliance with applicable cybersecurity and data privacy laws;
7. Continuously improve the Contractor charging algorithm, building on monthly results and learnings to further improve performance;
8. Provide MCE with access to Contractor's back-end portal, with visual and downloadable data on the following: Participant enrollment, total EV load and load shifting performance, past and forecasted energy consumption, carbon intensity, charging locations, Participant charging behavior, Low Carbon Fuel Standard credit data, and Demand Response event participation;
9. Deliver twice-monthly check-in meetings and provide ongoing access to program reporting through data dashboards.
10. As part of the Dynamic Rewards Tier, provide enhanced data reporting, such as analyzing load shapes on a quarterly basis to understand the impacts on price and carbon, evaluate customer responsiveness to different treatment methods between time-of-use and dynamic rewards compensation, and surveying users to understand consumer attitudes and receptivity to the dynamic reward plan signal program type;
11. Develop and implement one API
 - a. Participation API: an API that can connect to Salesforce to push basic Program participation information (name, email, car make and model, incentive payouts and dates, dollar and carbon savings, etc.) to the MCE Salesforce instance 1-2x per day at a scheduled time;
12. Work with MCE to maximize Participant retention and participation in the Program through e.g., ongoing education about the Program's benefit to Participants, to the power grid, and to society; periodic scheduled in-app and email outreach and engagements, as may be identified by MCE and Contractor staff; and continuous improvements and feature enhancements to the MCE Sync app; and
13. Include Peak Flex Market signals for EV charging during the summer months (June-September), time-of-use/carbon intensity signals during other months, and Event-based signals as directed by MCE.

For Task 2 - Marketing and MCE Sync App Participant Enrollment, Contractor will:

1. Increase New Driver Acquisition
 - a. Under this plan, Contractor is compensated \$60 for each new driver successfully added to the platform. This fee is allocated as a pass-through spend and covers:
 - i. Paid media expenses for digital advertising campaigns to drive new enrollments.
 - ii. Use of the Braze platform for email marketing to engage and onboard potential participants.
2. Provide Monthly Marketing Support
 - a. Under this plan, Contractor is compensated to provide ongoing acquisition marketing support for MCE Sync. This fee covers:
 - i. Developing and delivering comprehensive annual marketing plans, including quarterly audits.
 - ii. Execution of a multi-channel marketing, outreach and enrollment plan with the aim of enrolling a total of 7,200 Participant EVs by March 31, 2026; maintaining 70% compatible EVs with smart charging enabled; 8% maximum of smart charging completed during peak hours; 20% smart charging completed during the daytime hours of 9am – 3pm.
 - iii. Through Contractor's pilot ChargeWise program, development and deployment of a recruitment plan to enroll an additional 400 drivers in the Dynamic Rewards Tier.
 - iv. Marketing plans focused on increased enrollment amongst MCE "Priority Communities", including but not limited to DAC, seniors 65+, non-English speaking, and persons with disabilities.
 - v. Strategy, reporting, and timeline management for all marketing activities in collaboration with MCE's Marketing Team lead.
 - vi. Maintenance of a marketing campaign tracker, including campaign performance metrics across email, digital ads, and other Contractor-driven marketing activities.
 - vii. All materials developed by Contractor will be the property of MCE for continued marketing efforts of MCE and MCE Sync.
 - viii. All Task 2 deliverables are subject to MCE's Public Affairs Team's review and final written approval.
3. Provide Monthly Participant Retention Support

- a. Under this plan, Contractor is compensated to provide ongoing retention of existing users. This fee covers:
 - i. Developing marketing collateral specifically aimed at recruiting participants for targeted campaigns, such as the summer reliability season.
 - ii. Ongoing enhancement of MCE Sync's onboarding emails and notifications, monthly reports, and service messaging.

MCE's Responsibilities: MCE understands that the success of the MCE Sync Program depends on MCE's ability to fulfill its commitments and coordinate with external parties, namely:

1. Provide Contractor with API access to MCE's CRM tool to automatically verify Participants upon app sign up and support Peak Flex market enrollment. In the absence of an API connection, a list of all known EV customers and their contact information will be securely provided. Additionally, MCE will provide access or a monthly list of new EV tariff customers, as well as timely input and sign-off on marketing materials to support recruitment efforts.
2. Provide Contractor with routine and detailed Google Analytics reporting, or provide direct access to a Google Analytics dashboard for the MCE Sync webpage.
3. Offer:
 - a. \$50 One-Time Enrollment Incentive to Eligible New Participants;
 - b. \$10/month Participation Incentives for Eligible Participants enrolled in Standard Rewards Tier;
 - c. Up to \$40/month Participation Incentives for Eligible Participants enrolled in Dynamic Rewards Tier ChargeWise program;
 - d. \$600 per charger for potential ChargeWise Participants' acquisition of the chargers necessary to participate in the Dynamic Reward Tier ChargeWise program.
4. Provide Contractor with the needed data/API feeds for the Peak Flex market and any other desired grid/market feeds as available.
5. To the fullest extent practicable, work to ensure that MCE's partners provide Contractor with the needed data/API feeds for the Peak Flex market and any other desired grid/market feeds.
6. Maintain its Apple App Store and Google Play Store marketplaces and provide Contractor with all resources and approvals necessary to host the MCE Sync app and issue app updates on its behalf.
7. Provide Contractor with timely requirements, feedback and sign-off on MCE Sync updates.
8. Provide Contractor with updated MCE tariff prices and structures, when made available by MCE.

Eligible EVs and Home Chargers: EVs and home chargers eligible for MCE Sync as of the Effective Date include:

- Acura ZDX
- Alpha Romeo Tonale
- Audi e-tron, Q4 e-tron, Q8 e-tron, RS e-tron,
- BMW i3, i4, i5, i7, iX
- Cadillac LYRIQ, Lyriq
- Chevrolet Blazer EV, Bolt EUV, Bolt EV, Equinox EV, Silverado EV
- Dodge Hornet, Charger
- Fiat 500e
- GMC Hummer EV, Sierra EV
- Honda Prologé, CRV, Clarity
- Hyundai IONIQ 5, IONIQ 6, IONIQ EV, IONIQ PHEV, Kona Electric, Santa Fe PHEV, Sonata PHEV
- Jaguar i-Pace
- Jeep Wagoneer S, Wrangler 4xe, Grand Cherokee 4xe
- Kia EV6, EV9, Niro EV, Niro PHEV, Optima PHEV, Sorento, Soul EV, Sportage PHEV
- Land Rover Range Rover P 400 E
- Lexus RX 450 H PHEV, RZ, NX PHEV
- Lucid Air
- Mazda CX-60, CX-90, MX-30, CX-70 PHEV
- Mercedes EQ Series, S-Class PHEV, GLC PHEV
- Mini SE Countryman and Hardtop
- Nissan Ariya
- Porsche Panamera PHEV, Cayenne, Taycan, Macan Electric
- Ram 1500 REV
- Rivian R1S, R1T

- Subaru Solterra
- Tesla Models S,X,Y,3, and Cybertruck
- Toyota bZ4X, Prius Prime, RAV4 Prime (Requires additional OEM subscription plan, paid for by Participant) · Volkswagen e-Golf, ID 4, Tiguan PHEV, ID. buzz
- Volvo S90, S60, V60, V90, XC40, XC60, XC90
- ChargePoint Home/ Home Flex chargers
- Wallbox EV Home Chargers
- Autel Home EV Chargers
- Emporia Home EV Chargers
- Acura Home EV Chargers
- Honda Home EV Chargers
- Tesla Wall Connectors
- Additional EVs and Home Chargers can be added to this list as they become eligible.

Assumptions and Understandings:

1. Contractor will integrate additional EVs and home chargers, as identified by MCE, into the MCE Sync software when Contractor informs MCE that additional integration is possible.
2. Contractor may participate and be the recipient of Peak Flex payments as an aggregator in MCE's Peak Flex market.
3. All marketing work provided by Contractor is subject to MCE Public Affairs Team's review and written approval.
4. Both Parties shall comply at all times during the Term with the following MCE service level agreement ("SLA") that provides MCE's expectations for customer interactions by Contractor:
 - a) Contractor shall keep a 99% platform uptime.
 - b) Contractor and all subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries no later than within 3 business days after the inquiry is received. Unless otherwise agreed to, Contractor and subcontractors are to provide one option for customer contact (email). Unless otherwise agreed to, the Contractor shall provide MCE with a process to document customer issues, escalations, and resolutions.
 - c) MCE to review and approve the Marketing, Education & Outreach Plan.
 - d) MCE to review and approve all branded customer facing materials (digital and physical content) before Contractor and/or subcontractor uses and distributes them.
 - e) Contractor to provide MCE monthly reports which will include lead generation, outreach status, Customer Information updates and any customer complaints, feedback, and escalations
5. Contractor shall comply with Contractor's standard service levels (included as Exhibit C) including 99% platform uptime and response to inbound Participant support queries within 3 business days.
6. MCE acknowledges that Contractor's connectivity to the above pieces of hardware is dependent on Original Equipment Manufacturer server uptime, Participant's home WiFi connectivity and Participant's subscription to any required vehicle telematics data plans.
7. MCE stores its marketing content on Canto, a digital asset management software, and uses Canto to provide this content to vendors. If Contractor's use of Canto is required in the course of providing Services to MCE, Contractor is required to use Canto as directed by MCE staff and adhere to the current MCE-provided Brand Standards Guide. Contractor acknowledges and agrees, as a "Customer's User", to abide by the Terms and Conditions set forth by Canto which are included as Attachment A and may be updated from time to time and provided to Contractor.

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For Services provided under this Agreement, MCE shall pay Contractor in accordance with the amount(s) and the payment schedule as specified below:

Task 1: Managed EV Charging and Program Management Monthly Costs; Not to Exceed \$800,425

1. \$506,100 Estimated Cost: Managed EV charging, front-line Participant support, back-end Participant verification, Participant incentive calculation, regular platform updates, Program management and monthly data/performance reporting:
 - a) Up to 1,000 active vehicles (total \$19,000 month)
 - b) Each additional tranche of 500 active vehicles (an additional \$2,000/month)
2. \$274,825 Estimated Cost: Financial incentive administration to Eligible Participants, including the \$50 enrollment incentive, \$10 Standard Rewards incentive, and up to \$40/month for Dynamic Rewards incentives.
 - a) Invoiced to MCE at cost each month (including 5% processing fees).
 - b) Enrollment and Dynamic Rewards incentives will be match funded at 50% by CEC REDWDS funding.
3. \$7,000 Estimated Cost: Of the greater \$600 cost of chargers for Charger Rebate, MCE will be providing 50% of funding (plus a 5% processing fee) and the remaining 50% will be funded by CEC REDWDS funding. While the final number of chargers will depend on Participant need, approximately 23 chargers are expected to be provided
4. \$12,500 Estimated Cost: Development and implementation of Participation API (\$12,500)

Task 2: Marketing and MCE Sync App Participant Enrollment, Not to Exceed \$126,000

1. \$24,000 Estimated Cost: Marketing planning services (\$2,000/month)
 - a) Marketing services to be provided throughout the Term.
2. \$72,000 Estimated Cost: Participant acquisition activities (\$30/Eligible New Participant acquired)
 - a) Standard \$60 per Eligible New Participant fee to be match funded at 50% by CEC REDWDS funding
3. \$30,000 Estimated Cost: Participant retention and acquisition funnel services (\$2,500/month)

Upon written approval of MCE, funds may shift between the Tasks to accomplish the scope of Services outlined in Exhibit A. Contractor will provide an itemized invoice to MCE Customer Programs staff with information on the deliverables it has completed in the previous calendar month. All items funded by CEC REDWDS funding are subject to CEC's approval of Contractor's Phase 2 funding. If funding is not approved, neither Contractor nor MCE are responsible for supplying the additional funds, and ChargeWise-related activities will cease.

As represented in Exhibit A, the Program is intended to provide the following incentives (collectively, the "Rebate Incentives") for the term of the Agreement:

- a) \$50 One-Time Enrollment Incentive to Eligible New Participants;
- b) \$10/month Participation Incentives for Eligible Participants enrolled in Standard Rewards Tier;
- c) Up to \$40/month Participation Incentives for Eligible Participants enrolled in Dynamic Rewards Tier ChargeWise program;
- d) \$600 per charger for potential ChargeWise Participants' acquisition of the chargers necessary to participate in the Dynamic Reward Tier ChargeWise program.

Contractor will invoice \$50,000 for Rebate Incentives upon Effective Date and will invoice MCE monthly to replenish the advanced Rebate Incentives to \$50,000 each month to cover: funds needed for distribution of incentives, and any funds needed to cover Rebate Incentives beyond the prior month's \$50,000 payment. This process shall repeat until MCE's funds for Rebate Incentives have been exhausted. Contractor shall ensure that all such Rebate Incentives are held in an FDIC-insured account. Contractor shall draw against these Rebate Incentives to pay valid incentives according to the amounts listed above. Contractor will return all undisbursed Rebate Incentives to MCE within 10 business days upon written request by MCE Customer Programs staff or the termination of the Agreement.

Contractor shall bill monthly. In no event shall the total cost to MCE for the Services provided herein exceed the **maximum sum of \$926,425** for the term of the Agreement.

EXHIBIT C
MCE CRM ACCESS PROTOCOLS

Contractor shall implement the following security measures as part of the Agreement according to program needs up to the time/fees allowed under the Agreement in order to gain access to MCE's Customer Relationship Management software ("MCE CRM"), whether through direct portal access or via application programming interface ("API") integration.

To access MCE CRM, Contractor must first agree to and comply with the following protocols, including, if applicable, those related to API integration:

1. MCE CRM access is subject to the NDA between the Parties dated April 24, 2023.
2. MCE CRM login information, passwords, and any information retrieved from MCE CRM shall be treated as Confidential Information.
 - Confidential Information shall have the same meaning as defined in the MCE NDA between the Parties dated April 24, 2023.
 - No Contractor employee is to give, tell, or hint at their login information or password to another person under any circumstance.
 - MCE CRM passwords are required to be changed every 90 days at least.
 - MCE encourages strong passwords (such as minimum character length, and use of special characters) that are not reused for other logins.
 - MCE CRM shall only be accessed from an Internet Protocol (IP) address in the United States.
 - Any suspicious or unauthorized IP access may be blocked without notice by MCE.
 - Contractor agrees that MCE is not liable for any interruption or restriction of access to the CRM resulting from the blocking of suspicious or unauthorized IP addresses.
 - MCE reserves the right to use approved public IP addresses to control and limit access to MCE's systems.
3. MCE CRM access shall be provided through MCE's selected Single Sign-On (SSO) provider, Okta, Inc. or another MCE-designated SSO provider.
4. Direct MCE CRM Portal Access Restrictions.
 - Direct MCE CRM portal access shall only be provided to those employees of Contractor who have a "need to access" such information in the course of their duties with respect to Contractor's Services ("Designated Employees").
 - Designated Employees who access MCE CRM shall only update or view fields related to the tasks assigned.
 - Contractor shall maintain a list of Designated Employees that have been authorized to access MCE CRM.
 - The list shall be updated and verified by Contractor quarterly and provided to MCE upon request.
 - In the event of an employment status change for a Designated Employee who had been granted access to MCE CRM, Contractor shall provide the following information to MCE:
 - Name and email of pertinent Contractor employee.
 - Notification to MCE within 3 days of employment status change.
 - Designated Employees who access MCE CRM shall first review and agree to be bound by these MCE CRM Access Protocols.
 - Designated Employees' use of MCE CRM is restricted to that which is necessary to provide the Services described in Exhibit A.
 - Designated Employees shall not copy, download, record or reproduce in any way any data existing within MCE CRM.
 - Any customer data that is utilized or uploaded must be removed from Designated Employees' computers and Contractor's systems within 24 hours of upload or utilization.
5. API Integration Restrictions
 - Contractor shall only use an MCE-authorized API to the extent its use is necessary for the completion of contracted work as included in Exhibit A.
 - Contractor shall use industry best standards and significant access control in a closed API system. This includes, but is not limited to:
 - Only employees of Contractor who have a "need to access" such information in the course of their duties with respect to Contractor's Services ("Designated Employees") will be allowed to access information available through the API.
 - For an employee to become a Designated Employee, they must first successfully pass a background screening, which may include a screening of the individual's educational background, employment history, valid driver's license, and court record.
 - If a Designated Employee leaves Contractor's employment or if a Designated Employee's position changes such that they no longer need API access, Contractor will close the employee's access within 24 hours and provide the following information to MCE:
 - Name and email of pertinent employee.
 - Notification to MCE within 3 days of employment status change.
 - Contractor must keep MCE informed of the names, positions, and data access levels of all Designated Employees with a Designated Employee List which shall be updated and verified by Contractor quarterly and provided to MCE upon request.
 - Designated Employees are prohibited from copying, downloading, recording, or reproducing any MCE data except through the approved API integration.

2. Contractor having any interaction with an MCE customer shall do the following:
 - Contractor shall comply at all times during the Term with any MCE-provided MCE co-branding and/or customer engagement protocol that provides MCE's expectations for customer interactions by Contractor. Failure of Contractor to comply at all times with this section will constitute a material breach pursuant to Agreement section 12 and may result in the discontinuation of work with MCE at MCE's request.
 - Contractor and any approved subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries within 3 business days after the inquiry is received. Unless otherwise agreed to, Contractor and subcontractors are to provide two options for customer contact (email and phone). Contractor shall provide MCE with a process to document any customer issues, escalations and resolutions.

ATTACHMENT A
CANTO TERMS AND CONDITIONS

1. Services Generally

- a. This Agreement governs the use of the Canto digital asset management software and associated services (collectively, the "Services"), as further described in the Order to which this Agreement is attached (the "Order Form").
- b. Canto will provide (i) the implementation services described on the Order Form ("Implementation Services"); and (ii) the support services described on Exhibit A to this Agreement ("Support Services").
- c. The Services may interoperate with various third-party platforms and applications as determined by Canto from time to time ("Add-Ons"). Continued interoperation of the Services with any Add-Ons is dependent upon the availability of each such application and Canto may cease to provide such functionality if access to any Add-On is not available to Canto on commercially reasonable terms. Canto makes no representations or warranties with respect to the Add-Ons.

2. Right of Use Registration and Accounts

- a. Subject to the terms of this Agreement, Canto grants Customer, during the term of the Order Form, a world-wide, non-exclusive, non-transferable right to access and use the Services for Customer's internal business purposes. Customer will not resell, rent, lease, transfer, lend, timeshare, assign, display or permit others to access or use the Services except as explicitly permitted under this Agreement.
- b. Customer may allow its employees, consultants, contractors or agents ("Customer's Users") to access and use the Services subject to the limitations specified on the Order Form, solely on Customer's behalf and for the benefit of Customer, provided that: (i) Customer's Users are aware of and comply with this Agreement; and (ii) Customer assumes full responsibility for all acts and omissions of Customer's Users in connection with the use of the Services.
- c. Customer's Users must complete the registration process by providing complete and accurate information, including a valid email address. The Services have different levels of access and permissions for various User roles, including account administrator, contributor, consumer, and guest. Customer is responsible for maintaining the confidentiality of its logins and account and for all activities that occur under its logins and account, including the activities of Customer's Users. If Customer or Customer's Users become aware of any unauthorized use of the Services or Customer's Users' accounts, Customer will contact Canto immediately at info@canto.com.
- d. Canto retains all right, title and interest in and to the Services except for the rights granted to Customer pursuant to this Agreement.
- e. The Parties acknowledge that the Services may collect and aggregate certain de-identified information and data regarding the use and operation of the Services by Customer. Customer agrees that Canto may utilize such information and data as well as any Customer suggestions,

enhancement requests or other recommendations (collectively, "Feedback") for any lawful business purpose, without a duty of accounting to Customer so long as such Feedback does not identify Customer or any Customer Content. No compensation shall be paid with respect to Canto's use of Feedback.

3. Use Restrictions; Customer Content

- a. Customer will not: (i) use the Services in any manner that is not permitted under the terms of this Agreement or in violation of applicable law; (ii) permit any third party to access the Services, except for Customer's Users; (iii) use the Services to store or transmit any viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs, or otherwise engage in unfair, unlawful or deceptive practices; (iv) upload or provide any Customer Content that is defamatory, offensive, abusive, obscene, of menacing character, or that violates the privacy or intellectual property rights of any third party; (v) interfere with or disrupt the integrity or performance of the Services; (vi) attempt to gain unauthorized access to the Services or the Services' related systems and networks, or systematically access the Services using 'bots' or 'spiders'; (vii) decompile, reverse engineer or undertake any similar efforts with respect to the Services; (viii) create any derivative works of the Services; (ix) copy, modify, frame or mirror the Services; or (x) use the Services to develop or offer a service that is similar to the Services. The above restrictions apply to the Services in whole and to any portion thereof.

b. All digital files and information uploaded by or on behalf of Customer or Customer's Users into the Services ("Customer Content") are the sole and exclusive property of Customer. Customer grants Canto a right and license to access and use the Customer Content solely for purposes of providing, developing and supporting the Services pursuant to this Agreement.

c. Customer will not upload to the Services any Customer Content that constitutes or encourages conduct that would constitute a criminal offense, give rise to civil liability or otherwise violate applicable laws and regulations including laws and regulations governing privacy, mass email, spam, export control, consumer protection, unfair competition, false advertising, harassment, anti- competitive activities, misappropriation, libel, defamation, obscene content and incitement.

d. Canto respects the intellectual property rights of others and Canto will handle any third-party request for removal of Customer Content from the Services that is alleged to infringe copyrights of any third party, in accordance with Canto's DMCA Copyright Policy, available at: <https://www.canto.com/dmca-policy/>.

e. As part of the Services, the Customer Content is regularly backed up on a daily basis and each such backup is retained for 30 days (the "Data Retention Period"). The backup data will be erased after 30 days. During the Data Retention Period, Customer may retrieve such backup data by downloading a copy through the Services or by submitting a request in writing to canto-support@canto.com.

4. Fees, Costs and Taxes

a. In consideration for the right to use the Services, Customer will pay fees in the amount and in accordance with the payment terms set forth in the Order Form (the "Services Fees"). Except as

explicitly provided under this Agreement, Services Fees are not refundable. Customer assumes all responsibilities and costs associated with Customer's use of the Services, including, without limitation, any required equipment and Internet access fees and backup expenses.

b. All Services Fees are exclusive of any foreign or domestic sales taxes, withholding taxes, use taxes and any other taxes and charges of any kind imposed by any federal, state, local or foreign governmental entity (other than taxes based on Canto's income), and Customer is solely responsible for the payment thereof.

c. If any invoiced amount is not received by Canto by the applicable due date then, without limiting Canto's rights or remedies, those amounts may accrue late interest at a rate of one and a half percent (1.5%) per month or the highest rate permitted by applicable law, whichever is lower, commencing on the date that payment was due.

5. Representations and Warranties

a. Authorization. Each Party represents, warrants and covenants to the other Party that it has the requisite legal power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement.

b. By Customer. Customer represents, warrants and covenants that Customer has obtained all rights and permissions necessary to provide the Customer Content to Canto for use as permitted under this Agreement.

c. By Canto. Canto represents, warrants and covenants that: (i) the Services will be free of material programming errors and will operate in accordance with and conform to the documentation provided as part of the Services in all material respects; (ii) the Implementation Services and Support Services will be performed by qualified personnel in a professional manner consistent with industry standards and in compliance with the terms of this Agreement, the applicable Order Form and all applicable federal, state and local laws, rules and regulations; (iii) it uses best commercially reasonable efforts to ensure that no malicious code, including any viruses, disabling code, time bombs or Trojan horses ("Viruses") are coded or introduced into the Services as made available by Canto to Customer in accordance with the terms of this Agreement; and (iv) the Services will be Available for use at least 99.8% of the time, measured on a monthly basis, excluding Scheduled Downtime. "Scheduled Downtime" shall be defined as: a) any downtime that the Parties agree to in advance; or b) downtime during regularly scheduled maintenance that occurs between 11pm and 3am local time daily. "Available" means that the Services can be accessed by Customer except during: (i) Scheduled Downtime; and (ii) downtime caused by circumstances beyond Canto's control, including without limitation, Customer modifications, force majeure, general Internet outages, failure of Customer's infrastructure or connectivity, computer and telecommunications failures and delays not within Canto's control.

d. OTHER THAN AS PROVIDED IN THIS SECTION 5, CANTO MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Confidentiality.

a. "Confidential Information" means non-public business, financial and technical information, including any data and business-related information provided by Customer to Canto, the Services and all elements and functionality details related thereof, the terms of this Agreement and any third party information that the disclosing Party is obligated to keep confidential, that is either marked as "confidential" or "proprietary" or which, under the circumstances, should be understood to be confidential.

b. Confidential Information does not include information which: (i) is or becomes generally available to the public other than as a result of wrongful disclosure by the receiving Party; (ii) is or becomes available to the receiving Party on a non-confidential basis by a third party that rightfully possesses the Confidential Information and has the legal right to make such disclosure; or (iii) is developed independently by the receiving Party without use of the disclosing Party's Confidential Information and by persons without access to such information.

c. The receiving Party will use measures at least as protective as those it uses for its own confidential information, but no less than reasonable measures, to keep confidential and not to disclose to any third party any Confidential Information of the disclosing Party, except to those of the receiving Party's personnel, including external advisors, consultants, insurers and investors, who need to know such Confidential Information, who are informed of the confidential nature of the Confidential Information and who agree to be bound by terms of confidentiality at least as protective as those in this Agreement. The receiving Party will not use any Confidential Information, directly or indirectly, for any purpose other than as necessary to perform its obligations and exercise its rights under this Agreement. Each Party is responsible for any breach of the confidentiality of the other Party by its personnel, which for purposes of Customer will include, without limitation, Customer's Users.

d. If the receiving Party becomes legally compelled to disclose any Confidential Information, it will provide the disclosing Party with prompt prior written notice to the extent legally permitted and assistance, at the disclosing Party's expense, in obtaining a protective order.

e. Upon termination of the Agreement, the receiving Party will make all reasonable efforts to either:

(a) promptly return to the disclosing Party any Confidential Information disclosed under this Agreement, and any copies thereof, or (b) destroy any documents, electronic records, software or other instruments that contain all or any portion of Confidential Information and will certify in writing to the disclosing Party that such Confidential Information has been returned or destroyed, except that the receiving Party may retain a minimum number of copies of the disclosing Party's Confidential Information under appropriate confidentiality and security arrangements: (i) in backups, until the backup retention cycle deletes the Confidential Information; (ii) as required under applicable laws; and (iii) for legal and administrative proceedings.

7. Indemnification

a. By Canto. Canto shall, at its expense, defend Customer from or settle any claim, proceeding, or suit brought by a third party ("Claim") against Customer (i) to the extent (a) that the Services infringe or misappropriate any intellectual property right of such third party or (b) arising out of Canto's

gross negligence or willful misconduct, and (ii) will indemnify Customer from all damages, costs, and attorneys' fees finally awarded and unappealable against Customer as a result of such Claim. Canto shall have no obligation under Section 8(a) to the extent any Claim arises out of or is based upon: (i) Customer's use of the Services not in compliance with this Agreement or the Documentation; (ii) Customer's combination of the Services with software, hardware, system, data, or other materials not supplied or authorized by Canto (unless expressly permitted by the Documentation) without Canto's prior written authorization; or (iii) the Customer Content. In the event an infringement or misappropriation Claim involving the Services is brought or threatened, or is likely to be brought or threatened in Canto's reasonable opinion, Canto may, at its sole option and expense: (x) procure for Customer the right to continue to use the Services, (y) modify the Services in a manner that does not materially degrade the Service's functionality, or (z) terminate the affected Services and, with respect to termination of the Services, refund the unearned portion of the Fees previously paid. Notwithstanding anything else herein, the foregoing indemnification obligations are Canto's only obligations and liability, and Customer's exclusive remedy, in respect of any infringement or misappropriation Claim.

b. By Customer. Customer shall, at its expense, defend Canto from or settle any Claim against Canto or its Affiliates arising out of: (i) Customer's breach of Section 3(a), (ii) third party claims that Customer Content infringes on any third party's intellectual property rights; or (iii) Customer's gross negligence or willful misconduct. Customer will indemnify Canto from all damages, costs, and attorneys' fees finally awarded and unappealable against Canto or its Affiliates as a result of any such claim.

c. Indemnification Procedures. Each party seeking indemnification hereunder shall provide the other party with: (i) prompt written notice of any Claim for which indemnification is sought; (ii) complete control of the defense and settlement of such claim; and (iii) reasonable assistance and cooperation in such defense at the indemnifying party's expense. Notwithstanding the foregoing, the indemnifying party may not enter into a settlement of a claim that involves a remedy other than the payment of money by the indemnified party (which amounts must be subject to indemnification by the indemnifying party) without the indemnified party's written consent.

8. Limits of Liability

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY OTHER PERSON FOR (I) ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND OR NATURE, (HOWEVER ARISING, UNDER ANY THEORY OF LIABILITY) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE SERVICES OR THE AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (II) DIRECT DAMAGES IN EXCESS OF THE FEES ACTUALLY PAID OR PAYABLE BY CUSTOMER UNDER THE AGREEMENT. THE FOREGOING LIMITATIONS AND EXCLUSIONS DO NOT APPLY TO EITHER PARTY'S INDEMNIFICATION OBLIGATIONS, OR CUSTOMER'S FAILURE TO REMIT ALL FEES PROPERLY DUE AND OWING UNDER THE AGREEMENT.

9. Term and Termination; Suspension

a. This Agreement commences as of the Effective Date and will continue in effect for so long as there are any then current Order Forms. Each Party may terminate the Agreement and the Order Forms then in effect, if the other Party breaches the Agreement and does not cure such breach within thirty (30) days after receiving a written notice from the non-breaching Party. If this Agreement (and any Order Form) is terminated following breach by Customer, Customer will receive a pro-rated refund of the unearned pre-paid Services Fees. If this Agreement or any Order is terminated by Canto under this Section 9(a), Customer will also pay all amounts to become due and owing under the applicable Order Form. Upon termination for any reason Customer's access to and use of the Services will terminate immediately.

b. Canto may suspend the provision of the Services, if (i) one or more of Customer's payments are ten (10) days or more past due and Canto has notified Customer of Customer's payment default; or (ii) if Canto believes that a suspension is necessary to avoid substantial harm to Customer, Customer's Users, to other Canto customers, to Canto or to any of its affiliates and contractors, or to a third party, including as a result of a third party infrastructure or communications failures or disruptions, or due to malicious attacks on the Services' systems, or to cure a material breach, or as required by laws, by a court of law or by a governmental authority or agency. Canto will use all reasonable efforts to provide Customer with reasonable advance notice of the need for any such suspension, and at least 5 days for you to cure any breach that is the cause for such suspension. Any suspension made pursuant to this section will only be in effect for as long as necessary to address the issues giving rise to the suspension.

10. Governing Law Jurisdiction and Dispute Resolution

a. This Agreement, the Services and any Claim, cause of action or dispute arising out of or related thereto, will be governed solely by the laws of the State of California, without giving effect to any conflicts of law principles.

b. Prior and as a condition to initiating any legal action, the Parties will attempt in good faith to resolve any dispute related to this Agreement first by direct communications between the persons responsible for administering this Agreement and next by negotiation between executives with authority to settle the dispute. Either Party may give the other Party a written notice of any dispute not resolved in the normal course of business. Within five (5) business days after delivery of the notice, the receiving Party will submit to the other Party a written response. The notice and the response will include a statement of each Party's position and a summary of arguments supporting that position and the name and title of the executive who will represent that Party. Within five (5) business days after delivery of the disputing Party's notice, the executives of both Parties will meet at a mutually acceptable time and place, including by phone or video conference, and thereafter as often as they reasonably deem necessary, to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

11. General Provisions

a. Modifications to the Services. Canto may, either partially or in its entirety modify, adapt or change the Services, or any of its features, user interface and design, the extent and availability of

the content of the Services and any other aspect related thereto, through updates and upgrades, provided that Canto will not materially decrease the overall functionality of the Services during the term of any then current Order Form. Canto will notify Customer at the same time and in the same manner as Canto notifies its customers generally about substantial changes in the Services.

b. Notice. Any notice required or permitted to be given in accordance with this Agreement will be effective if it is in writing and sent by certified or registered mail, or overnight courier, return receipt requested, to the appropriate party at the address set forth on Order Form and with the appropriate postage affixed. Either Party may change its address for receipt of notice by notice to the other Party in accordance with this Section. Notices are deemed given two (2) business days following the date of mailing or one business day following delivery to a courier.

- c. **Assignment of Rights.** Each Party may assign to a third party its rights and obligations under this Agreement in the event of a merger with or acquisition of all or substantially all of a Party's assets by that third party, provided that the third party undertakes the assigning Party's entire rights and obligations under this Agreement. Other assignments of rights and obligations under this Agreement are null and void without the prior written consent of the other Party.
- d. **Relationship Between the Parties.** Neither this Agreement, nor any terms and conditions contained herein, will be construed as creating a partnership, joint venture, agency, or franchise relationship between the Parties.
- e. **No Third-Party Beneficiaries.** This Agreement is not intended to and will not be construed to give any third party any interest or rights, including, without limitation, third party beneficiary rights, with respect to or in connection with any provision under this Agreement.
- f. **Force Majeure.** Neither Party will be liable for any default or delay in the performance of its obligations under this Agreement: (a) if and to the extent such default or delay is caused by fire, flood, earthquake, elements of nature or acts of God, riots, civil disorders, war, terrorism, rebellions or revolutions, or any other similar cause beyond the reasonable control of such Party; and (b) provided the non-performing Party is without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. The affected Party will promptly notify the other Party of the circumstances causing its delay or failure to perform and of its plans and efforts to implement a work-around solution. For as long as such circumstances prevail, the Party whose performance is delayed or hindered will continue to use all commercially reasonable efforts to recommence performance without delay.
- g. **Complete Terms and Severability.** This Agreement constitutes the entire and complete agreement between Customer and Canto concerning any use of, or in connection with the Services. No terms issued by Customer or appearing on any other document provided by Customer including without limitation any invoice, order, purchase order or acknowledgment form will have any force or effect or otherwise be binding on the Parties. If any provision of this Agreement is held invalid or unenforceable, that provision must be construed in a manner consistent with applicable law to reflect, as nearly as possible, the original intentions of the Parties and the remaining provisions will remain in full force and effect.
- h. **Publicity.** Canto may include identification (including the logo) of Customer as a customer on Canto's website and marketing materials with Customer's prior consent, which will not be unreasonably withheld, for so long as Customer is receiving the Services under this Agreement. Canto agrees to remove Customer's name and logo from its website and marketing materials within 5 business days of termination of this Agreement.
- i. **Amendments.** This Agreement may be amended only by a written instrument executed by duly authorized representatives of the Parties.
- j. **Waiver.** The failure of either Party to enforce any provision of this Agreement, unless waived in writing by such Party, will not constitute a waiver of that Party's right to enforce that provision or any other provision of this Agreement.
- k. **Prevailing Party.** Should it become necessary to take any action to enforce the terms of this Agreement, the prevailing Party is entitled to recover its actual and reasonable attorney's fees and costs including any reasonable attorney's fees associated with obtaining, enforcing or collecting upon any judgment as well as any subsequent appeal.
- l. **Survival.** Those provisions that by their nature are intended to survive termination or expiration of this Agreement will so survive.
- m. **No Recourse Against Constituent Members of Customer.** Customer 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 Customer's Joint Powers Agreement, Customer is a public entity separate from its constituent members. Customer shall solely be responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. Canto shall not have rights nor shall any Affiliate of Canto make any claims, take any actions, or assert any remedies against any of Customer's constituent members in connection with this Agreement.



March 2, 2026

TO: MCE Executive Committee
FROM: Melanie Biesecker, Senior Customer Programs Manager
RE: Proposed Third Agreement with Energy Solutions (Agenda Item #05 C.3)
ATTACHMENT: Third Agreement with Energy Solutions

Dear Executive Committee Members:

Summary:

The proposed Third Agreement with Energy Solutions ("Agreement") would continue to provide MCE the ability to scale up adoption of EVs and increase access to new and used EVs for income-qualified customers by providing these customers with educational resources and incentives.

Background

Since Fall 2019, MCE has offered an EV incentive program that educates customers about EVs and charging and provides income-qualified customers up to \$3,500 toward the purchase of an EV. Between 2019 and May 2023, the program was managed largely in-house by MCE staff with a vendor supporting financial verification and application processing and providing 347 post-purchase EV rebates to income-qualified customers.

In May 2023, MCE launched the EV Instant Rebates program ("Program"), in response to customer feedback about the continuing barriers to EV adoption. The Program is now largely managed by Energy Solutions, with oversight by MCE staff. The Program has allowed MCE to continue expanding EV adoption for income-qualified customers, while directly addressing some of the largest barriers for those customers to participate in the EV incentive program by:

- Changing the post-purchase rebate processed by MCE into a point-of-sale instant rebate processed by car dealers and approved by Energy Solutions to reduce the upfront financial burden;
- Adding a \$2,000 incentive for used EVs to parallel the \$3,500 incentive for new EVs;
- Managing marketing, education, and outreach to MCE customers, local dealers, and automakers to boost EV incentive program participation.

The Program continues to be successful in addressing key barriers to EV adoption for low-income customers and has provided more than 2,380 instant rebates in less than 3 years. Among 1,357 participants surveyed, 85% reported that they would not have purchased/leased an EV without the MCE rebate.

In Q3 2025, the Program saw higher than expected participation resulting from the early expiration of the federal tax credit. In November 2025, in anticipation of a fully allocated budget, the Program was paused and remains paused. In Q4 2025, staff completed a customer income-eligibility audit, which provided valuable insights into customer eligibility and opportunities for future enhancements to Program guidelines, documents, and processes.

If approved, the proposed Agreement would provide an additional 876 rebates for income-qualified customers in fiscal year 2026/27, building on the success of MCE's point-of-sale EV incentive model in overcoming barriers, expanding the EV incentive program's impacts, and deepening MCE's reach to priority communities. Additionally, the Agreement proposes to include ongoing quarterly customer income-qualification audits to monitor participant eligibility and opportunities to further strengthen the Program's risk mitigation processes and procedures.

Fiscal Impacts:

The proposed Agreement allows for expenditures not to exceed \$3,592,960 which would provide sufficient funding for the Program through fiscal year 2026-27. These funds derive from the Local Renewable Energy and Program Development Fund, which is generated from a portion of Deep Green customer revenue.

Recommendation:

Approve the proposed Third Agreement with Energy Solutions and authorize the CEO to execute if MCE's Board approves applicable FY 2026/27 funding.

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT
THIRD AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND ENERGY SOLUTIONS**

THIS THIRD AGREEMENT ("Agreement") is made and entered into on _____ by and between MARIN CLEAN ENERGY (hereinafter referred to as "MCE"), a California joint powers authority, and COHEN VENTURES, INC., dba ENERGY SOLUTIONS, a California corporation with principal address at: 449 15th Street, Oakland, California 94612 (hereinafter referred to as "Contractor") (each, a "Party," and, together, the "Parties").

RECITALS:

WHEREAS, MCE desires to retain Contractor to provide the services described in **Exhibit A** attached hereto and by this reference made a part hereof ("Services");

WHEREAS, Contractor desires to provide the Services to MCE;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the Services in accordance with the terms and conditions of this Agreement. "Services" shall also include any other work performed by Contractor pursuant to this Agreement.

2. FEES AND PAYMENT SCHEDULE; INVOICING:

The fees and payment schedule for furnishing Services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement ("Term"). Contractor shall provide MCE with Contractor's Federal Tax I.D. number prior to submitting the first invoice. Contractor is responsible for billing MCE in a timely and accurate manner. Contractor shall email invoices to MCE by the fifteenth (15th) calendar day of each month, on a monthly basis for any Services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond ninety (90) days will not be reimbursable. The final invoice must be submitted within thirty (30) days of completion of the stated scope of services or termination of this Agreement. MCE will process payment for undisputed invoiced amounts within thirty (30) days of receipt of such invoice.

3. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the Services to be provided herein exceed the maximum sum of **\$3,592,960**.

4. TERM OF AGREEMENT:

This Agreement shall commence on **April 1, 2026** ("Effective Date") and shall terminate on **March 31, 2027**, unless earlier terminated pursuant to the terms and conditions set forth in Section 12.

5. REPRESENTATIONS; WARRANTIES; COVENANTS:

5.1. CONTRACTOR REPRESENTATIONS AND WARRANTIES. Contractor represents, warrants and covenants that (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of **California**, (b) it has full power and authority and all regulatory authorizations required to execute, deliver and perform its obligations under this Agreement and all exhibits and addenda and to engage in the business it presently conducts and contemplates conducting, (c) it is and will be duly licensed or qualified to do business and in good standing under the laws of the State of California and each other jurisdiction wherein the nature of its business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder, (d) it is qualified and competent to render the Services and possesses the requisite expertise to perform its obligations hereunder, (e) the execution, delivery and performance of this Agreement and all exhibits and addenda hereto are within its powers and do not violate the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, (f) this Agreement and each exhibit and addendum constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, and (g) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.

5.2. COMPLIANCE WITH APPLICABLE LAW. At all times during the Term and the performance of the Services, Contractor shall comply with all applicable federal, state and local laws, regulations, ordinances and resolutions ("Applicable Law")

- 5.3. LICENSING.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all required permits, licenses, certificates and registrations required for the operation of its business and the performance of the Services. Contractor shall promptly provide copies of such licenses and registrations to MCE at the request of MCE.
- 5.4. NONDISCRIMINATORY EMPLOYMENT.** Contractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, gender identity, age or condition of disability. Contractor understands and agrees that Contractor is bound by and shall comply with the nondiscrimination mandates of all federal, state, and local statutes, regulations, and ordinances.
- 5.5. PERFORMANCE ASSURANCE; BONDING.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all bonding requirements of the California Contractors State License Board ("CSLB"), as may be applicable. Regardless of the specific Services provided, Contractor shall also maintain any payment and/or performance assurances as may be requested by MCE during the performance of the Services.
- 5.6. SAFETY.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it shall:
- a) abide by all applicable federal and state Occupational Safety and Health Administration requirements and other applicable federal, state, and local rules, regulations, codes and ordinances to safeguard persons and property from injury or damage;
 - b) abide by all applicable MCE security procedures, rules and regulations and cooperate with MCE security personnel whenever on MCE's property;
 - c) abide by MCE's standard safety program contract requirements as may be provided by MCE to Contractor from time to time;
 - d) provide all necessary training to its employees, and require Subcontractors to provide training to their employees, about the safety and health rules and standards required under this Agreement;
 - e) have in place an effective Injury and Illness Prevention Program that meets the requirements all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code. Additional safety requirements (including MCE's standard safety program contract requirements) are set forth elsewhere in the Agreement, as applicable, and in MCE's safety handbooks as may be provided by MCE to Contractor from time to time;
 - f) be responsible for initiating, maintaining, monitoring and supervising all safety precautions and programs in connection with the performance of the Agreement; and
 - g) monitor the safety of the job site(s), if applicable, during the performance of all Services to comply with all applicable federal, state, and local laws and to follow safe work practices.
- 5.7. BACKGROUND CHECKS.**
- a) Contractor hereby represents, warrants and covenants that any employees, members, officers, contractors, Subcontractors and agents of Contractor (each, a "Contractor Party," and, collectively, the "Contractor Parties") having or requiring access to MCE's assets, premises, customer property ("Covered Personnel") shall have successfully passed background screening on each such individual, prior to receiving access, which screening may include, among other things to the extent applicable to the Services, a screening of the individual's educational background, employment history, valid driver's license, and court record for the seven (7) year period prior to hiring.
 - b) Notwithstanding the foregoing and to the extent permitted by applicable law, in no event shall Contractor permit any Covered Personnel to have one or more convictions during the seven (7) year period immediately preceding the individual's date of assignment to perform the Services, or at any time after the individual's date of, assignment to perform the Services, for any of the following ("Serious Offense"): (i) a "serious felony," similar to those defined in California Penal Code Sections 1192.7(c) and 1192.8(a), or a successor statute, or (ii) any crime involving fraud (such as, but not limited to, crimes covered by California Penal Code Sections 476, 530.5, 550, and 2945, California Corporations Code 25540), embezzlement (such as, but not limited to, crimes covered by California Penal Code Sections 484 and 503 et seq.), or racketeering (such as, but not limited to, crimes covered by California Penal Code Section 186 or the Racketeer Influenced and Corrupt Organizations("RICO") Statute (18 U.S.C. Sections 1961-1968)).
 - c) To the maximum extent permitted by applicable law, Contractor shall maintain documentation related to such background and drug screening for all Covered Personnel and make it available to MCE for audit if required pursuant to the audit provisions of this Agreement.
 - d) To the extent permitted by applicable law, Contractor shall notify MCE if any of its Covered Personnel is charged with or convicted of a Serious Offense during the term of this Agreement. Contractor shall also immediately prevent that employee, representative, or agent from performing any Services.

5.8. FITNESS FOR DUTY. Contractor shall ensure that all Covered Personnel report to work fit for their job. Covered Personnel may not consume alcohol while on duty and/or be under the influence of drugs or controlled substances that impair their ability to perform the Services properly and safely. Contractor shall, and shall cause its Subcontractors to, have policies in place that require their employees, contractors, subcontractors and agents to report to work in a condition that allows them to perform the work safely. For example, employees should not be operating equipment under medication that creates drowsiness.

5.9. QUALITY ASSURANCE PROCEDURES. Contractor shall comply with the Quality Assurance Procedures identified in Exhibit A (if any) (the "Quality Assurance Procedures"). Additionally, Quality Assurance Procedures must include, but are not limited to: (i) industry standard best practices; (ii) procedures that ensure customer satisfaction; and (iii) any additional written direction from MCE.

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

5.11. ACCESS TO CUSTOMER SITES. Contractor shall be responsible for obtaining any and all access rights for Contractor Parties, from customers and other third parties to the extent necessary to perform the Services. Contractor shall also procure any and all access rights from Contractor Parties, customers and other third parties in order for MCE and CPUC employees, representatives, agents, designees and contractors to inspect the Services.

6. INSURANCE:

At all times during the Term and the performance of the Services, Contractor shall maintain the insurance coverages set forth below. All such insurance coverage shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming Marin Clean Energy and its employees, directors, officers, and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to MCE prior to commencement of Services. Certificate(s) of insurance must be current as of the Effective Date, and shall remain in full force and effect through the Term. If scheduled to lapse prior to termination date, certificate(s) of insurance must be automatically updated before final payment may be made to Contractor. Each certificate of insurance shall provide for thirty (30) days' advance written notice to MCE of any cancellation or reduction in coverage. Insurance coverages shall be payable on a per occurrence basis only, except those required by Section 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing in this Section 6 shall be construed as a limitation on Contractor's indemnification obligations in Section 17 of this Agreement.

Should Contractor fail to provide and maintain the insurance required by this Agreement, in addition to any other available remedies at law or in equity, MCE may suspend payment to the Contractor for any Services provided during any period of time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required insurance coverage.

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

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

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

6.4. PRIVACY AND CYBERSECURITY LIABILITY Contractor shall maintain privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs) of at least \$1,000,000 US per claim.

7. FINANCIAL STATEMENTS:

Contractor shall deliver financial statements as may be reasonably requested by MCE within seven (7) days of MCE's request for the financial statements. Such financial statements or documents shall be for the most recently available audited or reviewed period and prepared in accordance with generally-accepted accounting principles.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior, written approval of MCE, except for any subcontract work expressly identified herein in Exhibit A. If Contractor hires a subcontractor under this Agreement (a "Subcontractor"), Subcontractor shall be bound by all applicable terms and conditions of this Agreement, and Contractor shall ensure the following:

- 8.1. Subcontractor shall comply with the following terms of this Agreement: Sections 9, 10, Exhibit A.
- 8.2. Subcontractor shall provide, maintain and be bound by the representations, warranties and covenants of Contractor contained in Section 5 hereof (as may be modified to be applicable to Subcontractor with respect to Section 5.1(a) hereof) at all times during the Term of such subcontract and its provision of Services.
- 8.3. Subcontractor shall comply with the terms of Section 6 above, including, but not limited to providing and maintaining insurance coverage(s) identical to what is required of Contractor under this Agreement, and shall name MCE as an additional insured under such policies. Contractor shall collect, maintain, and promptly forward to MCE current evidence of such insurance provided by its Subcontractor. Such evidence of insurance shall be included in the records and is therefore subject to audit as described in Section 9 hereof.
- 8.4. Subcontractor shall be contractually obligated to indemnify the MCE Parties (as defined in Section 17 hereof) pursuant to the terms and conditions of Section 17 hereof.
- 8.5. Subcontractors shall not be permitted to further subcontract any obligations under this Agreement.

Contractor shall be solely responsible for ensuring its Subcontractors' compliance with the terms and conditions of this Agreement made applicable above and to collect and maintain all documentation and current evidence of such compliance. Upon request by MCE, Contractor shall promptly forward to MCE evidence of same. Nothing contained in this Agreement or otherwise stated between the Parties shall create any legal or contractual relationship between MCE and any Subcontractor, and no subcontract shall relieve Contractor of any of its duties or obligations under this Agreement. Contractor's obligation to pay its Subcontractors is an independent obligation from MCE's obligation to make payments to Contractor. As a result, MCE shall have no obligation to pay or to enforce the payment of any monies to any Subcontractor.

9. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor shall keep and maintain on a current basis full and complete records and documentation pertaining to this Agreement and the Services, whether stored electronically or otherwise, including, but not limited to, valuation records, accounting records, documents supporting all invoices, employees' time sheets, receipts and expenses, and all customer documentation and correspondence (the "Records"). MCE shall have the right, during regular business hours, to review and audit all Records during the Term and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written request from MCE. Contractor shall refund any monies erroneously charged. Contractor shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by MCE based on undisputed audit findings.

10. DATA, CONFIDENTIALITY AND INTELLECTUAL PROPERTY:

- 10.1. **DEFINITION OF "MCE DATA".** "MCE Data" shall mean all data or information provided by or on behalf of MCE, including but not limited to, customer Personal Information; energy usage data relating to, of, or concerning, provided by or on behalf of any customers; all data or information input, information systems and technology, software, methods, forms, manuals, and designs, transferred, uploaded, migrated, or otherwise sent by or on behalf of MCE to Contractor as MCE may approve of in advance and in writing (in each instance); account numbers, forecasts, and other similar information disclosed to or otherwise made available to Contractor. MCE Data shall also include all data and materials provided by or made available to Contractor by MCE's licensors, including but not limited to, any and all survey responses, feedback, and reports subject to any limitations or restrictions set forth in the agreements between MCE and their licensors.

"Confidential Information" under this Agreement shall have the same meaning as defined in the Marin Clean Energy Non-Disclosure Agreement between the Parties dated **January 20, 2023**.

10.2. DEFINITION OF CONTRACTOR'S "IRIS PLATFORM" AND "INTELLECTUAL PROPERTY". "Iris Platform" (also referred to herein as "ES IP") is defined as Contractor's proprietary incentive processing and program reporting software platform, including any backend Subsystems, for Contractor's customers and other third parties. Contractor or its subcontractors shall use the Iris Platform in the provision of Services to MCE under this Agreement

10.3. DEFINITION OF "PERSONAL INFORMATION". "Personal Information" includes but is not limited to the following: personal and entity names, e-mail addresses, addresses, phone numbers, any other public or privately-issued identification numbers, IP addresses, MAC addresses, and any other digital identifiers associated with entities, geographic locations, users, persons, machines or networks. Contractor shall comply with all applicable federal, state and local laws, rules, and regulations related to the use, collection, storage, and transmission of Personal Information.

10.4. MCE DATA SECURITY MEASURES. Prior to Contractor receiving any MCE Data, Contractor shall comply, and at all times thereafter continue to comply, in compliance with MCE's Data security policies set forth in MCE Policy 009 (available upon request) and MCE's Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy ("Security Measures") and pursuant to MCE's Confidentiality provisions in Section 5 of the Marin Clean Energy Non-Disclosure Agreement between the parties dated **January 20, 2023**, and as set forth in MCE Policy 001 - Confidentiality. MCE's Security Measures and Confidentiality provisions require Contractor to adhere to reasonable administrative, technical, and physical safeguard protocols to protect the MCE's Data from unauthorized handling, access, destruction, use, modification or disclosure.

10.5. CONTRACTOR DATA SECURITY MEASURES. Additionally, Contractor shall, at its own expense, adopt and continuously implement, maintain and enforce reasonable technical and organizational measures consistent with the sensitivity of Personal Information and Confidential Information including, but not limited to, measures designed to (1) prevent unauthorized access to, and otherwise physically and electronically protect, the Personal Information and Confidential Information, and (2) protect MCE content and MCE Data against unauthorized or unlawful access, disclosure, alteration, loss, or destruction.

10.6. RETURN OF MCE DATA. Promptly after this Agreement terminates, (i) Contractor shall securely destroy all MCE Data in its possession and certify the secure destruction in writing to MCE, and (ii) each Party shall return (or if requested by the disclosing Party, destroy) all other Confidential Information and property of the other (if any), provided that Contractor's attorney shall be permitted to retain a copy of such records or materials solely for legal purposes.

10.7. OWNERSHIP AND USE RIGHTS.

- a) **MCE Data.** Unless otherwise expressly agreed to in writing by the Parties, MCE shall retain all of its rights, title and interest in MCE's Data.
- b) **Intellectual Property.** Unless otherwise expressly agreed to in writing by the Parties, any and all materials, information, or other intellectual property created, prepared, accumulated or developed by Contractor or any Contractor Party under this Agreement ("Intellectual Property"), including finished and unfinished inventions, processes, templates, documents, drawings, computer programs, designs, calculations, valuations, maps, plans, workplans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, manuals, visual materials, data models and samples, including summaries, extracts, analyses and preliminary or draft materials developed in connection therewith, shall be owned by MCE. MCE shall have the exclusive right to use Intellectual Property in its sole discretion and without further compensation to Contractor or to any other party. Contractor shall, at MCE's expense, provide Intellectual Property to MCE or to any party MCE may designate upon written request. Contractor may keep one file reference copy of Intellectual Property prepared for MCE solely for legal purposes and if otherwise agreed to in writing by MCE. In addition, Contractor may keep one copy of Intellectual Property if otherwise agreed to in writing by MCE.
- c) **ES IP Ownership.** All right, title, and interest in and to ES IP and all modifications, improvements, extensions, customizations, scripts or other definitive works provided or developed by Contractor or its subcontractors or agents, whether prior to or during the Term of this Agreement, are and shall remain at all times solely vested in Contractor or its subcontractors. Contractor or its subcontractors or agents shall retain all intellectual property rights thereto, including but not limited to copyrights (including all registrations and applications therefor), trade secrets, service marks, trademarks, trade names, trade dress, trademark applications and registrations, internet domain names, and all other proprietary and intellectual property rights, including moral rights. Notwithstanding any other terms of this Agreement, the Parties agree that the ES IP and any and all works, expressions, inventions, ideas, discoveries, improvements and developments made to the ES IP by any person during the term of this Agreement are explicitly not considered "works for hire".

Use of ES IP by MCE, its customers or any third party as part of the Services shall not convey any rights of ownership to ES IP, express or implied, including any intellectual property rights thereto, to any such party.

- d) **License Grant.** During the term of this Agreement, Contractor grants or shall cause its subcontractors or agents to grant to MCE a non-exclusive, non-assignable, worldwide limited right to access and use the ES IP in connection with the Services. Except as expressly provided herein, MCE agrees not to assign, sublicense, transfer, copy, reproduce, distribute, republish, display, post or transmit in any form or by any means, any part of the ES IP to any third party. MCE agrees not to access the ES IP by any means other than through the interfaces that are provided by Contractor.
- e) **ES IP Terms of Use.** Under this Agreement, MCE employees do not access ES IP in connection with the Services. In the event that MCE requires access to the Iris Platform, the Parties shall coordinate to arrange such access and acceptance of applicable Terms of Use.
- f) **Contractor and Contractor Party's Pre-Existing Materials.** Contractor and each Contractor Party is, and shall remain the sole and exclusive owner of all respective right, title and interest in and to all documents, works, codebases, software, data, know-how, methodologies, and materials, including its intellectual property, provided, developed, acquired or used by Contractor prior to the Effective Date, including any and all modifications, improvements, extensions, and customizations thereto ("Contractor's Pre-Existing Materials"). To the extent any of Contractor's Pre-Existing Materials are used to create, develop, and prepare the Intellectual Property, Contractor and each Contractor Party hereby grants MCE on behalf of its customers and the CPUC for governmental and regulatory purposes an irrevocable, assignable, non-exclusive, perpetual, fully paid up, worldwide, royalty-free, unrestricted license to use and sublicense others to use, reproduce, display, prepare and develop derivative works, perform, distribute copies of any intellectual or proprietary property right of Contractor or any Contractor Party for the sole purpose of using such Intellectual Property for the conduct of MCE's business and for disclosure to the CPUC for governmental and regulatory purposes related thereto. Any and all claims to Contractor's or any Contractor Party's Pre-Existing Materials to be furnished or used to prepare, create, develop or otherwise manifest the Intellectual Property must be expressly disclosed to MCE prior to performing any Services under this Agreement. Any such Pre-Existing Material that is modified by work under this Agreement is owned by Contractor and licensed to MCE.

10.8. EQUITABLE RELIEF. Each Party acknowledges that a breach of this Section 10 would cause irreparable harm and significant damages to the other Party, the degree of which may be difficult to ascertain. Accordingly, each Party agrees that MCE shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of MCE Data or Personal Information, in addition to any other rights and remedies that it may have at law or otherwise; and Contractor shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of Contractor's Pre-Existing Materials, in addition to any other rights and remedies that it may have at law or otherwise.

11. FORCE MAJEURE:

A Party shall be excused for failure to perform its obligations under this Agreement if such obligations are prevented by an event of Force Majeure (as defined below), but only for so long as and to the extent that the Party claiming Force Majeure ("Claiming Party") is actually so prevented from performing and provided that (a) the Claiming Party gives written notice and full particulars of such Force Majeure to the other Party (the "Affected Party") promptly after the occurrence of the event relied on, (b) such notice includes an estimate of the expected duration and probable impact on the performance of the Claiming Party's obligations under this Agreement, (c) the Claiming Party furnishes timely regular reports regarding the status of the Force Majeure, including updates with respect to the data included in Section 10 above during the continuation of the delay in the Claiming Party's performance, (d) the suspension of such obligations sought by Claiming Party is of no greater scope and of no longer duration than is required by the Force Majeure, (e) no obligation or liability of either Party which became due or arose before the occurrence of the event causing the suspension of performance shall be excused as a result of the Force Majeure; (f) the Claiming Party shall exercise commercially reasonable efforts to mitigate or limit the interference, impairment and losses to the Affected Party; (g) when the Claiming Party is able to resume performance of the affected obligations under this Agreement, the Claiming Party shall give the Affected Party written notice to that effect and promptly shall resume performance under this Agreement. "Force Majeure" shall mean acts of God such as floods, earthquakes, fires, orders or decrees by a governmental authority, civil or military disturbances, wars, riots, terrorism or threats of terrorism, utility power shutoffs, strikes, labor disputes, pandemic, or other forces over which the responsible Party has no control and which are not caused by an act or omission of such Party.

12. TERMINATION:

12.1. Either Party may terminate this contract, in whole or in part, immediately upon notice to the other Party if: (a) the non-breaching Party determines that the actions or inactions of the breaching Party, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) If either party fails to fulfill any material requirement of this contract, is in violation of a material provision of this contract, or either party determines that the other party lacks the financial resources to perform the contract, The non-breaching party shall give the breaching party fifteen (15) days prior written notice of the non-breaching party's intent to terminate, and the grounds therefor. Termination shall occur if the parties fail to agree on a plan for the breaching party to cure within fifteen (15) days of the breaching party's receipt of such notice.

- 12.2.** Either Party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days' written notice to the other Party. Notice of termination shall be by written notice to the other Party and be sent by registered mail or by email to the email address listed in Section 19.
- 12.3.** In the event of termination not the fault of the Contractor, the Contractor shall be paid for Services performed up to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s). Notwithstanding anything contained in this Section 12, in no event shall MCE be liable for lost or anticipated profits or overhead on uncompleted portions of the Agreement. Contractor shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of MCE, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12. Also, as a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12, Contractor shall have delivered to MCE any and all Intellectual Property (as defined in Section 10.6(b)) prepared for MCE before the effective date of such termination.
- 12.4.** MCE may terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.
- 12.5.** Without limiting the foregoing, if either Party's activities hereunder become subject to law or regulation of any kind, which renders the activity illegal, unenforceable, or which imposes additional costs on such Party for which the parties cannot mutually agree upon an acceptable price modification, then such Party shall at such time have the right to terminate this Agreement upon written notice to the other Party with respect to the illegal, unenforceable, or uneconomic provisions only, and the remaining provisions will remain in full force and effect.
- 12.6.** Upon termination of this Agreement for any reason, Contractor shall and shall cause each Contractor Party to bring the Services to an orderly conclusion as directed by MCE and shall return all MCE Data (as defined in Section 10.1 above) and Intellectual Property to MCE.
- 12.7.** Notwithstanding the foregoing, this Agreement shall be subject to changes, modifications, or termination by order or directive of the California Public Utilities Commission ("CPUC"). The CPUC may from time to time issue an order or directive relating to or affecting any aspect of this Agreement, in which case MCE shall have the right to change, modify or terminate this Agreement in any manner to be consistent with such order or directive.
- 12.8.** Notwithstanding any provision herein to the contrary, Sections 2, 3, 8.4, 9, 10, 12, 15, 16, 17, 18, 19, 20, 21, 22, 24 and Exhibit B of this Agreement shall survive the termination or expiration of this Agreement.

13. ASSIGNMENT:

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

14. AMENDMENT; NO WAIVER:

This Agreement may be amended or modified only by written agreement of the Parties. Failure of either Party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

15. DISPUTES:

Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Any dispute that cannot be resolved between Contractor's contract representative and MCE's contract representative by good faith negotiation efforts shall be referred to Legal Counsel of MCE and an officer of Contractor for resolution. Within 20 calendar days after delivery of such notice, such persons shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If MCE and Contractor cannot reach an agreement within a reasonable period of time (but in no event more than 30 calendar days), MCE and Contractor shall have the right to pursue all rights and remedies that may be

available at law or in equity. All negotiations and any mediation agreed to by the Parties are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.

16. JURISDICTION AND VENUE:

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

17. INDEMNIFICATION:

To the fullest extent permitted by Applicable Law, Contractor shall indemnify, defend, and hold MCE and its employees, officers, directors, representatives, and agents ("MCE Parties"), harmless from and against any and all actions, claims, liabilities, losses, costs, damages, and expenses (including, but not limited to, litigation costs, attorney's fees and costs, physical damage to or loss of tangible property, and injury or death of any person) (collectively, the "Losses") arising out of, resulting from, or caused by: a) the negligence, recklessness, intentional misconduct, fraud of all Contractor Parties; b) the failure of a Contractor Party to comply with the provisions of this Agreement or Applicable Law; c) any defect in design, workmanship, or materials carried out or employed by any Contractor Party; or d) any unauthorized disclosure of, access to, or use of MCE Data processed or otherwise stored on hardware or software controlled by Contractor Party. The foregoing indemnity obligation does not apply to the extent such Losses are attributable to the gross negligence or willful misconduct of any MCE Parties.

18. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.). Pursuant to MCE's Joint Powers Agreement, MCE is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. No Contractor Party shall have rights and nor shall any Contractor Party make any claims, take any actions, or assert any remedies against any of MCE's constituent members in connection with this Agreement.

19. INVOICES; NOTICES:

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted by email to:

Email Address: invoices@mcecleanenergy.org

All other notices shall be given to MCE at the following location:

Contract Manager: Monique McCool

MCE Address: 1125 Tamalpais Avenue
San Rafael, CA 94901

Email Address: contracts@mcecleanenergy.org

Telephone No.: (415) 464-6049

Notices shall be given to Contractor at the following address:

Contractor: Ryan Bird

Address: 449 15th Street

Oakland, California 94612

Email Address: rbird@energy-solution.com

Telephone No.: 510.482.4420 ext. 269

20. ENTIRE AGREEMENT; ACKNOWLEDGMENT OF EXHIBITS:

This Agreement along with the attached Exhibits marked below constitutes the entire Agreement between the Parties. In the event of a conflict between the terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement shall govern.

	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>	<u>MCE'S INITIALS</u>
<u>EXHIBIT A.</u>	X	Scope of Services	
<u>EXHIBIT B.</u>	X	Fees and Payment Schedule	
<u>EXHIBIT C.</u>	X	CRM Access Protocols	
<u>EXHIBIT D.</u>	X	Key Performance Indicators	
<u>EXHIBIT E.</u>	X	Service Level Agreement	
<u>ATT A.</u>	X	Canto Terms & Conditions	

21. SEVERABILITY:

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provision, will continue in full force and effect and will in no way be impaired or invalidated.

22. INDEPENDENT CONTRACTOR:

Contractor is an independent contractor to MCE hereunder. Nothing in this Agreement shall establish any relationship of partnership, joint venture, employment or franchise between MCE and any Contractor Party. Neither MCE nor any Contractor Party will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided for herein.

23. TIME:

Time is of the essence in this Agreement and each and all of its provisions.

24. THIRD PARTY BENEFICIARIES:

The Parties agree that there are no third-party beneficiaries to this Agreement either express or implied.

25. FURTHER ACTIONS:

The Parties agree to take all such further actions and to execute such additional documents as may be reasonably necessary to effectuate the purposes of this Agreement.

26. PREPARATION OF AGREEMENT:

This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and this Agreement shall not be construed against either Party as a result of the manner in which this Agreement was prepared, negotiated or executed.

27. DIVERSITY SURVEY:

Pursuant to Senate Bill 255 which amends Section 366.2 of the California Public Utilities Code, MCE is required to submit to the California Public Utilities Commission an annual report regarding its procurement from women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises ("WMDVLGBTBE"). Consistent with these requirements, Contractor agrees to provide information to MCE regarding Contractor's status as a WMDVLGBTBE and any engagement of WMDVLGBTBEs in its provision of Services under this Agreement. Concurrently with the execution of this Agreement, Contractor agrees to complete and deliver MCE's Supplier Diversity Survey, found at the following link: <https://form.asana.com/?k=jSGYk4x3sf2dHfSzywc2fg&d=163567039999692> (the "Diversity Survey") within thirty (30) days of the Effective Date of this Agreement. Because MCE is required to submit annual reports and/or because the Diversity Survey may be updated or revised during the term of this Agreement, Contractor agrees to complete and deliver the Diversity Survey, an updated or revised version of the Diversity Survey or a similar survey at the reasonable request of MCE within thirty (30) days of receiving said request, and to otherwise reasonably cooperate with MCE to provide the information described above. Contractor shall otherwise reasonably cooperate with MCE to provide all such information and ensure submission in the timeframe reasonably requested by MCE.

28. COUNTERPARTS:

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

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

APPROVED BY**MARIN CLEAN ENERGY:****CONTRACTOR:**

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

MODIFICATIONS TO STANDARD SHORT FORM

☐ **Standard Short Form Content Has Been Modified**

List sections affected: 2 (modified), 5.7 (modified), 6 (modified), 7 (modified), 10.2 (added), 10.7(c) (added), 10.7(d) (added), 10.7(e) (added), 10.7(f) (modified), 12.1 (modified), 17 (modified)

Approved by MCE Counsel: _____

Date: _____

EXHIBIT A SCOPE OF SERVICES

Contractor shall provide the following Services under the Agreement as requested and directed by MCE Customer Programs staff, up to the maximum time/fees allowed under this Agreement:

Task 1: Startup & Administration

1.1 : Program Kickoff

Contractor to schedule a virtual kickoff within two weeks of contract execution and include all relevant MCE stakeholders. Attendees at this meeting will discuss the MCE Electric Vehicle ("EV") Incentive Program ("Program") objectives and success metrics, MCE goals, roles and responsibilities, and specific Program design elements. Based on collaboration with MCE in the Program Kickoff Meeting, Contractor to create:

- An updated Program Implementation Plan ("PIP"), which will include the scope and schedule of activities MCE reporting requirements, Data & Integration Requirements, Quality Assurance/Quality Control procedures and risk mitigation strategies, communication protocols for internal and external stakeholders, and project roles & responsibilities.
- (in coordination with MCE) An Asana Project to track and manage tasks and deliverables related to this scope of work.
- Updated Marketing, Education & Outreach Plan, subject to MCE approval, which will include overview of Program outreach strategy, planned efforts, and an updated marketing toolkit, including but not limited to:
 - Fliers, postcards, brochures and other collateral, as needed (customer-facing, dealer-facing, and partner-facing)
 - Customer Testimonials

1.2: MCE Support

Contractor to collaborate with MCE throughout the Program and meet MCE's goals. This collaboration will include:

- Regular virtual meetings with MCE Customer Programs staff to discuss Program status and action items. Check-in meetings will take place every other week during Program launch and then transition to monthly upon written agreement by Contractor and MCE.
- Monthly Status Reports to MCE with relevant Program and participation data. The data elements, visualizations, and narrative for this report will be determined in the Program Kickoff Meeting.

1.3: Annual Reporting

Contractor to create an Annual Program Report for MCE each year of Program implementation which will include, but not be limited to, information on: Annual Highlights, Year Overview, Market Share Report, Marketing Initiatives, Customer Equity based on information in KPIs, Dealer Outreach, and Program Influence (to be defined in PIP).

1.4: Systems Configuration

Contractor to configure its application processing software platform, Iris, to serve as a portal for Program participants. Contractor to:

- Maintain the MCE-branded landing page allowing dealers to log in with a username and password
- Maintain the online incentive application (claim) form that allows participants to submit claims individually or in bulk, monitor the status of their claims, and view payment details
- Deploy reports for MCE to track Key Performance Indicators (preferences on format, graphic depictions, charts, and key data points for these dashboards will be determined at the Project Kickoff) and based on information found in Exhibit D
- Import MCE customer data via flat file to Iris monthly
- Utilize Web-services based application programming interface ("API") between Iris and MCE's CRM system to share MCE Program participation data and establish a mechanism to push the relevant Program participation data continuously into the MCE CRM
- Utilize MCE's CRM continuously to log Customer and Dealer/Original Equipment Manufacturer ("OEM") Interaction Data
- Maintain a Program Qualified Product List ("QPL") of all vehicles that are eligible for Program rebates

Task 1 Deliverables:

- Project Kickoff Meeting
- Program Implementation Plan
- Regular Meetings

- ME&O Plan
- Customer testimonials
- Fliers, to be determined in the ME&O Plan
- Status Reports
- Annual Program Report
- MCE branded customer portal
- Transfer of MCE customer data via flat file to Contractor
- Transfer Program Participation data into MCE CRM using API
- Access MCE's CRM to log Customer and Dealer/OEM Data upon Program launch
- Maintain a Program QPL
- Contractor to integrate with MCE CRM to publish the Program participation and customer related activities in real time using web services-based APIs, maintaining the MCE CRM data integrity.

Task 2: Implementation

2.1 : Program Marketing

In collaboration with MCE Customer Programs and Public Affairs staff and EV dealer participants, Contractor to refine existing and develop new marketing materials for the Program as needed. Contractor to develop drafts and coordinate approval with relevant MCE programmatic, marketing, branding, and communications staff on all marketing initiatives, including the development of campaigns or materials. Contractor to provide content to update the MCE website with Program information and links for customer and dealer resources, ensuring resources are up to date as the market changes during implementation, and will plan adequate time for MCE approvals.

- Contractor to update and/or develop Program marketing materials including, but not limited to, point-of-purchase ("POP") collateral, EV dealer-facing materials, and congratulatory post-purchase customer-facing materials.
- Contractor to collaborate with the implementers of complementary EV and EV Supply Equipment ("EVSE") programs to include promotional material for the Program in with their existing ME&O efforts while also clearly noting in the promotional materials that the Program is independent of the complementary programs. These programs may include the MCE EV Charging Program, Drive Clean Assistance Program, Clean Cars for All, Consumer Assistance Program Vehicle Retirement, and other EV, low-income, or multifamily Programs as appropriate.

2.2 : Dealer Outreach & Enrollment

Contractor to engage a variety of sales channels, including franchised dealers, online dealers, and OEMs that sell directly to customers, with the goal of reaching Program enrollment and participation targets. The primary engagement strategy will be via calls and in-person visits from the Contractor team at dealer locations.

- Contractor to update the MCE standard Dealer Participation Agreement ("DPA") language as needed to reflect any changes to dealer eligibility requirements, customer data requirements, participant compliance, and the impacts to non-compliant participants
- Contractor to recruit dealers to the Program. In these visits and conversations, Contractor to promote the Program and its benefits, collect all required information for participation, and ensure all potential participants meet "Participating Dealer" criteria and are approved for enrollment prior to collecting signed DPAs.
- Once new dealer participants enroll, Contractor to train salespeople, management, and administrative staff on Program participation. These trainings will include how to submit claims to the online system and what is expected of staff during the sales process.

2.3 : Ongoing Dealer Engagement

Contractor to provide ongoing in-person and virtual outreach and support to dealers as needed to ensure they are promoting EV sales and applying rebates for eligible customer. The level of continuing outreach with individual EV dealer participants will depend on a variety of factors, including MCE priorities, participant capacity to deliver EV sales, participant level of engagement, and location, and will continue to be discussed between MCE and Contractor at regular meetings.

- Contractor to perform regular outreach to all enrolled dealers with the goal of increasing Program participation and increasing adoption of EVs.
- Contractor to distribute Program marketing materials and maintain POP collateral at dealer locations.
- Contractor to distribute a quarterly newsletter to dealers to alert them of Program updates, newly eligible vehicles, other MCE Programs, and additional customer incentive opportunities.
- On an annual basis, Contractor to create and distribute dealer performance reports which show each dealer how they are performing in the Program compared to their prior year's performance and to other anonymized participants.

2.4: Quality Assurance/Quality Control Procedures

Claim review to occur daily on weekdays, and Contractor to reach out to dealers to follow up on any claims that need edits or clarification.

- Contractor to maintain and leverage Quality Assurance/Quality Control Claim Processing Guide to confirm that the rebate recipient is an eligible MCE customer, the vehicle is on the QPL, the claim is not a duplicate, and that the rebate was provided to the customer via a line-item discount on the customer's purchase or lease agreement.
- After making a qualifying sale or lease, participating dealers have 14 days to submit a claim to Contractor.
- Claims will be flagged by Contractor if they contain missing data, data discrepancies, possible errors, or unusual sales activity.
 - If claims are flagged for errors, Contractor to reach out to the appropriate dealer contact within 2 business days to seek clarification or to make an edit/correction to a flagged claim.
 - If asked for clarification or to make an edit/correction to a flagged claim, Contractor to make two attempts to contact the participating dealer.
 - If no changes/responses have been made by the participating dealer within a month from the first contact attempt, the claim will be subject to rejection
 - If a dealer is flagged for unusual or suspicious activity, Contractor to conduct an investigation into potential violations, including:
 - Conducting outreach to customers associated with the dealer's most recent 15-20 claims to evaluate whether a violation has occurred
 - Presenting investigation findings to MCE including any recommended disciplinary actions for dealers.
- Contractor to track participating dealers' rejected and flagged claims, provide additional training if needed, and work with participating dealers to identify potential solutions to improve claim approval rates while ensuring, as much as possible, that only accurate claims are processed.
- Contractor to review with MCE the specific metrics used for flagging claims during the Project Kickoff and ongoing check-ins. Additional flags can be programmed, and metrics can be modified as needed to meet MCE's preferences.
- Contractor to review all submitted rebate claims and process claims that have not been rejected and/or flagged on the following schedule:
 - Claims submitted between Mondays at 8:00 am and Fridays at 12:00 pm that do not require revisions will be reviewed and approved within 48 hours of claim submittal or by Fridays at 5:00 pm, whichever comes first.
 - For claims that require revisions, Program participants will be contacted via email within 48 hours of claim submittal or by Fridays at 5:00 pm, whichever comes first.
 - Claims submitted between Fridays at 12:00 pm and Mondays at 8:00 am that do not require revisions will be reviewed and approved by the following Tuesday at 5:00 pm.
 - For claims that require revisions, Program participants will be contacted via email by the following Tuesday at 5:00 pm.
 - MCE Customer Programs staff may authorize Contractor in writing to grant an exception to the claims processing requirements listed above.

2.5: Rebate Processing

Once a participating dealer's claims have been reviewed and approved, Contractor to provide secondary review to approve claims for payment.

- Contractor to approve claims for payment weekly, on Mondays, which will include all claims that have been reviewed and approved the week prior.
- Contractor to deliver rebate reimbursement payments to Program participants according to payee information provided during enrollment weekly, on Thursdays, within 2 weeks of claim approval.
- Contractor to collect submitted customer information and transmit that information securely to the implementers of other post-sale vehicle rebate Programs available to MCE customers, as appropriate. It will be the responsibility of those Programs to follow up directly with customers for any additional income verification or documentation needed and pay the downstream rebate.

2.6: Customer Support

Contractor to:

- Establish a Program support hotline and email to provide support to dealers and customers. The support number and email will answer questions on Program policies, claim submissions, customer and vehicle eligibility, additional incentives, access to Program materials, and general EV and EV charging topics. Phone and email contact information for the hotline will be listed prominently on the Program website and marketing materials.
- Provide MCE Customer Operations Team with ongoing and updated FAQs

- Operate the Program support hotline seven days a week from 8 AM to 6 PM Pacific Time, with the exception of Federal holidays. Contractor will respond to most inquiries immediately, but all inquiries will receive a response within 24 hours.
- Follow the MCE Service Level Agreements (SLAs) outlined in Exhibit E

If a complaint is made regarding a participating dealer or the Program, Contractor to respond within 24 hours with a resolution plan and a timeline. MCE will be informed of any complaints and be kept informed of progress towards resolution.

2.7 : Software Management

Contractor's information systems maintain a SOC 2 Type II Certification for data security, software development and hosting, and data management. The certification is audited annually by an independent certified public accounting firm in accordance with AICPA SOC 2 standards. Contractor's SOC2 certification explicitly includes our systems and processes which support the transfer, storage, and handling of sensitive customer and market data.

- Contractor will operate and maintain the Program online system and will store all sales data and supporting documents collected from dealers in claims, as well as all data documenting completed validation checks, eligible vehicle specifications, and payments to dealers, for at least three years. Data stored in Iris will be available to support all automated and manual QA/QC and Evaluation, Measurement and Verification (EM&V) processes.

Contractor releases new code to the Iris production server on a bi-weekly basis on Tuesdays after business hours Pacific Time. This release process will not impact users' ability to access or use the system; if maintenance activities need to be scheduled, Contractor will notify MCE at least 48 hours in advance. Similarly, MCE will be promptly notified in the event of an emergency outage. The Iris team has a dedicated Quality Assurance and support team trained to respond quickly to unforeseen software problems, allowing Contractor to uphold the integrity of Iris and minimize the impacts such events may have on users.

2.8 : Income Verification Audit

Contractor on its own, or through its authorized Subcontractor, will each quarter:

- Select for verification 10% of rebate recipients in the prior quarter using a methodology mutually agreed upon in writing between MCE and Contractor.
- Draft direct customer outreach email communications which will be subject to review and approval by MCE.
- Perform a minimum of two (2) outreach attempts (email and phone, as needed) to each selected customer notifying them of the audit and requesting participation.
- Collect documentation necessary to validate income eligibility for up to 10% of rebate recipients.
- Provide customer support for issues related to documentation requirements, submission, or review.
- Provide status updates to MCE on income verification results once every two weeks.
- Create a summary report upon completion of each quarterly audit with an analysis of results and recommendations to MCE for potential program design changes to improve eligibility rates

2.9 Additional Terms and Conditions:

a) Fraudulent Claims

Contractor shall promptly notify MCE and provide all reasonably available supporting documentation and shall assist MCE in commercially reasonable efforts to recover any rebates or payments disbursed as a result of fraud discovered by an inspection or audit ("Fraudulent Incentives"). Contractor's obligations include, at minimum, multiple outreach attempts via email and phone to responsible party (if the responsible party is not known, then applicable dealership and customer), meeting with applicable dealership to retrieve an action plan to rectify Fraudulent Incentives and potential future fraudulent activity, sending memorandum to applicable dealership with information to return funds. Contractor shall bear no financial responsibility for any Fraudulent Incentives that cannot be recovered from the responsible party, unless the inability to recover such amounts results directly from Contractor's negligence, recklessness, intentional misconduct, or fraud. Contractor shall have no liability for unrecovered Fraudulent Incentive amounts to the extent Contractor complied with this Agreement and the applicable Program Guidelines. Subject to the information above, MCE's sole recourse for unrecovered amounts, for which Contractor is not responsible, shall be against the responsible party or fraudulent actor.

b) Eligibility Verification

MCE acknowledges that, under the Program, certain customer eligibility determinations, including income verification or product qualifications may be based in whole or in part on self-attestation or representations provided directly by program participants or dealers ("Self-Attested Information"). Except as provided in the Quality Assurance/Quality Control Procedures listed above in Task 2.4, Contractor shall not be responsible for independently verifying the accuracy, completeness, or authenticity of any Self-Attested Information, except to the extent expressly required under the Program Guidelines or Scope of Work. To the fullest extent permitted by

law, Contractor shall not be liable for any costs, damages, repayments, penalties, or other losses arising from reliance on Self-Attested Information provided in good faith by program participants or dealers, provided that Contractor did not engage in negligence, recklessness, intentional misconduct, or fraud in processing such information.

Task 2 Deliverables:

- MCE branded Program Marketing Materials
- Program DPA
- Recruit and Enroll Program Participants
- In-person and/or virtual dealer trainings
- Regular Program outreach to enrolled dealers
- Distribute Program materials and maintain POP collateral
- Quarterly Program Update Email
- Delivery of Dealer Performance Reports
- Claim Processing Guide
- Rebate claim processing
- Approve claims for payment
- Rebate reimbursement and spiff payments
- Additional incentive Program collaboration plan
- Maintain and Provide support through the Program hotline and email address
- Hosting and maintenance of online claims portal
- Income Audit Verification Plan
- Bi-weekly updates of income audit results
- Income Audit Results Summary Report

Task 3: Program Suspension/Closeout

3.1 : Program Suspension/Closeout

If MCE elects to temporarily suspend or permanently conclude the Program, Contractor will work with MCE to transfer any relevant Program data to MCE, provide suspension or closeout messaging for the Program website and FAQs, conduct outreach communications to dealer participants and customers, assist with suspension or closeout reporting, meet with MCE bi-weekly, and support MCE in transferring the Program to a new implementer, if applicable.

Task 3 Deliverables:

- Suspend/Closeout the Program
- Provide MCE with any relevant Program data or reports
- Provide suspension/closeout messaging for the Program website and FAQs
- Support transfer to new contractor, if applicable

SCHEDULE OF ESTIMATED TASK COMPLETION*

Tasks	Description	Timeline
Task 1 — Startup & Administration		
1.1 Program Kickoff	Attend Program Kickoff Meeting to finalize Program design and implementation	4/1/2026
	Update Asana Project Plan	4/15/2026
1.2 MCE Support	Regular check-ins	Every two weeks during Program launch, Monthly once agreed to by

1.3 Annual Reporting		MCE and Contractor
	Status Reports	Monthly, by the 10th of the following month
	Create and deliver Annual Program Report	1/31/2027
1.4 Systems Configuration	Relaunch of MCE branded Claim Portal	5/1/2026
	Transfer of MCE customer data via flat file to Contractor	4/15/2026, followed by a regular cadence agreed upon by MCE and Contractor
Task 2 — Implementation		
2.2 Dealer Outreach & Enrollment	Recruit and Enroll Program Participants	April 2025, ongoing
	In-person and/or virtual dealer trainings	April 2025, ongoing
2.3 Ongoing Dealer Engagement	Regular Program outreach to enrolled dealers	April 2025, ongoing
2.4 Quality Assurance/Quality Control Procedures	Distribute Program materials and maintain POP collateral	April 2025, Ongoing
	Send Program Update Email	Quarterly, by the last day of each quarter
	Delivery of Dealer Performance Reports	2/28/2027
	Rebate claim processing	Daily, on weekdays
2.5 Rebate	Approve claims for payment	Weekly, on Mondays

Processing	Rebate reimbursement and spiff payments	Weekly, on Thursdays
	Maintain and Provide support through the Program hotline and email address	5/1/2026 – ongoing (Daily)
2.6 Customer Support		
2.7 Software Management	Hosting and maintenance of online claims portal	5/1/2026 - ongoing
2.8 Income Verification Audit	Begin quarterly income verification process	7/1/2026 – ongoing (Quarterly)
3.1 Program Suspension/Closeout	Provide quarterly income verification report	9/30/2026 – ongoing (Quarterly)
	Suspend/close program	As directed by MCE

*All dates included in the above Schedule are estimates based on the Effective Date and are subject to change upon mutual written agreement of the Parties

MCE stores its marketing content on Canto, a digital asset management software, and uses Canto to provide this content to vendors. If Contractor's use of Canto is required in the course of providing Services to MCE, Contractor is required to use Canto as directed by MCE staff, and adhere to the current MCE-provided Brand Standards Guide. Contractor acknowledges and agrees, as a "Customer's User", to abide by the Terms and Conditions set forth by Canto which are included as Attachment A and may be updated from time to time and provided to Contractor.

EXHIBIT B FEES AND PAYMENT SCHEDULE

For Services provided under this Agreement, MCE shall pay Contractor in accordance with the amount(s) and the payment schedule as specified below:

The Program is intended to provide 876 EV incentives in the amount of \$3,500 per new EV and \$2,000 per used EV; for a total of \$2,463,000 (collectively the "Rebate Incentives") for the term of the Agreement.

Contractor will invoice \$250,000 in Rebate Incentives upon execution of the Third Agreement and will continue to invoice MCE monthly to replenish the advanced Rebate Incentives to \$250,000 each month to cover: funds needed for distribution at the point-of-sale for EVs, and any funds needed to cover Rebate Incentives beyond the prior month's \$250,000 payment. This process shall repeat until MCE's funds for Rebate Incentives have been exhausted. Contractor shall ensure that all such Rebate Incentives are held in an FDIC-insured account.

Contractor shall draw against these Rebate Incentives to pay valid point-of-sale requests according to the amounts listed above (\$3,500 per new EV and \$2,000 per used EV). Contractor will return all undisbursed Rebate Incentives to MCE within 10 business days upon written request by MCE Customer Programs staff or the termination of the Agreement.

Task	Category	Units	Amount/Unit	Total Budget, Not to Exceed by Categories	Invoice Schedule
2	Income Audit	4	\$10,000	\$40,000	Upon Contractor's provision of each quarterly audit summary report
2	Implementation Fees	876	\$1,210	\$1,059,960	Per claim paid, invoiced monthly
2	Vehicle Rebates*	876	\$3,500 new \$2,000 used	\$2,463,000**	Per claim paid, invoiced monthly
3	Suspension/Close out	3	\$10,000	\$30,000	Monthly for 3 months after Program shutdown
Total				\$3,592,960	

*This amount will be passed through to the dealer as a reimbursement for applying a discount in the amount of the rebate at the point of sale.

**Assuming 474 new EVs and 402 used EVs receiving incentives through the Program.

Contractor shall bill monthly for Services rendered the month prior. **In no event shall the total cost to MCE for the services provided herein exceed the maximum sum of \$3,592,960 for the term of the Agreement.**

EXHIBIT C
MCE CRM ACCESS PROTOCOLS

Contractor shall implement the following security measures as part of the Agreement according to program needs up to the time/fees allowed under the Agreement in order to gain access to MCE's Customer Relationship Management software ("MCE CRM"), whether through direct portal access or via application programming interface ("API") integration.

To access MCE CRM, Contractor must first agree to and comply with the following protocols, including, if applicable, those related to API integration:

1. MCE CRM access is subject to the NDA between the Parties dated January 20, 2023.
2. MCE CRM login information, passwords, and any information retrieved from MCE CRM shall be treated as Confidential Information.
 - A. Confidential Information shall have the same meaning as defined in the MCE NDA between the Parties dated January 20, 2023.
 - B. No Contractor employee is to give, tell, or hint at their login information or password to another person under any circumstance.
 - C. MCE CRM passwords are required to be changed every 90 days at least.
 - D. MCE encourages strong passwords (such as minimum character length, and use of special characters) that are not reused for other logins.
 - E. MCE CRM shall only be accessed from an Internet Protocol (IP) address in the United States.
 - Any suspicious or unauthorized IP access may be blocked without notice by MCE.
 - Contractor agrees that MCE is not liable for any interruption or restriction of access to the CRM resulting from the blocking of suspicious or unauthorized IP addresses.
 - F. MCE reserves the right to use approved public IP addresses to control and limit access to MCE's systems.
3. MCE CRM access shall be provided through MCE's selected Single Sign-On (SSO) provider, Okta, Inc. or another MCE-designated SSO provider.
4. Direct MCE CRM Portal Access Restrictions.
 - A. Direct MCE CRM portal access shall only be provided to those employees of Contractor who have a "need to access" such information in the course of their duties with respect to Contractor's Services ("Designated Employees").
 - Designated Employees who access MCE CRM shall only update or view fields related to the tasks assigned.
 - Contractor shall maintain a list of Designated Employees that have been authorized to access MCE CRM.
 - The list shall be updated and verified by Contractor quarterly and provided to MCE upon request.
 - In the event of an employment status change for a Designated Employee who had been granted access to MCE CRM, Contractor shall provide the following information to MCE:
 - Name and email of pertinent Contractor employee.
 - Notification to MCE within 3 days of employment status change.
 - B. Designated Employees who access MCE CRM shall first review and agree to be bound by these MCE CRM Access Protocols.
 - C. Designated Employees' use of MCE CRM is restricted to that which is necessary to provide the Services described in Exhibit A.
 - D. Designated Employees shall not copy, download, record or reproduce in any way any data existing within MCE CRM.
 - Any customer data that is utilized or uploaded must be removed from Designated Employees' computers and Contractor's systems within 24 hours of upload or utilization.
5. API Integration Restrictions
 - A. Contractor shall only use an MCE-authorized API to the extent its use is necessary for the completion of contracted work as included in Exhibit A.
 - B. Contractor shall use industry best standards and significant access control in a closed API system. This includes, but is not limited to:
 - Only employees of Contractor who have a "need to access" such information in the course of their duties with respect to Contractor's Services ("Designated Employees") will be allowed to access information available through the API.
 - For an employee to become a Designated Employee, they must first successfully pass a background screening, which may include a screening of the individual's educational background, employment history, valid driver's license, and court record.
 - If a Designated Employee leaves Contractor's employment or if a Designated Employee's position changes such that they no longer need API access, Contractor to close the employee's access within 24 hours and provide the following information to MCE:
 - Name and email of pertinent employee.
 - Notification to MCE within 24 hours of employment status change.
 - Contractor must keep MCE informed of the names, positions, and data access levels of all Designated Employees with a Designated Employee List which shall be updated and verified by Contractor quarterly and provided to MCE upon request.
 - Designated Employees are prohibited from copying, downloading, recording, or reproducing any MCE data except through the approved API integration.

6. Contractor having any interaction with an MCE customer shall do the following:
 - A. Contractor shall comply at all times during the Term with any MCE-provided MCE co-branding and/or customer engagement protocol that provides MCE's expectations for customer interactions by Contractor. Failure of Contractor to comply at all times with this section will constitute a material breach pursuant to Agreement section 12 and may result in the discontinuation of work with MCE at MCE's request.
 - B. Contractor and any approved subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries within 3 business days after the inquiry is received. Unless otherwise agreed to, Contractor and subcontractors are to provide two options for customer contact (email and phone). Contractor shall provide MCE with a process to document any customer issues, escalations and resolutions.

EXHIBIT D
Key Performance Indicators (KPIs)

EV Grant Goals	
Objective	How It's Measured
Expanding educational reach of EVs	Number of residents engaged by zip code
	Number of dealer employees engaged by zip code
	Percent of residents engaged by ME&O tactic
	Percent of dealers engaged by ME&O tactic
	Number of applications submitted and approved
Reducing administrative burden	Avg days between application submitted and approved/rejected
	Total additional funding that applicants are automatically qualified for and how much was received with a single application
Equitable attainment of incentive funds	Percent of incentive dollars spent by zip code, with a break out among low-income census tracts or Disadvantaged Communities (DACs)
	Avg household size and avg household income of applicants
	Percent of incentive dollars spent based on race of participants*

Percent of incentive dollars spent on Hispanic and non-Hispanic participants*

* This metric is used for data gathering only and is not a basis for incentive dollar distribution.

EXHIBIT E
Service Level Agreement (SLA)

Both Parties shall comply at all times during the Term with the following MCE SLA that provides MCE's expectations for customer interactions by Contractor:

- Contractor shall keep a 99% platform uptime.
- Contractor and all subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries no later than within 3 business days after the inquiry is received. Unless otherwise agreed to, Contractor and subcontractors are to provide two options for customer contact (email and phone). Unless otherwise agreed to, the Contractor shall provide MCE with a process to document customer issues, escalations and resolutions.
- MCE to review and approve the Outreach Plan.
- MCE to review and approve all branded customer facing materials (digital and physical content) before Contractor and/or subcontractor uses and distributes them.
- Contractor to provide the following customer information ("Customer Information") to MCE: when and how the Program participants and potential Program participants will be contacted, what data will be collected, how that information will be stored, how that information will be shared with MCE, the process for handling customer complaint escalation, and identification of key individuals associated with Contractor or subcontractor who have been specifically assigned to work with MCE customers and the key individuals' subsequent outreach and response activities throughout the implementation Phase.
- Contractor to provide to MCE monthly reports which will include, but not be limited to: Customer Information updates and any customer complaints, feedback and escalations, KPI metrics, and survey data.

A. Availability Service Level.

1. Definitions.

- i. "Maintenance Window" shall mean the total minutes in the reporting month represented by the mutually agreed day(s) and time(s) during which Service Provider shall maintain the Services.
- ii. "Scheduled Downtime" shall mean the total minutes in the reporting months represented by the Maintenance Window.
- iii. "Scheduled Uptime" shall mean the total minutes in the reporting month less the total minutes represented by the Scheduled Downtime.

2. Service Level Standard. Services will be available to Authorized Users for normal use 99% of the Scheduled Uptime.

B. Technical Support Problem Response and Resolution Service Level.

1. Service Level Standard. The Service Provider will respond to two categories of problems associated with delivery of the Services:

- i. Problems that shall be investigated and resolved within 3 working days if the problem prevents >25% of Authorized Users from accessing the Services to MCE residential customers as required; and
- ii. Problems that shall be investigated and resolved within 15 working days if >25% of Authorized Users are able to access the Services to MCE residential customers as required but are unable to access a specific functionality delivered by the Service Provider.

ATTACHMENT A
CANTO TERMS AND CONDITIONS

1. Services Generally

- a. This Agreement governs the use of the Canto digital asset management software and associated services (collectively, the **"Services"**), as further described in the Order to which this Agreement is attached (the **"Order Form"**).
- b. Canto will provide (i) the implementation services described on the Order Form (**"Implementation Services"**); and (ii) the support services described on Exhibit A to this Agreement (**"Support Services"**).
- c. The Services may interoperate with various third-party platforms and applications as determined by Canto from time to time (**"Add-Ons"**). Continued interoperation of the Services with any Add-Ons is dependent upon the availability of each such application and Canto may cease to provide such functionality if access to any Add-On is not available to Canto on commercially reasonable terms. Canto makes no representations or warranties with respect to the Add-Ons.

2. Right of Use Registration and Accounts

- a. Subject to the terms of this Agreement, Canto grants Customer, during the term of the Order Form, a world-wide, non-exclusive, non-transferable right to access and use the Services for Customer's internal business purposes. Customer will not resell, rent, lease, transfer, lend, timeshare, assign, display or permit others to access or use the Services except as explicitly permitted under this Agreement.
- b. Customer may allow its employees, consultants, contractors or agents (**"Customer's Users"**) to access and use the Services subject to the limitations specified on the Order Form, solely on Customer's behalf and for the benefit of Customer, provided that: (i) Customer's Users are aware of and comply with this Agreement; and (ii) Customer assumes full responsibility for all acts and omissions of Customer's Users in connection with the use of the Services.
- c. Customer's Users must complete the registration process by providing complete and accurate information, including a valid email address. The Services have different levels of access and permissions for various User roles, including account administrator, contributor, consumer, and guest. Customer is responsible for maintaining the confidentiality of its logins and account and for all activities that occur under its logins and account, including the activities of Customer's Users. If Customer or Customer's Users become aware of any unauthorized use of the Services or Customer's Users' accounts, Customer will contact Canto immediately at info@canto.com.
- d. Canto retains all right, title and interest in and to the Services except for the rights granted to Customer pursuant to this Agreement.
- e. The Parties acknowledge that the Services may collect and aggregate certain de-identified information and data regarding the use and operation of the Services by Customer. Customer agrees that Canto may utilize such information and data as well as any Customer suggestions, enhancement requests or other recommendations (collectively, **"Feedback"**) for any lawful business purpose, without a duty of accounting to Customer so long as such Feedback does not identify Customer or any Customer Content. No compensation shall be paid with respect to Canto's use of Feedback.

3. Use Restrictions; Customer Content

- a. Customer will not: (i) use the Services in any manner that is not permitted under the terms of this Agreement or in violation of applicable law; (ii) permit any third party to access the Services, except for Customer's Users; (iii) use the Services to store or transmit any viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs, or otherwise engage in unfair, unlawful or deceptive practices; (iv) upload or provide any Customer Content that is defamatory, offensive, abusive, obscene, of menacing character, or that violates the privacy or intellectual property rights of any third party; (v) interfere with or disrupt the integrity or performance of the Services; (vi) attempt to gain unauthorized access to the Services or the Services' related systems and networks, or systematically access the Services using 'bots' or 'spiders'; (vii) decompile, reverse engineer or undertake any similar efforts with respect to the Services; (viii) create any derivative works of the Services; (ix) copy, modify, frame or mirror the Services; or (x) use the Services to develop or offer a service that is similar to the Services. The above restrictions apply to the Services in whole and to any portion thereof.
- b. All digital files and information uploaded by or on behalf of Customer or Customer's Users into the Services (**"Customer Content"**) are the sole and exclusive property of Customer. Customer grants Canto a right and license to access and use the Customer Content solely for purposes of providing, developing and supporting the Services pursuant to this Agreement.
- c. Customer will not upload to the Services any Customer Content that constitutes or encourages conduct that would constitute a criminal offense, give rise to civil liability or otherwise violate applicable laws and regulations including laws and regulations governing privacy, mass email, spam, export control, consumer protection, unfair competition, false advertising, harassment, anti-competitive activities, misappropriation, libel, defamation, obscene content and incitement.

- d. Canto respects the intellectual property rights of others and Canto will handle any third-party request for removal of Customer Content from the Services that is alleged to infringe copyrights of any third party, in accordance with Canto's DMCA Copyright Policy, available at: <https://www.canto.com/dmca-policy/>.
- e. As part of the Services, the Customer Content is regularly backed up on a daily basis and each such backup is retained for 30 days (the "Data Retention Period"). The backup data will be erased after 30 days. During the Data Retention Period, Customer may retrieve such backup data by downloading a copy through the Services or by submitting a request in writing to canto-support@canto.com.

4. Fees, Costs and Taxes

- a. In consideration for the right to use the Services, Customer will pay fees in the amount and in accordance with the payment terms set forth in the Order Form (the "**Services Fees**"). Except as explicitly provided under this Agreement, Services Fees are not refundable. Customer assumes all responsibilities and costs associated with Customer's use of the Services, including, without limitation, any required equipment and Internet access fees and backup expenses.
- b. All Services Fees are exclusive of any foreign or domestic sales taxes, withholding taxes, use taxes and any other taxes and charges of any kind imposed by any federal, state, local or foreign governmental entity (other than taxes based on Canto's income), and Customer is solely responsible for the payment thereof.
- c. If any invoiced amount is not received by Canto by the applicable due date then, without limiting Canto's rights or remedies, those amounts may accrue late interest at a rate of one and a half percent (1.5%) per month or the highest rate permitted by applicable law, whichever is lower, commencing on the date that payment was due.

5. Representations and Warranties

- a. Authorization. Each Party represents, warrants and covenants to the other Party that it has the requisite legal power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement.
- b. By Customer. Customer represents, warrants and covenants that Customer has obtained all rights and permissions necessary to provide the Customer Content to Canto for use as permitted under this Agreement.
- c. By Canto. Canto represents, warrants and covenants that: (i) the Services will be free of material programming errors and will operate in accordance with and conform to the documentation provided as part of the Services in all material respects; (iii) the Implementation Services and Support Services will be performed by qualified personnel in a professional manner consistent with industry standards and in compliance with the terms of this Agreement, the applicable Order Form and all applicable federal, state and local laws, rules and regulations; (iii) it uses best commercially reasonable efforts to ensure that no malicious code, including any viruses, disabling code, time bombs or Trojan horses ("Viruses") are coded or introduced into the Services as made available by Canto to Customer in accordance with the terms of this Agreement; and (iv) the Services will be Available for use at least 99.8% of the time, measured on a monthly basis, excluding Scheduled Downtime. "Scheduled Downtime" shall be defined as: a) any downtime that the Parties agree to in advance; or b) downtime during regularly scheduled maintenance that occurs between 11pm and 3am local time daily. "Available" means that the Services can be accessed by Customer except during: (i) Scheduled Downtime; and (ii) downtime caused by circumstances beyond Canto's control, including without limitation, Customer modifications, force majeure, general Internet outages, failure of Customer's infrastructure or connectivity, computer and telecommunications failures and delays not within Canto's control.
- d. OTHER THAN AS PROVIDED IN THIS SECTION 5, CANTO MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Confidentiality.

- a. "**Confidential Information**" means non-public business, financial and technical information, including any data and business-related information provided by Customer to Canto, the Services and all elements and functionality details related thereof, the terms of this Agreement and any third party information that the disclosing Party is obligated to keep confidential, that is either marked as "confidential" or "proprietary" or which, under the circumstances, should be understood to be confidential.
- b. Confidential Information does not include information which: (i) is or becomes generally available to the public other than as a result of wrongful disclosure by the receiving Party; (ii) is or becomes available to the receiving Party on a non-confidential basis by a third party that rightfully possesses the Confidential Information and has the legal right to make such disclosure; or (iii) is developed independently by the receiving Party without use of the disclosing Party's Confidential Information and by persons without access to such information.
- c. The receiving Party will use measures at least as protective as those it uses for its own confidential information, but no less than reasonable measures, to keep confidential and not to disclose to any third party any Confidential Information of the disclosing Party, except to those of the receiving Party's personnel, including external advisors, consultants, insurers and investors, who

need to know such Confidential Information, who are informed of the confidential nature of the Confidential Information and who agree to be bound by terms of confidentiality at least as protective as those in this Agreement. The receiving Party will not use any Confidential Information, directly or indirectly, for any purpose other than as necessary to perform its obligations and exercise its rights under this Agreement. Each Party is responsible for any breach of the confidentiality of the other Party by its personnel, which for purposes of Customer will include, without limitation, Customer's Users.

- d. If the receiving Party becomes legally compelled to disclose any Confidential Information, it will provide the disclosing Party with prompt prior written notice to the extent legally permitted and assistance, at the disclosing Party's expense, in obtaining a protective order.
- e. Upon termination of the Agreement, the receiving Party will make all reasonable efforts to either:
 - (a) promptly return to the disclosing Party any Confidential Information disclosed under this Agreement, and any copies thereof, or (b) destroy any documents, electronic records, software or other instruments that contain all or any portion of Confidential Information and will certify in writing to the disclosing Party that such Confidential Information has been returned or destroyed, except that the receiving Party may retain a minimum number of copies of the disclosing Party's Confidential Information under appropriate confidentiality and security arrangements: (i) in backups, until the backup retention cycle deletes the Confidential Information; (ii) as required under applicable laws; and (iii) for legal and administrative proceedings.

7. Indemnification

- a. By Canto. Canto shall, at its expense, defend Customer from or settle any claim, proceeding, or suit brought by a third party ("Claim") against Customer (i) to the extent (a) that the Services infringe or misappropriate any intellectual property right of such third party or (b) arising out of Canto's gross negligence or willful misconduct, and (ii) will indemnify Customer from all damages, costs, and attorneys' fees finally awarded and unappealable against Customer as a result of such Claim. Canto shall have no obligation under Section 8(a) to the extent any Claim arises out of or is based upon: (i) Customer's use of the Services not in compliance with this Agreement or the Documentation; (ii) Customer's combination of the Services with software, hardware, system, data, or other materials not supplied or authorized by Canto (unless expressly permitted by the Documentation) without Canto's prior written authorization; or (iii) the Customer Content. In the event an infringement or misappropriation Claim involving the Services is brought or threatened, or is likely to be brought or threatened in Canto's reasonable opinion, Canto may, at its sole option and expense: (x) procure for Customer the right to continue to use the Services, (y) modify the Services in a manner that does not materially degrade the Service's functionality, or (z) terminate the affected Services and, with respect to termination of the Services, refund the unearned portion of the Fees previously paid. Notwithstanding anything else herein, the foregoing indemnification obligations are Canto's only obligations and liability, and Customer's exclusive remedy, in respect of any infringement or misappropriation Claim.
- b. By Customer. Customer shall, at its expense, defend Canto from or settle any Claim against Canto or its Affiliates arising out of: (i) Customer's breach of Section 3(a), (ii) third party claims that Customer Content infringes on any third party's intellectual property rights; or (iii) Customer's gross negligence or willful misconduct. Customer will indemnify Canto from all damages, costs, and attorneys' fees finally awarded and unappealable against Canto or its Affiliates as a result of any such claim.
- c. Indemnification Procedures. Each party seeking indemnification hereunder shall provide the other party with: (i) prompt written notice of any Claim for which indemnification is sought; (ii) complete control of the defense and settlement of such claim; and (iii) reasonable assistance and cooperation in such defense at the indemnifying party's expense. Notwithstanding the foregoing, the indemnifying party may not enter into a settlement of a claim that involves a remedy other than the payment of money by the indemnified party (which amounts must be subject to indemnification by the indemnifying party) without the indemnified party's written consent.

8. Limits of Liability

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY OTHER PERSON FOR (I) ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND OR NATURE, (HOWEVER ARISING, UNDER ANY THEORY OF LIABILITY) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE SERVICES OR THE AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (II) DIRECT DAMAGES IN EXCESS OF THE FEES ACTUALLY PAID OR PAYABLE BY CUSTOMER UNDER THE AGREEMENT. THE FOREGOING LIMITATIONS AND EXCLUSIONS DO NOT APPLY TO EITHER PARTY'S INDEMNIFICATION OBLIGATIONS, OR CUSTOMER'S FAILURE TO REMIT ALL FEES PROPERLY DUE AND OWING UNDER THE AGREEMENT.

9. Term and Termination; Suspension

- a. This Agreement commences as of the Effective Date and will continue in effect for so long as there are any then current Order Forms. Each Party may terminate the Agreement and the Order Forms then in effect, if the other Party breaches the Agreement and does not cure such breach within thirty (30) days after receiving a written notice from the non-breaching Party. If this Agreement (and any Order Form) is terminated following breach by Customer, Customer will receive a pro-rated refund of the unearned pre-paid Services Fees. If this Agreement or any Order is terminated by Canto under this Section 9(a), Customer will also pay all amounts to become due and owing under the applicable Order Form. Upon termination for any reason Customer's access to and use of the Services will terminate immediately.

- b. Canto may suspend the provision of the Services, if (i) one or more of Customer's payments are ten (10) days or more past

due and Canto has notified Customer of Customer's payment default; or (ii) if Canto believes that a suspension is necessary to avoid substantial harm to Customer, Customer's Users, to other Canto customers, to Canto or to any of its affiliates and contractors, or to a third party, including as a result of a third party infrastructure or communications failures or disruptions, or due to malicious attacks on the Services' systems, or to cure a material breach, or as required by laws, by a court of law or by a governmental authority or agency. Canto will use all reasonable efforts to provide Customer with reasonable advance notice of the need for any such suspension, and at least 5 days for you to cure any breach that is the cause for such suspension. Any suspension made pursuant to this section will only be in effect for as long as necessary to address the issues giving rise to the suspension.

10. Governing Law Jurisdiction and Dispute Resolution

- a. This Agreement, the Services and any Claim, cause of action or dispute arising out of or related thereto, will be governed solely by the laws of the State of California, without giving effect to any conflicts of law principles.
- b. Prior and as a condition to initiating any legal action, the Parties will attempt in good faith to resolve any dispute related to this Agreement first by direct communications between the persons responsible for administering this Agreement and next by negotiation between executives with authority to settle the dispute. Either Party may give the other Party a written notice of any dispute not resolved in the normal course of business. Within five (5) business days after delivery of the notice, the receiving Party will submit to the other Party a written response. The notice and the response will include a statement of each Party's position and a summary of arguments supporting that position and the name and title of the executive who will represent that Party. Within five (5) business days after delivery of the disputing Party's notice, the executives of both Parties will meet at a mutually acceptable time and place, including by phone or video conference, and thereafter as often as they reasonably deem necessary, to resolve the dispute. All reasonable requests for information made by one Party to the other will be honored. All negotiations pursuant to this clause are confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

11. General Provisions

- a. **Modifications to the Services.** Canto may, either partially or in its entirety modify, adapt or change the Services, or any of its features, user interface and design, the extent and availability of the content of the Services and any other aspect related thereto, through updates and upgrades, provided that Canto will not materially decrease the overall functionality of the Services during the term of any then current Order Form. Canto will notify Customer at the same time and in the same manner as Canto notifies its customers generally about substantial changes in the Services.
- b. **Notice.** Any notice required or permitted to be given in accordance with this Agreement will be effective if it is in writing and sent by certified or registered mail, or overnight courier, return receipt requested, to the appropriate party at the address set forth on Order Form and with the appropriate postage affixed. Either Party may change its address for receipt of notice by notice to the other Party in accordance with this Section. Notices are deemed given two (2) business days following the date of mailing or one business day following delivery to a courier.
- c. **Assignment of Rights.** Each Party may assign to a third party its rights and obligations under this Agreement in the event of a merger with or acquisition of all or substantially all of a Party's assets by that third party, provided that the third party undertakes the assigning Party's entire rights and obligations under this Agreement. Other assignments of rights and obligations under this Agreement are null and void without the prior written consent of the other Party.
- d. **Relationship Between the Parties.** Neither this Agreement, nor any terms and conditions contained herein, will be construed as creating a partnership, joint venture, agency, or franchise relationship between the Parties.
- e. **No Third-Party Beneficiaries.** This Agreement is not intended to and will not be construed to give any third party any interest or rights, including, without limitation, third party beneficiary rights, with respect to or in connection with any provision under this Agreement.
- f. **Force Majeure.** Neither Party will be liable for any default or delay in the performance of its obligations under this Agreement:
(a) if and to the extent such default or delay is caused by fire, flood, earthquake, elements of nature or acts of God, riots, civil disorders, war, terrorism, rebellions or revolutions, or any other similar cause beyond the reasonable control of such Party; and
(b) provided the non-performing Party is without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. The affected Party will promptly notify the other Party of the circumstances causing its delay or failure to perform and of its plans and efforts to implement a work-around solution. For as long as such circumstances prevail, the Party whose performance is delayed or hindered will continue to use all commercially reasonable efforts to recommence performance without delay.
- g. **Complete Terms and Severability.** This Agreement constitutes the entire and complete agreement between Customer and Canto concerning any use of, or in connection with the Services. No terms issued by Customer or appearing on any other document provided by Customer including without limitation any invoice, order, purchase order or acknowledgment form will have any force or effect or otherwise be binding on the Parties. If any provision of this Agreement is held invalid or unenforceable, that provision must be construed in a manner consistent with applicable law to reflect, as nearly as possible, the original intentions of the Parties and the remaining provisions will remain in full force and effect.

- h. **Publicity.** Canto may include identification (including the logo) of Customer as a customer on Canto's website and marketing materials with Customer's prior consent, which will not be unreasonably withheld, for as long as Customer is receiving the Services under this Agreement. Canto agrees to remove Customer's name and logo from its website and marketing materials within 5 business days of termination of this Agreement.
- i. **Amendments.** This Agreement may be amended only by a written instrument executed by duly authorized representatives of the Parties.
- j. **Waiver.** The failure of either Party to enforce any provision of this Agreement, unless waived in writing by such Party, will not constitute a waiver of that Party's right to enforce that provision or any other provision of this Agreement.
- k. **Prevailing Party.** Should it become necessary to take any action to enforce the terms of this Agreement, the prevailing Party is entitled to recover its actual and reasonable attorney's fees and costs including any reasonable attorney's fees associated with obtaining, enforcing or collecting upon any judgment as well as any subsequent appeal.
- l. **Survival.** Those provisions that by their nature are intended to survive termination or expiration of this Agreement will so survive.
- m. **No Recourse Against Constituent Members of Customer.** Customer 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 Customer's Joint Powers Agreement, Customer is a public entity separate from its constituent members. Customer shall solely be responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. Canto shall not have rights nor shall any Affiliate of Canto make any claims, take any actions, or assert any remedies against any of Customer's constituent members in connection with this Agreement.



March 2, 2026

TO: MCE Executive Committee

FROM: Joy Massey, Manager of Transportation Electrification

RE: Proposed Schedule A.4 to the Master Service Agreement with CLEAResult Consulting, Inc. (Agenda Item #05 C.4)

ATTACHMENTS:

- A. Proposed Schedule A.4 to MSA with CLEAResult Consulting, Inc.
- B. Second Amendment to MSA with CLEAResult Consulting, Inc.
- C. First Amendment to MSA with CLEAResult Consulting, Inc.
- D. MSA with CLEAResult Consulting Inc.

Dear Executive Committee Members:

Summary:

The proposed Schedule A.4 to the MSA with CLEAResult Consulting Inc. ("Schedule") would extend CLEAResult's implementation support and strengthen MCE's capacity to deliver EV charging incentives and technical assistance across workplaces, multifamily properties and public rights of way throughout MCE's service areas.

Background:

Since Summer 2018, MCE has offered an EV charging program ("Program") that provides incentives and technical assistance to help customers plan for and install EV charging equipment. To date, the Program has supported the deployment of 1,400 Level 2 charging ports across workplaces, multifamily housing and community-serving public locations.

In April 2023, day-to-day Program management transitioned to CLEAResult, with MCE staff continuing to provide oversight and strategic direction. Since the transition, CLEAResult has supported the completion of nearly 400 Level 2 ports, which are included within the Program's total of 1,400 installed ports to date. CLEAResult has also delivered nearly 170 EV charging planning reports, 140 of which supported planning for future EV charging locations in state-designated disadvantaged or low-income communities.

Program demand remains strong. Under the proposed Schedule, CLEAResult is forecasted to support the installation of 312 new Level 2 charging ports, 46 Level 1 outlets and deliver 75 planning reports during Fiscal Year 2026/27, while also advancing MCE's active pipeline of approximately 700 ports.

If approved, the proposed Schedule would expand the Program's impact and address key technical and capacity constraints by:

- Providing site-specific technical assistance, including charging planning reports, design guidance, equipment review, and installation coordination.
- Supporting increased Level 1 rebates and growing customer interest, particularly for multifamily properties and sites with electrical constraints.
- Offering consistent, reliable customer and vendor support to streamline Program participation.
- Preparing and analyzing Program data to support monitoring, evaluation, and continuous improvement.
- Advancing equitable access by prioritizing installations in disadvantaged and low-income communities.

Overall, the proposed Schedule enhances MCE's ability to scale EV charging deployment, streamline Program delivery, reduce installation costs and capacity barriers for customers, and accelerate progress towards greenhouse gas reduction commitments and California's Zero-Emission Vehicle (ZEV) infrastructure and adoption goals.

Fiscal Impacts:

The proposed Schedule's budget of \$672,997 would provide implementation funding for the EV charging program for FY 2026/27. If approved, these funds would derive from the Local Program Development fund.

Recommendation:

Approve the proposed Schedule A.4 to the MSA with CLEAResult Consulting, Inc., and authorize the CEO to execute the Schedule if MCE's Board approves applicable FY 2026/27 funding.

STATEMENT OF WORK

Schedule A.4

Statement of Work for MCE EV Charging Program

This Schedule A.4 ("Agreement") is entered into on _____ ("Effective Date") pursuant to the Master Services Agreement, as amended, between MARIN CLEAN ENERGY, hereinafter referred to as "MCE", and CLEARRESULT CONSULTING INC., hereinafter referred to as "Implementer", dated September 3, 2021 and amended on January 24, 2023 and October 28, 2024 ("MSA").

Implementer shall provide the following Services under the MSA as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement.

For work on the EV Charging Program ("Program"), Implementer will provide the following tasks to serve the workplace and multifamily property customer base in MCE's service territory:

TASK 1: PROGRAM PLANNING AND REPORTING

- Maintain and update, as needed, the existing Program Implementation Plan ("PIP") that includes Program operating policies and procedures and key performance indicators ("KPIs") as included in Attachment A.4.1 (below).
- Maintain and update, as needed, external-facing Program manual and participation agreement that contains Program rules and requirements for customers, vendors, and other third-party participants.
- Track all Program budgets and spending through Implementer's data management and financial systems and provide MCE with accruals and forecasts.
- Establish reporting formats with KPIs to measure progress of Program.
- Maintain:
 - Web-based Program data view and weekly data transfer to MCE customer relationship management ("CRM") system.
 - Monthly Program reports that track performance against KPIs, milestone activities, and describe any risks/issues/resolutions.
 - Annual Program reports that summarize Program results and accomplishments in narrative, graphical and numerical formats.
- Meetings
 - Meet with MCE every other week. Agenda and meeting materials to be prepared by the Implementer.
 - Meet with MCE bi-annually to provide business reviews and discuss performance against KPIs, milestone activities, and any risks/issues/resolutions.

TASK 2: DATA ACCESS AND TRACKING

- Perform support and maintenance.
 - Maintain the project tracking database in compliance with service level agreements ("SLAs", attached hereto as Attachment A.4.2).
 - Provide support to address MCE's questions and resolve issues with deployed functionality.

TASK 3: OUTREACH

- Call Campaign – An Implementer team member will conduct multiple targeted phone call campaigns to MCE customers to market enrollment in the Program, receive information about the Program, or provide a warm introduction to a decision maker. The duration of these campaigns will vary. Timing of the campaigns will be informed by historical and other contextual data and information.

TASK 4: APPLICATION PROCESSING AND REVIEW

- Maintain and revise, as needed, MCE-branded online application that captures contact, project, and account information.
- Review submitted online applications by performing an initial check of customer eligibility and communicating with customer about the application once received.
- Review project scope and connect with the customer to address any gaps in information.
- Offer technical assistance to qualified customers who need additional support with their EV charging project.
- Provide customer a notice to proceed and incentive reservation forms for their eligible project scope and request MCE reserve the corresponding funding amount in the Program incentive budget.
- Notify customers who submit ineligible applications of the reason for their ineligibility and refer them to other relevant opportunities, if known and as applicable.

TASK 5: TECHNICAL ASSISTANCE

- Conduct a virtual pre-evaluation meeting or phone call with each customer to discuss customer's needs and complete a site assessment form (approved template of site assessment form will be created during Task 1 efforts).
- Determine the appropriate tier of technical assistance, Standard or Complex, for each customer site. Determination criteria for each tier is listed below.
 - Standard: Customer site that has a single parking area, single electric service entrance, and one system voltage.
 - Complex: Anything other than Standard.
- Schedule a site visit within five (5) business days after the pre-evaluation meeting or at the customer's earliest convenience.
 - Gather the following data at all customer sites:
 - Location, condition, and rated capacity of relevant electrical equipment (including transformer, main service panel, and electrical subpanels that may be useful)
 - Location, quantity, and dimension of parking areas and stalls including grade
 - Surrounding surface conditions that may be impacted by the project
 - Lighting conditions
 - Accessible dimensions and path of travel for proposed EV charging
 - Opportunities for participation in other MCE programs
- Offer data logging capabilities to sites that do not have as-built electrical plans or metered electric usage peak data. Some customers will be required to pay a fee for setting up data logging capabilities. See Table A below for fee details. Data logging will include the following:
 - Conduct 30-days of electric demand data logging at the main service panel
 - Calculate available panel capacity using one of the acceptable methods defined in the 2022 California Electrical Code, based on the 2020 National Electrical Code
- Create EV Charging Planning Report ("Planning Report") containing type of EV charging, recommended quantities, and supporting documentation for permitting, with Standard (one solution) or Complex (up to two solutions) with site layouts, including:
 - Current electrical infrastructure
 - Existing available load capacity, as applicable
 - Americans with Disabilities Act ("ADA") compliance
 - Approach to maximizing power efficiency by using either existing or new capacity, or a combination of the two
 - Estimated project and infrastructure upgrade costs
 - Estimated operational financial model.
- Provide a draft of the Planning Report to MCE for review and approval; if approval is not provided by MCE within three (3) business days, then Implementer is allowed to proceed with delivery to customer.
- Deliver approved Planning Report to customer in PDF format.
- Single line drawings will be provided to customers that request it for a fee. See Table A below for details.
 - Note: If the customer wishes to obtain a stamped version of the drawing, the customer may separately contract with the preparing engineer.
- Schedule and conduct a meeting with the customer to review the Planning Report.
 - Customer site receives a solution design (as part of the Planning report) which encourages maximizing EV charging station and/or make ready quantities for greater future coverage within current available capacity.
- Respond to: customer questions, request for bid review, and request for support for troubleshooting issues during project implementation.

TASK 6: QUALIFYING ELECTRIC VEHICLE CHARGING EQUIPEMENT (EVSE) & TRADE ALLIES

- Develop a Qualified Product List (QPL) for the EVSE incentive program. This list will be referenced to verify and approve EVSE incentive applications. The QPL will at minimum include the following:
 - A brief description of requirements EVSE needs to meet for incentive qualification, including National Recognized Testing Laboratory (NRTL) certification (e.g. Underwriter Laboratory), Energy Star listing (when applicable), support for NACS, J1772, and/or other specified connector type.
 - A spreadsheet list of EVSE brand and product identification (e.g. product number, name, etc.) and specifications relevant to the incentive requirements
 - Regular quarterly QPL maintenance and updates where EVSE no longer in compliance will be removed and known new EVSE meeting compliance will be added
 - For emerging or new EVSE that may not meet the QPL qualifiers noted above (EnergyStar, etc.) MCE may approve such equipment on a case-by-case basis and direct the Implementer to add it to the QPL. MCE's approval will be guided by safety certifications, product reliability and warranty terms.
- Adjust the current Trade Ally List to focus on properly licensed EVSE installers. This list is intended to provide Technical Assistance program participants with an unbiased list of EVSE installers that serve the MCE service territory.
 - Implementer will continue to regularly maintain and update the list on at least an annual basis
 - New Trade Allies may be added to the list by following the current onboarding process that includes an Implementer provided application. Trade Ally applications are accepted year-round and typically require a month for addition to the list, though this timeline is heavily reliant on the prospective Trade Ally's responsiveness.
 - Reports of Trade Ally dissatisfaction or underwhelming performance from Program participants, Implementer and/or MCE may lead to removal

- Implementer will share updated lists with MCE whenever the list changes. MCE may publish this list at their discretion. Implementer will provide a copy of the list to Program participants upon request.

TASK 7: PROVIDING CUSTOMER SUPPORT

- Tier 1 support for inbound inquiries
 - Respond to inbound inquiries - as applicable, copy key MCE account manager - about Program offerings and applications during normal business hours (Monday – Friday, 9am – 5pm local time, excluding recognized California State and Federal holidays).
 - Conduct outbound calling campaigns to targeted customers at least two times per year.
- Tier 2 support for key accounts and qualified customers
 - Join MCE key accounts staff (e.g., Business Development Leads and Community Development Managers) to meet with interested customers.
 - Engage identified Program customer candidates and present the eligible Program offering, including knowledge of other applicable rebate programs, through one-on-one meetings.
- Cross-Program coordination
 - Identify additional incentive opportunities that may be applicable to customers' EV charging projects and provide customers with information about application requirements, procedures, and important deadlines.
 - Coordinate with other MCE program teams to provide customers with information about other MCE programs that may provide additional benefits and, where applicable, provide application materials and a warm hand-off to the other MCE program team(s).

TASK 8: PROJECT VERIFICATION

- Receive and review payment requests from customers with incentive reservation forms.
- Verify completeness of project documentation and that the installed scope is consistent with that approved in the application.
- Link project data with the correct electric service point and account.
- Communicate with customers regarding any corrections needed and adjustments to the incentive amount based on the finalized project scope.

TASK 9: REBATE PROCESSING

- Submit a summary of approved projects to MCE for MCE payment to customers.
- Notify customers of payment approval and respond to customer questions about payment status.

PROGRAM SCHEDULE

Implementation	
DELIVERABLE:	TARGET DATE DUE:
Monthly Program reports	15 th of each month
Bi-Annual business reviews	Bi-Annually
Annual Program reports	First month of each MCE fiscal year (April)
Bi-Annual Trade Ally List Update	Q1 and Q3 of each calendar year (Jan-Mar and July-Sept)

SERVICE LEVEL AGREEMENTS

Task	Measure	Target
4: APPLICATION PROCESSING AND REVIEW	Initial review	3 business days
	Rebate reservation for complete and correct application	10 business days
5: TECHNICAL ASSISTANCE*	Pre-evaluation meeting	5 business days from initial application review

	Data collection - Standard	10 business days from pre-evaluation
	Data collection - Complex	40 days from pre-evaluation
	Report preparation	15 business days from data collection
8: PROJECT VERIFICATION	Approval of a complete and correct payment request	10 business days
9: REBATE PROCESSING	Submission of completed project incentive payment request	5 business days from project verification
7: PROVIDING CUSTOMER SUPPORT	Response time	2 business days

*Technical assistance durations are contingent upon customer responsiveness to scheduling and data requests

Assumptions and Understandings

MCE agrees to provide the following in support of Implementer's performance of the work:

- Share historical Program documents within three (3) business days of contract execution.
- Provide historical and active Program data for integration into Implementer's CRM (subject to MCE's CRM access protocols as provided in the MSA) ongoing as needed.
- Access to customer data to support outreach and validate applicant eligibility.
- Timely review of draft materials, generally within one (1) week.
- Monthly updates on availability of incentive funds.

Attached as **Attachment A.4.1 and A.4.2**, respectively, is the Key Performance Indicators (KPIs) and Service Level Agreement (SLA) for this request.

Billing

Implementer shall bill monthly and according to the following payment structure. In no event shall the total cost to MCE for the services provided under this Statement of Work exceed the maximum sum of **\$672,997** for the term of the Agreement.

Payment Structure

Implementer shall bill based on the fees in the table below plus any applicable expenses.

Table A. Implementer Fees

Service	MCE Amount	Customer Amount
Monthly fixed fee for core Program implementation tasks including, outreach, portal application intake, rebate reservations and website support.	\$13,084	\$0
Standard EV planning reports (per report/site)	\$3,641	\$0
Complex EV planning reports (per report/site)	\$5,688	\$0
Load studies with data logging and single line drawings for affordable housing, disadvantaged community and low-income sites (per site)	\$7,395	\$0
Load studies with data logging and single line drawings for all other sites	\$0	\$7,395
Incentive processing, per completed application and verified payment request	\$593	\$0

Note: All fees will escalate year over year at the lesser of the Federal Cost of Living Adjustment rate or 6%.

Table B. Project Forecast - Technical Assistance

	April 1, 2026 - March 31, 2027
Technical Assistance Projects	
Standard planning report	25
Complex planning report	50
Total planning reports	75
Share of planning reports to affordable housing, DAC and low-income properties	25
Load study & single line drawings for affordable housing, DAC and low-income sites	15

Table C. Project Forecast - Incentive Projects

Projected Installations	
Incentive projects installed	50
Outlets installed	46
Ports installed	312

Table D. Customer Incentive Budget

	April 1, 2026 - March 31, 2027
Reserved projects	\$1,486,140

Incentives shall start at the following rates included in Table E, which may be updated, subject to MCE's written approval, after presenting the proposed changes to MCE but not to exceed total incentive budget category listed in Table D above.

Table E. MCE Incentive Levels*

Type of EVSE	Baseline incentive	Added incentive for MCE 100% renewable generation opt-in	Added incentive for EV charging projects located in state-designated priority population area
Level 1 or Level 2 Outlet	\$2,000/outlet	+\$500/outlet	+\$500/outlet
Level 2 (208-240 volt)*	\$4,000/port	+\$500/port	+\$500/port

*Subject to change upon annual reporting & approval by MCE

Table F. Implementation Budget

	Total Budget, Not to Exceed by Category for Term
Fixed Fee	\$157,003
Performance (Reports & Load Studies)	\$486,344
Incentive Processing	\$29,650
Total	\$672,997

Implementer will bill MCE monthly and provide an itemized invoice for all Services rendered the month prior to MCE Customer Programs staff, referencing this Schedule A.4 on the face of the invoice. All invoices shall be e-mailed to: invoices@mcecleanenergy.org.

Term of Statement of Work:

This Statement of Work shall commence on **April 1, 2026** and shall terminate on **March 31, 2027**.

IN WITNESS WHEREOF, the parties have executed this Statement of Work – Schedule A.4 as of the last signature date below and made effective on the date first above written.

APPROVED BY
Marin Clean Energy:

By: _____

Name: _____

Date: _____

Implementer:

By: _____

Name: _____

Date: _____

Attachment A.4.1
Key Performance Indicators (KPIs)

EV Charging Goals	
Objective	How It's Measured
Expanding customer education on EV charging	Number of workplaces and multi-family customers enrolled
	Number of workplace and multi-family customers by building types enrolled
	Number of call campaign targets
	Number of incentive applications submitted and approved
Reducing administrative burden	Avg days between application submitted and approved/rejected
	Total additional (non-MCE) funding that applicants report to have received per project.
Equitable attainment of incentive funds and enrollment in layered Programs	Number of ports and total incentive dollars spent, with a break out among low-income census tracts or Disadvantaged Communities (DACs)
	Number of ports and total incentive dollars spent between workplace (broken down by sector) and multi-family properties)

Attachment A.4.2

Service Level Agreement (SLA)

Both Parties shall comply at all times during the Term with the following MCE SLA that provides MCE's expectations for customer interactions by Implementer:

- Implementer shall keep a 99% platform uptime.
- Implementer and all subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries no later than within 3 business days after the inquiry is received. Unless otherwise agreed to, Implementer and subcontractors are to provide two options for customer contact (email and phone). Unless otherwise agreed to, the Implementer shall provide MCE with a process to document customer issues, escalations and resolutions.
- MCE to review and approve all branded customer-facing materials (digital and physical content) before Implementer and/or subcontractor uses and distributes them.
- Implementer will provide the following customer information ("Customer Information") to MCE:
 - when and how the Pilot participants and potential Pilot participants will be contacted,
 - what data will be collected,
 - how that information will be stored,
 - how that information will be shared with MCE,
 - the process for handling customer complaint escalation, and
 - identification of key individuals associated with Implementer or subcontractor who have been specifically assigned to work with MCE customers and the key individuals' subsequent outreach and response activities throughout the X Phases.
- Implementer to provide to MCE monthly updates which may include:
 - outreach status,
 - Customer Information updates, and
 - any customer complaints, feedback and escalations.

a) Availability Service Level.

1) Definitions.

- (a) "Maintenance Window" shall mean the total minutes in the reporting month represented by the mutually agreed day(s) and time(s) during which Implementer shall maintain the Services.
- (b) "Scheduled Downtime" shall mean the total minutes in the reporting months represented by the Maintenance Window.
- (c) "Scheduled Uptime" shall mean the total minutes in the reporting month less the total minutes represented by the Scheduled Downtime.

2) Service Level Standard. Services will be available to Authorized Users for normal use 99% of the Scheduled Uptime.

- (a) Technical Support Problem Response and Resolution Service Level.

3) Service Level Standard. The Implementer will respond to two categories of problems associated with delivery of the Services:

- (a) Problems that shall be investigated and resolved within 3 working days if the problem prevents >25% of Authorized Users from accessing the Services to EV charging technical assistance, project verification, or rebate processing as required; and
- (b) Problems that shall be investigated and resolved within 15 working days if >25% of Authorized Users are able to access the Services to EV charging technical assistance, project verification, or rebate processing as required but are unable to access a specific functionality delivered by the Implementer.

**SECOND AMENDMENT TO MASTER SERVICES AGREEMENT
BY AND BETWEEN MARIN CLEAN ENERGY
AND CLEARESULT CONSULTING, INC.**

This SECOND AMENDMENT to the MASTER SERVICES AGREEMENT is made and entered into on 10/28/2024, by and between MARIN CLEAN ENERGY (hereinafter referred to as "MCE") and CLEAResult Consulting, Inc. (hereinafter referred to as "Implementer").

RECITALS

WHEREAS, MCE and Implementer entered into a master services agreement on September 3, 2021 and amended on January 24, 2023, to provide various scopes of services ("Agreement"); and

WHEREAS, Section 4 of the Agreement, as amended, stated the Agreement shall terminate on March 31, 2026; and

WHEREAS, the parties desire to amend the Agreement to extend the time of the Agreement; and

WHEREAS, the parties desire to amend and replace Section 20 of the Agreement "Acknowledgment of Exhibits; and

WHEREAS, the parties desire to update Exhibit D found in the First Amendment to the MSA Agreement;

NOW, THEREFORE, the parties agree to modify the Agreement, as set forth below.

AGREEMENT

1. Section 4 is hereby amended to read as follows:

TERM OF AGREEMENT:

This Agreement shall commence on **September 3, 2021** ("Effective Date"), and shall terminate on **March 31, 2027**, unless earlier terminated pursuant to the terms and conditions set forth in Section 12.

2. Section 20 of the Agreement "Acknowledgment of Exhibits" is hereby amended and replaced to read as follows:

20. ACKNOWLEDGEMENT OF EXHIBITS:

In the event of a conflict between the Terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement will govern.

	☒ <u>Check applicable Exhibits</u>	<u>IMPLEMENTER'S INITIALS</u>
<u>EXHIBIT A.</u>	☒ Form of Statement or Work	Initial kD
<u>EXHIBIT B.</u>	☒ Fees and Payment	Initial kD
<u>EXHIBIT C.</u>	☒ Energy Efficiency Program Terms	Initial kD
<u>EXHIBIT D.</u>	☒ CRM Access Protocols	Initial kD

Schedule A.1



Statement of Work for MCE's Industrial, Agricultural, Commercial and Multifamily Residential Sectors

Initial

kd

Schedule A.3



Statement of Work for MCE EV Charging Program

Initial

kd

3. **EXHIBIT D "MCE CRM ACCESS PROTOCOLS"** found in the First Amendment to the MSA Agreement is hereby amended and replaced in its entirety to read:

**EXHIBIT D
MCE CRM ACCESS PROTOCOLS**

Implementer shall implement the following security measures as part of the Agreement according to program needs up to the time/fees allowed under the Agreement in order to gain access to MCE's Customer Relationship Management software ("MCE CRM"), whether through direct portal access or via application programming interface ("API") integration.

To access MCE CRM, Implementer must first agree to and comply with the following protocols, including, if applicable, those related to API integration:

1. MCE CRM access is subject to the NDA between the Parties dated January 19, 2023.
2. MCE CRM login information, passwords, and any information retrieved from MCE CRM shall be treated as Confidential Information.
 - A. Confidential Information shall have the same meaning as defined in the MCE NDA between the Parties dated January 19, 2023.
 - B. No Implementer employee is to give, tell, or hint at their login information or password to another person under any circumstance.
 - C. MCE CRM passwords are required to be changed every 90 days at least.
 - D. MCE encourages strong passwords (such as minimum character length, and use of special characters) that are not reused for other logins.
 - E. MCE CRM shall only be accessed from an Internet Protocol (IP) address in the United States.
 - Any suspicious or unauthorized IP access may be blocked without notice by MCE.
 - Implementer agrees that MCE is not liable for any interruption or restriction of access to the CRM resulting from the blocking of suspicious or unauthorized IP addresses.
 - F. MCE reserves the right to use approved public IP addresses to control and limit access to MCE's systems.
3. MCE CRM access shall be provided through MCE's selected Single Sign-On (SSO) provider, Okta, Inc. or another MCE-designated SSO provider.
4. Direct MCE CRM Portal Access Restrictions.
 - A. Direct MCE CRM portal access shall only be provided to those employees of Implementer who have a "need to access" such information in the course of their duties with respect to Implementer's Services ("Designated Employees").
 - Designated Employees who access MCE CRM shall only update or view fields related to the tasks assigned.
 - Implementer shall maintain a list of Designated Employees that have been authorized to access MCE CRM.
 - The list shall be updated and verified by Implementer quarterly and provided to MCE upon request.

- In the event of an employment status change for a Designated Employee who had been granted access to MCE CRM, Implementer shall provide the following information to MCE:
 - Name and email of pertinent Implementer employee.
 - Notification to MCE within 3 days of employment status change.
 - B. Designated Employees who access MCE CRM shall first review and agree to be bound by these MCE CRM Access Protocols.
 - C. Designated Employees' use of MCE CRM is restricted to that which is necessary to provide the Services described in Exhibit A.
 - D. Designated Employees shall not copy, download, record or reproduce in any way any data existing within MCE CRM.
 - Any customer data that is utilized or uploaded must be removed from Designated Employees' computers and Implementer's systems within 24 hours of upload or utilization.
- 5. API Integration Restrictions
 - A. Implementer shall only use an MCE-authorized API to the extent its use is necessary for the completion of contracted work as included in Exhibit A.
 - B. Implementer shall use industry best standards and significant access control in a closed API system. This includes, but is not limited to:
 - Only employees of Implementer who have a "need to access" such information in the course of their duties with respect to Implementer's Services ("Designated Employees") will be allowed to access information available through the API.
 - For an employee to become a Designated Employee, they must first successfully pass a background screening, which may include a screening of the individual's educational background, employment history, valid driver's license, and court record.
 - If a Designated Employee leaves Implementer's employment or if a Designated Employee's position changes such that they no longer need API access, Implementer will close the employee's access within 24 hours and provide the following information to MCE:
 - Name and email of pertinent employee.
 - Notification to MCE within 24 hours of employment status change.
 - Implementer must keep MCE informed of the names, positions, and data access levels of all Designated Employees with a Designated Employee List which shall be updated and verified by Implementer quarterly and provided to MCE upon request.
 - Designated Employees are prohibited from copying, downloading, recording, or reproducing any MCE data except through the approved API integration.
- 6. Implementer having any interaction with an MCE customer shall do the following:
 - A. Implementer shall comply at all times during the Term with any MCE-provided MCE co-branding and/or customer engagement protocol that provides MCE's expectations for customer interactions by Implementer. Failure of Implementer to comply at all times with this section will constitute a material breach pursuant to Agreement section 12 and may result in the discontinuation of work with MCE at MCE's request.
 - B. Implementer and any approved subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries within 3 business days after the inquiry is received. Unless otherwise agreed to, Implementer and subcontractors are to provide two options for customer contact (email and phone). Implementer shall provide MCE with a process to document any customer issues, escalations and resolutions.
- 4. Except as otherwise provided herein all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the day first written above.

MARIN CLEAN ENERGY:

IMPLEMENTER:

By:  Signed by:
A59878416EBC4F8...

Date: 10/28/2024

By:  Signed by:
26765C432D1741E...

Date: 10/30/2024

FIRST AMENDMENT TO MASTER SERVICES AGREEMENT BY AND BETWEEN MARIN CLEAN ENERGY AND CLEAR result CONSULTING, INC.

This FIRST AMENDMENT is made and entered into on 1/24/2023, by and between MARIN CLEAN ENERGY (hereinafter referred to as "MCE") and CLEAR result Consulting, Inc. (hereinafter referred to as "Implementer").

RECITALS

WHEREAS, MCE and Implementer entered into a master services agreement on September 3, 2021, to provide various scopes of services ("Agreement"); and

WHEREAS, Section 4 of the Agreement stated the Agreement shall terminate on December 31, 2024; and

WHEREAS, the parties desire to amend the Agreement to extend the time of the Agreement; and

WHEREAS, Implementer and MCE entered into a non-disclosure agreement on March 20, 2019 which states Implementer's purposes in Schedule A ("NDA"); and

WHEREAS, Implementer and MCE have updated Implementer's stated purposes in Schedule A of the NDA; and

WHEREAS, MCE requires Implementer to comply with certain protocols in order to access MCE's Customer Relationship Management software ("CRM Access Protocols"); and

WHEREAS, the parties desire to add the CRM Access Protocols as an exhibit to the Agreement;

NOW, THEREFORE, the parties agree to modify Section 4, update the date of Marin Clean Energy Non-Disclosure Agreement between the parties referenced in sections 10.1, 10.3 and 10.5, and add Exhibit D, as set forth below.

Agreement

1. Section 4 is hereby amended to read as follows:

TERM OF AGREEMENT:

This Agreement shall commence on **September 3, 2021** (Effective Date), and shall terminate on **March 31, 2026**, unless earlier terminated pursuant the terms and conditions set forth in Section 12.

2. The date of the Marin Clean Energy Non-Disclosure Agreement between the parties referenced in sections 10.1, 10.3, and 10.5, is changed from **March 20, 2019** to **January 20, 2023**.
3. The following Exhibit D is hereby added to the Agreement to follow Exhibit C:

EXHIBIT D MCE CRM ACCESS PROTOCOLS

Implementer shall provide the following protective measures under the Agreement in order to access the MCE Customer Relationship Management software ("MCE CRM") according to program needs up to the time/fees allowed under this Agreement.

This Exhibit D is applicable to all existing and any future schedules under this Agreement.

In order for Implementer to access MCE CRM, Implementer must first agree to and comply with the following protocols:

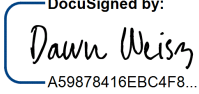
1. MCE CRM access is subject to the NDA between the Parties dated January 20, 2023.

2. MCE CRM login information, passwords, and any information retrieved from MCE CRM shall be treated as Confidential Information.
 - Confidential Information shall have the same meaning as defined in the MCE NDA between the Parties dated January 20, 2023.
 - No Implementer employee is to give, tell, or hint at their login information or password to another person under any circumstance.
 - MCE CRM passwords are required to be changed every 90 days.
 - MCE encourages strong passwords (such as minimum character length, and use of special characters) that are not reused for other logins.
 - MCE CRM shall only be accessed from an Internet Protocol (IP) address in the United States.
3. MCE CRM access shall be provided through MCE's selected Single Sign-On (SSO) provider, Okta, Inc. or any MCE-designated SSO provider.
4. MCE CRM access shall be restricted.
 - MCE CRM access shall only be provided to those employees of Implementer who have a "need to access" such information in the course of their duties with respect to Implementer's Services.
 - Implementer employees who access MCE CRM shall only update or view fields related to the tasks assigned.
 - Implementer shall maintain a list of Implementer employees that have been authorized to access MCE CRM.
 - The list shall be updated and verified by Implementer quarterly, upon Implementer employee turnover, and upon MCE's request.
 - Implementer employees who access MCE CRM shall first review and agree to be bound by these MCE CRM Access Protocols.
 - Implementer's use of the CRM and any data obtained from MCE's CRM is restricted to that which is necessary to provide the Services described in all existing and any future Schedules under this Agreement.
 - Except for data obtained by Implementer from MCE's CRM via an MCE-authorized application programming interface, Implementer shall not copy, download, record or reproduce in any way any data from MCE's CRM.
5. In the event of an employment status change for an Implementer employee who had been granted access to MCE CRM, Implementer shall provide the following information to MCE:
 - Name and email of pertinent Implementer employee.
 - Notification to MCE within 3 days of employment status change.
6. Implementer having any interaction with an MCE customer shall do the following:
 - Implementer shall comply at all times during the Term with any MCE-provided MCE co-branding and/or customer engagement protocol that provides MCE's expectations for customer interactions by Implementer. Failure of Implementer to comply at all times with this section will constitute a material breach pursuant to Agreement section 12, and may result in the discontinuation of work with MCE at MCE's request.
 - Implementer and any approved subcontractors responding to, or engaging directly with, MCE customers shall respond to direct customer inquiries within 3 business days after the inquiry is received. Unless otherwise agreed to, Implementer and subcontractors are to provide two options for customer contact (email and phone). Implementer shall provide MCE with a process to document any customer issues, escalations and resolutions.

4. Except as otherwise provided herein all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this FIRST AMENDMENT on the day first written above.

MARIN CLEAN ENERGY:

By: A59878416EBC4F8...

Date: 1/24/2023

IMPLEMENTER:

By: 26765C432D1741E...

Date: 1/24/2023

**MARIN CLEAN ENERGY
ENERGY EFFICIENCY PROGRAMS**

**MASTER SERVICES AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND CLEAResult CONSULTING INC.**

THIS MASTER SERVICES AGREEMENT ("Agreement") is made and entered into on **September 3, 2021** by and between MARIN CLEAN ENERGY (hereinafter referred to as "MCE") and CLEAResult Consulting Inc., a **Texas corporation** with a principal address at: **6504 Bridge Point Parkway, Suite 425, Austin, Texas, 78730** (hereinafter referred to as "Implementer" or "Contractor") (each, a "Party," and, together, the "Parties").

RECITALS:

WHEREAS, MCE desires to retain Implementer to provide the services described in statements of work ("Statement of Work") to be agreed by the Parties, in form and substance as set forth on **Exhibit A** attached hereto, and which shall be considered Schedules hereto;

Each Statement of Work executed by and between the Parties are made a part hereof ("Services");

WHEREAS, Implementer desires to provide the Services to MCE;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. SCOPE OF SERVICES:

Implementer agrees to provide all of the Services in accordance with the terms and conditions of this Agreement. "Services" shall also include any other work performed by Implementer pursuant to this Agreement.

2. TRANSACTION TAXES, FEES AND PAYMENT SCHEDULE; INVOICING:

The fees and payment schedule for furnishing Services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement ("Term"). Implementer shall provide MCE with Implementer's Federal Tax I.D. number prior to submitting the first invoice. Implementer is responsible for billing MCE in a timely and accurate manner. Implementer shall email invoices to MCE on a monthly basis for any Services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond ninety (90) days will not be reimbursable. The final invoice must be submitted within thirty (30) days of completion of the stated scope of services or termination of this Agreement. MCE will process payment for undisputed invoiced amounts and provide written notice of any amount in dispute within thirty (30) days.

Notwithstanding anything to the contrary in this Agreement, MCE agrees, for purposes of any sales tax, use tax, excise tax, valued-added tax, gross receipts tax, or any other transaction tax (collectively, "Sales Taxes"), that MCE is solely responsible for all Sales Taxes that arise under this Agreement. Notwithstanding anything to the contrary in this Agreement, the prices under this agreement do not include Sales Taxes, and MCE shall pay all Sales Taxes, if any, charged by Implementer under this Agreement. MCE shall agree to indemnify, defend, and hold harmless Implementer for any damages imposed on or suffered by Implementer arising from MCE's failure to timely and properly remit Sales Taxes to the appropriate tax jurisdiction, or properly complete and provide any purchase order, exemption certificate, certificate of entitlement, or other form or document required by a tax jurisdiction.

3. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the Services to be provided herein exceed the maximum sum identified in each Statement of Work.

4. TERM OF AGREEMENT:

This Agreement shall commence on **September 3, 2021** ("Effective Date") and shall terminate on **December 31, 2024**, unless earlier terminated pursuant to the terms and conditions set forth in Section 12.

5. REPRESENTATIONS; WARRANTIES; COVENANTS:

5.1. IMPLEMENTER REPRESENTATIONS AND WARRANTIES. Implementer represents, warrants and covenants that (a) it is a **corporation** duly organized, validly existing and in good standing under the laws of the State of **Texas**, (b) it has full power and authority and all regulatory authorizations required to execute, deliver and perform its obligations under this Agreement and all exhibits and addenda and to engage in the business it presently conducts and contemplates conducting, (c) it is and will be duly licensed or qualified to do business and in good standing under the laws of the State of California and each other jurisdiction

wherein the nature of its business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder, (d) it is qualified and competent to render the Services and possesses the requisite expertise to perform its obligations hereunder, (e) the execution, delivery and performance of this Agreement and all exhibits and addenda hereto are within its powers and do not violate the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, (f) this Agreement and each exhibit and addendum constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, and (g) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.

5.2. COMPLIANCE WITH APPLICABLE LAW: At all times during the Term and the performance of the Services, Implementer shall comply with all applicable federal, state and local laws, regulations, ordinances and resolutions ("Applicable Law")

5.3. LICENSING. At all times during the performance of the Services, Implementer represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all required permits, licenses, certificates and registrations required for the operation of its business and the performance of the Services. Implementer shall promptly provide copies of such licenses and registrations to MCE at the request of MCE.

5.4. NONDISCRIMINATORY EMPLOYMENT: Implementer shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, gender identity, age or condition of disability. Implementer understands and agrees that Implementer is bound by and shall comply with the nondiscrimination mandates of all federal, state, and local statutes, regulations, and ordinances.

5.5. PERFORMANCE ASSURANCE; BONDING (REQUIRED IF CHECKED ☐). At all times during the performance of the Services, Implementer represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all bonding requirements of the California Contractors State License Board ("CSLB"), as may be applicable. Regardless of the specific Services provided, Implementer shall also maintain any payment and/or performance assurances as may be requested by MCE during the performance of the Services.

5.6. SAFETY (REQUIRED IF CHECKED ☒). At all times during the performance of the Services, Implementer represents, warrants and covenants that it shall:

- (a) abide by all applicable federal and state Occupational Safety and Health Administration requirements and other applicable federal, state, and local rules, regulations, codes and ordinances to safeguard persons and property from injury or damage;
- (b) abide by all applicable MCE security procedures, rules and regulations that have been provided to Implementer and cooperate with MCE security personnel whenever on MCE's property;
- (c) abide by MCE's standard safety program contract requirements as may be provided by MCE to Implementer from time to time;
- (d) provide all necessary training to its employees, and require Subcontractors to provide training to their employees, about the safety and health rules and standards required under this Agreement;
- (e) have in place an effective Injury and Illness Prevention Program that meets the requirements all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code. Additional safety requirements (including MCE's standard safety program contract requirements) are set forth elsewhere in the Agreement, as applicable, and in MCE's safety handbooks as may be provided by MCE to Implementer from time to time;
- (f) be responsible for initiating, maintaining, monitoring and supervising all safety precautions and programs in connection with the performance of the Agreement; and
- (g) monitor the safety of the job site(s), if applicable, during the performance of all Services to comply with all applicable federal, state, and local laws and to follow safe work practices.

5.7. BACKGROUND CHECKS (REQUIRED IF CHECKED ☒).

- (a) Implementer hereby represents, warrants and covenants that any employees, members, officers, contractors, Subcontractors and agents of Implementer (each, a "Implementer Party," and, collectively, the "Implementer Parties") having or requiring access to MCE's assets, premises, customer property, data or systems ("Covered Personnel") shall have successfully passed background screening on each such individual, prior to receiving access, which screening may include, among other things to the extent applicable to the Services, a screening of the individual's educational background, employment history, valid driver's license, and court record for the seven (7) year period immediately preceding the individual's date of assignment to perform the Services.
- (b) Notwithstanding the foregoing and to the extent permitted by applicable law, in no event shall Implementer permit any Covered Personnel to have one or more convictions during the seven (7) year period immediately preceding the

individual's date of assignment to perform the Services, or at any time after the individual's date of, assignment to perform the Services, for any of the following ("Serious Offense"): (i) a "serious felony," similar to those defined in California Penal Code Sections 1192.7(c) and 1192.8(a), or a successor statute, or (ii) any crime involving fraud (such as, but not limited to, crimes covered by California Penal Code Sections 476, 530.5, 550, and 2945, California Corporations Code 25540), embezzlement (such as, but not limited to, crimes covered by California Penal Code Sections 484 and 503 et seq.), or racketeering (such as, but not limited to, crimes covered by California Penal Code Section 186 or the Racketeer Influenced and Corrupt Organizations ("RICO") Statute (18 U.S.C. Sections 1961-1968)).

(c) To the maximum extent permitted by applicable law, Implementer shall maintain documentation related to such background for all Covered Personnel and make it available to MCE for audit if required pursuant to the audit provisions of this Agreement.

(d) To the extent permitted by applicable law, Implementer shall notify MCE if any of its Covered Personnel is charged with or convicted of a Serious Offense during the term of this Agreement. Implementer shall also immediately prevent that employee, representative, or agent from performing any Services.

5.8. FITNESS FOR DUTY (REQUIRED IF CHECKED ☒). Implementer shall ensure that all Covered Personnel report to work fit for their job. Covered Personnel may not consume alcohol while on duty and/or be under the influence of drugs or controlled substances that impair their ability to perform the Services properly and safely. Implementer shall, and shall cause its Subcontractors to, have policies in place that require their employees, contractors, subcontractors and agents to report to work in a condition that allows them to perform the work safely. For example, employees should not be operating equipment under medication that creates drowsiness.

5.9. QUALITY ASSURANCE PROCEDURES (REQUIRED IF CHECKED ☒. Implementer shall comply with "Quality Assurance Procedures" identified by Implementer in the implementation plan as required in Exhibit A. Additionally, Quality Assurance Procedures must include, but are not limited to: (i) industry standard best practices; (ii) procedures that ensure customer satisfaction; and (iii) any additional written direction from MCE.

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

5.11. ACCESS TO CUSTOMER SITES (REQUIRED IF CHECKED ☒. Implementer shall be responsible for obtaining any and all access rights for Implementer Parties, from customers and other third parties to the extent necessary to perform the Services. Implementer shall also procure any and all access rights from Implementer Parties, customers and other third parties in order for MCE and CPUC employees, representatives, agents, designees and contractors to inspect the Services.

6. INSURANCE:

At all times during the Term and the performance of Services, Implementer shall maintain the insurance coverages set forth below. All such insurance coverage shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming Marin Clean Energy and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to MCE prior to commencement of Services. Implementer shall provide for thirty (30) days advance written notice to MCE of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph 7.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing in this Section 7 shall be construed as a limitation on Implementer's obligations in Section 18 of this Agreement.

Should Implementer fail to provide and maintain the insurance required by this Agreement, in addition to any other available remedies at law or in equity, MCE may suspend payment to the Implementer for any services provided during any time that insurance was not in effect and until such time as the Implementer provides adequate evidence that Implementer has obtained the required coverage.

6.1 GENERAL LIABILITY

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

6.2 AUTO LIABILITY (REQUIRED IF CHECKED ☒).

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

6.3 WORKERS' COMPENSATION

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

6.4 PROFESSIONAL LIABILITY INSURANCE (REQUIRED IF CHECKED ☒)

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

6.5 PRIVACY AND CYBERSECURITY LIABILITY (REQUIRED IF CHECKED ☒). Implementer shall maintain privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs) of at least \$1,000,000 US per occurrence.

7. FINANCIAL STATEMENTS:

Implementer shall deliver financial statements on an annual basis or as may be reasonably requested by MCE from time to time. Such financial statements or documents shall be for the most recently available audited or reviewed period and prepared in accordance with generally-accepted accounting principles. MCE shall keep such information confidential pursuant to the Confidentiality Agreement between the parties, March 20, 2019, except as provided by law and to provision to the CPUC may be required from time to time under confidentiality procedures, where applicable.

8. SUBCONTRACTING:

Implementer shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of MCE except for any subcontract work identified in Exhibit A. If Implementer hires a subcontractor under this Agreement (a "Subcontractor"), Subcontractor shall be bound by all applicable terms and conditions of this Agreement, and Implementer shall ensure the following:

- 8.1.** Subcontractor shall comply with the following terms of this Agreement: Sections 9, 10, each Statement of Work and any attachments thereto.
- 8.2.** Subcontractor shall provide, maintain and be bound by the representations, warranties and covenants of Implementer contained in Section 5 hereof (as may be modified to be applicable to Subcontractor with respect to Section 5.1(a) hereof) at all times during the Term of such subcontract and its provision of Services.
- 8.3.** Subcontractor shall comply with the terms of Section 6 above, including, but not limited to providing and maintaining insurance coverage(s) identical to what is required of Implementer under this Agreement, and shall name MCE as an additional insured under such policies. Implementer shall collect, maintain, and promptly forward to MCE current evidence of such insurance provided by its Subcontractor. Such evidence of insurance shall be included in the records and is therefore subject to audit as described in Section 9 hereof.
- 8.4.** Subcontractor shall be contractually obligated to indemnify the MCE Parties (as defined in Section 17 hereof) pursuant to the terms and conditions of Section 17 hereof.
- 8.5.** Subcontractors shall not be permitted to further subcontract any obligations under this Agreement.

Implementer shall be solely responsible for ensuring its Subcontractors' compliance with the terms and conditions of this Agreement made applicable above and to collect and maintain all documentation and current evidence of such compliance. Upon request by MCE,

Implementer shall promptly forward to MCE evidence of same. Nothing contained in this Agreement or otherwise stated between the Parties shall create any legal or contractual relationship between MCE and any Subcontractor, and no subcontract shall relieve Implementer of any of its duties or obligations under this Agreement. Implementer's obligation to pay its Subcontractors is an independent obligation from MCE's obligation to make payments to Implementer. As a result, MCE shall have no obligation to pay or to enforce the payment of any monies to any Subcontractor.

9. RETENTION OF RECORDS AND AUDIT PROVISION:

Implementer shall keep and maintain on a current basis full and complete documentation pertaining to this Agreement and the Services, whether stored electronically or otherwise, including, but not limited to, valuation records, accounting records, documents supporting all invoices, employee' time sheets, receipts and expenses, and all customer documentation and correspondence (the "Records"). MCE shall have the right, during regular business hours and upon providing reasonable advance notice, to review and audit all records relating to this Agreement during the Term and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted with an escort on Implementer's premises or, at MCE's option, Implementer shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MCE. Implementer shall refund any monies erroneously charged. Implementer shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by MCE based on undisputed audit findings.

10. DATA, CONFIDENTIALITY AND INTELLECTUAL PROPERTY:

10.1. DEFINITION OF "MCE DATA". "MCE Data" shall mean all data or information provided by or on behalf of MCE, including but not limited to, customer Personal Information; energy usage data relating to, of, or concerning, provided by or on behalf of any customers; all data or information input, information systems and technology, software, methods, forms, manuals, and designs, transferred, uploaded, migrated, or otherwise sent by or on behalf of MCE to Implementer as MCE may approve of in advance and in writing (in each instance); account numbers, forecasts, and other similar information disclosed to or otherwise made available to Implementer. MCE Data shall also include all data and materials provided by or made available to Implementer by MCE's licensors, including but not limited to, any and all survey responses, feedback, and reports subject to any limitations or restrictions set forth in the agreements between MCE and their licensors.

"Confidential Information" under this Agreement shall have the same meaning as defined in the Marin Clean Energy Non-Disclosure Agreement between the parties dated **March 20, 2019**.

10.2. DEFINITION OF "PERSONAL INFORMATION". "Personal Information" includes but is not limited to the following: personal and entity names, e-mail addresses, addresses, phone numbers, any other public or privately-issued identification numbers, IP addresses, MAC addresses, and any other digital identifiers associated with entities, geographic locations, users, persons, machines or networks. Implementer shall comply with all applicable laws, rules, and regulations related to the use, collection, storage, and transmission of Personal Information.

10.3. MCE DATA SECURITY MEASURES. Prior to Implementer receiving any MCE Data, Implementer shall comply, and at all times thereafter continue to comply, in compliance with MCE's Data security policies set forth in MCE Policy 009 and MCE's Advanced Metering Infrastructure (AMI) Data Security and Privacy Policy ("Security Measures") and pursuant to MCE's Confidentiality provisions in Section 5 of the Marin Clean Energy Non-Disclosure Agreement between the parties dated **March 20, 2019** and as set forth in MCE Policy 001 - Confidentiality. MCE's Security Measures and Confidentiality provisions require Implementer to adhere to reasonable administrative, technical, and physical safeguard protocols to protect the MCE's Data from unauthorized handling, access, destruction, use, modification or disclosure.

10.4. IMPLEMENTER DATA SECURITY MEASURES. Additionally, Implementer shall, at its own expense, adopt and continuously implement, maintain and enforce reasonable technical and organizational measures, consistent with the sensitivity of Personal Information and Confidential Information including, but not limited to, measures designed to (1) prevent unauthorized access to, and otherwise physically and electronically protect, the Personal Information and Confidential Information, and (2) protect MCE content and data against unauthorized or unlawful access, disclosure, alteration, loss, or destruction.

10.5. RETURN OF MCE DATA. Promptly after this Agreement or a Statement of Work terminates or expires, and for each completed Statement of Work (i) Implementer will securely destroy all MCE Data in its possession with respect to each terminated or expired Statement of Work and if requested, certify the secure destruction in writing to MCE, and (ii) each party will return (or if requested by the disclosing party, destroy) all other Confidential Information and property of the other (if any) with respect to each terminated or expired Statement of Work, provided that Implementer's attorney shall be permitted to retain a copy of such records or materials solely for legal purposes. Consistent with provisions in Section 5 of the Marin Clean Energy Non-Disclosure Agreement between the parties dated **March 20, 2019**, and to the extent permitted by law, parties

shall not be obligated to return, destroy or delete Confidential Information or MCE Data to the extent that the Confidential Information or MCE Data is stored by electronic back-up systems.

10.6. OWNERSHIP AND USE RIGHTS.

- a) **MCE Data.** Unless otherwise expressly agreed to by the Parties, MCE shall retain all of its rights, title and interest in MCE's Data.
- b) **Program Intellectual Property.** Unless otherwise expressly agreed to by the Parties, any and all finished or unfinished materials, information, or other intellectual property created, prepared, accumulated or developed by Implementer or any Implementer Party under this Agreement with Program funds ("Program Intellectual Property"), including finished and unfinished inventions, processes, templates, documents, other writings, drawings, computer programs, designs, calculations, valuations, maps, plans, workplans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, studies, manuals, visual materials, data models and samples, including summaries, extracts, analyses and preliminary or draft materials developed in connection therewith, shall be owned solely by MCE upon its creation on behalf and for the benefit of MCE's respective customers.
- c) **Program Intellectual Property will be owned by MCE upon its creation.** Implementer agrees to execute any such other documents or take other actions as MCE may reasonably request to perfect MCE's ownership in the Program Intellectual Property. MCE shall have the exclusive right to use such Program Intellectual Property in its sole discretion and without further compensation to Implementer (beyond the compensation set forth in this Agreement) or to any other party. Implementer shall, at MCE's expense, provide such Program Intellectual Property to MCE or to any party MCE may designate upon written request. Implementer may keep file reference copies of all documents prepared for MCE.
- d) **Implementer's Pre-Existing Materials.** If, and to the extent Implementer retains any preexisting ownership rights ("Implementer's Pre-Existing Materials") in any of the materials furnished to be used to create, develop, and prepare the Program Intellectual Property, Implementer hereby grants MCE and the Program Participants on behalf of their respective customers and the CPUC for governmental and regulatory purposes an irrevocable, assignable, non-exclusive, perpetual, fully paid up, worldwide, royalty-free, unrestricted license to use and sublicense others to use, reproduce, display, prepare and develop derivative works, perform, distribute copies of any intellectual or proprietary property right of Implementer or any Implementer Party for the sole purpose of using such Program Intellectual Property for the conduct of MCE's business and for disclosure to the CPUC for governmental and regulatory purposes related thereto (the "MCE License"). Unless otherwise expressly agreed to by the Parties, Implementer shall retain all of its rights, title and interest in Implementer's Pre-Existing Materials. Any and all claims to Implementer's Pre-Existing Materials to be furnished or used to prepare, create, develop or otherwise manifest the Program Intellectual Property must be expressly disclosed to MCE prior to performing any Services under this Agreement. Any such Pre-Existing Material that is modified by work under this Agreement is owned by MCE with the exception of process changes to Implementer's software systems, workflows and templates associated with its DSMT and Quickbase Platforms and SharePoint infrastructure or revisions to Implementer's pre-existing SEM templates, customer training materials, NMEC calculator tools, engineering models, energy assessment reports and Joint Energy Efficiency Plan templates that are modified in a general manner so as to apply to work product for other clients of Implementer ("Generally-Applicable Modifications to Pre-Existing Materials"). Generally-Applicable Modifications to Pre-Existing Materials do not include modifications that are customized for MCE or its customers. For the avoidance of doubt, the MCE License shall also apply to Generally-Applicable Modifications to Pre-Existing Materials.

10.7. EQUITABLE RELIEF. Each Party acknowledges that a breach of this Section 10 would cause irreparable harm and significant damages to the other Party, the degree of which may be difficult to ascertain. Accordingly, each Party agrees that MCE shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of MCE Data or Personal Information, in addition to any other rights and remedies that it may have at law or otherwise; and Implementer shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of Implementer's Pre-Existing Materials, in addition to any other rights and remedies that it may have at law or otherwise.

11. FORCE MAJEURE:

A Party shall be excused for failure to perform its obligations under this Agreement if such obligations are prevented by an event of Force Majeure (as defined below), but only for so long as and to the extent that the Party claiming Force Majeure ("Claiming Party") is actually so prevented from performing and provided that (a) the Claiming Party gives written notice and full particulars of such Force Majeure to the other Party (the "Affected Party") promptly after the occurrence of the event relied on, (b) such notice includes an estimate of the expected duration and probable impact on the performance of the Claiming Party's obligations under this Agreement, (c) the Claiming Party furnishes timely regular reports regarding the status of the Force Majeure, including updates with respect to the data included in Section 10 above during the continuation of the delay in the Claiming Party's performance, (d) the suspension of such obligations sought by Claiming Party is of no greater scope and of no longer duration than is required by the Force Majeure, (e) no obligation or liability of

either Party which became due or arose before the occurrence of the event causing the suspension of performance shall be excused as a result of the Force Majeure; (f) the Claiming Party shall exercise commercially reasonable efforts to mitigate or limit the interference, impairment and losses to the Affected Party; (g) when the Claiming Party is able to resume performance of the affected obligations under this Agreement, the Claiming Party shall give the Affected Party written notice to that effect and promptly shall resume performance under this Agreement. "Force Majeure" shall mean acts of God such as floods, earthquakes, fires, orders or decrees by a governmental authority, civil or military disturbances, wars, riots, terrorism or threats of terrorism, utility power shutoffs, strikes, labor disputes, pandemic, or other forces over which the responsible Party has no control and which are not caused by an act or omission of such Party.

12. TERMINATION:

- 12.1.** If Implementer fails to provide in any manner the Services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any Applicable Law, makes an assignment of any general arrangement for the benefit of creditors, files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it, otherwise becomes bankrupt or insolvent (however evidenced), or becomes unable to pay its debts as they fall due, then MCE may terminate this Agreement by giving ten (10) business days' written notice to Implementer.
- 12.2.** Either Party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days' written notice to the other Party. Notice of termination shall be by written notice to the other parties and be sent by registered mail or by email to the email address listed in Section 19 Invoices; Notices.
- 12.3.** In the event of termination not the fault of Implementer, Implementer shall be paid for Services performed to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s). Notwithstanding anything contained in this Section 12, in no event shall MCE be liable for lost or anticipated profits or overhead on uncompleted portions of the Services. Implementer shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of MCE, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12. Also, as a condition precedent to the payment of any cancellation or termination charges by MCE under this Section 12, Implementer shall have delivered to MCE any and all reports, drawings, documents and deliverables prepared for MCE before the effective date of such termination.
- 12.4.** Without limiting the foregoing, if either Party's activities hereunder become subject to law or regulation of any kind, which renders the activity illegal, unenforceable, or which imposes additional costs on such Party for which the parties cannot mutually agree upon an acceptable price modification, then such Party shall at such time have the right to terminate this Agreement upon written notice to the other Party with respect to the illegal, unenforceable, or uneconomic provisions only, and the remaining provisions will remain in full force and effect.
- 12.5.** Notwithstanding the foregoing, this Agreement shall be subject to changes, modifications, or termination by order or directive of the California Public Utilities Commission ("CPUC"). The CPUC may from time to time issue an order or directive relating to or affecting any aspect of this Agreement, in which case MCE shall have the right to change, modify or terminate this Agreement in any manner to be consistent with such CPUC order or directive by providing written notice to Implementer at least ten (10) business days before such change takes effect, unless an order or directive issued by the CPUC requires changes take effect earlier than this notice and at such time MCE will provide notice as early as possible. MCE may also terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.
- 12.6.** Upon MCE's termination of this Agreement for any reason, Implementer shall, and shall cause Implementer or each of its employees, agents, representatives, and subcontractors and all other persons performing the Services on behalf of Implementer (each, an Implementer Party), to bring the Services to an orderly conclusion as directed by MCE. Implementer and each Implementer Party shall vacate the worksite but shall not remove any material, plant or equipment thereon without the approval of MCE. MCE, at its option, may take possession of any portion of the Services paid for by MCE.
- 12.7.** Notwithstanding any provision herein to the contrary, Sections 2, 3, 8.4, 9, 10, 12, 15, 16, 17, 18, 19, 20, 21, 22, 24, Exhibit B of this Agreement shall survive the termination or expiration of this Agreement.

13. ASSIGNMENT:

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

14. AMENDMENT; NO WAIVER:

This Agreement may be amended or modified only by written agreement of the Parties. Failure of either Party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

15. DISPUTES:

Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Any dispute that cannot be resolved between Implementer's contract representative and MCE's contract representative by good faith negotiation efforts

shall be referred to Legal Counsel of MCE and an officer of Implementer for resolution. Within 20 calendar days after delivery of such notice, such persons shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If MCE and Implementer cannot reach an agreement within a reasonable period of time (but in no event more than 30 calendar days), MCE and Implementer shall have the right to pursue all rights and remedies that may be available at law or in equity. In particular, Implementer shall have right to request arbitration or mediation to resolve the dispute and MCE shall be required to participate in arbitration or mediation in good faith. All negotiations and any mediation agreed to by the Parties are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.

16. JURISDICTION AND VENUE:

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

17. INDEMNIFICATION:

To the fullest extent permitted by Applicable Law, Implementer shall indemnify, defend, and hold MCE, its employees, officers, and agents ("MCE Parties"), harmless from any and all actions, claims, liabilities, losses, costs, damages and expenses (including, but not limited to, litigation costs, attorney's fees and costs, physical damage to or loss of tangible property, and injury or death of any person) arising out of, resulting from, or caused by: a) the negligence, recklessness, intentional misconduct, fraud of all Implementer Parties; b) the failure of an Implementer Party to comply with the provisions of this Agreement or Applicable Law; or c) any defect in design, workmanship, or materials carried out or employed by any Implementer Party.

18. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

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

19. INVOICES; NOTICES:

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted by email to:

Email Address: invoices@mcecleanenergy.org

All other notices shall be given to MCE at the following location:

Contract Manager: Troy Nordquist

MCE Address: 1125 Tamalpais Avenue

San Rafael, CA 94901

Email Address: contracts@mcecleanenergy.org

Telephone No.: (415) 464-6027

Notices shall be given to Implementer at the following address:

Implementer: CLEAResult Consulting Inc.

Attn: Legal Department

Address: 100 SW Main Street, Suite 1500

Portland, OR 97204

Email Address:

Telephone No.: 503-248-4636

20. ACKNOWLEDGEMENT OF EXHIBITS:

In the event of a conflict between the Terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement will govern.

	☒ <u>Check applicable Exhibits</u>	<u>IMPLEMENTER'S INITIALS</u>
<u>EXHIBIT A.</u>	☒ Form of Statement or Work	^{DS} AW
<u>EXHIBIT B.</u>	☒ Fees and Payment	^{DS} AW
<u>EXHIBIT C.</u>	☒ Energy Efficiency Program Terms	^{DS} AW
<u>Schedule A.1</u>	☒ Statement of Work for MCE's Industrial, Agricultural and Commercial Sectors	^{DS} AW
<u>Schedule A.2</u>	☒ Statement of Work for MCE Multifamily Residential Sector	^{DS} AW
<u>Appendix A.</u>	☒ Implementation Plan Template	^{DS} AW
<u>Appendix B.</u>	☒ California Industrial SEM M&V Guide	^{DS} AW

21. SEVERABILITY:

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provision, will continue in full force and effect and will in no way be impaired or invalidated.

22. INDEPENDENT CONTRACTOR:

Implementer is an independent contractor to MCE hereunder. Nothing in this Agreement shall establish any relationship of partnership, joint venture, employment or franchise between MCE and any Implementer Party. Neither MCE nor any Implementer Party will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided for herein.

23. TIME:

Time is of the essence in this Agreement and each and all of its provisions.

24. THIRD PARTY BENEFICIARIES:

The Parties agree that there are no third-party beneficiaries to this Agreement either express or implied.

25. FURTHER ACTIONS:

The Parties agree to take all such further actions and to execute such additional documents as may be reasonably necessary to effectuate the purposes of this Agreement.

26. PREPARATION OF AGREEMENT:

This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and this Agreement shall not be construed against either Party as a result of the manner in which this Agreement was prepared, negotiated or executed.

27. COMPLETE AGREEMENT:

This Agreement along with any attached Exhibits and Statements of work constitutes the entire Agreement between the parties. No modification or amendment shall be valid unless made in writing and signed by each party. Failure of either party to enforce any provision

or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.

28. COUNTERPARTS:

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

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

APPROVED BY

Marin Clean Energy:

DocuSigned by:
 By: Dawn Weisz
 A59870416EBC4F8...
 Name: Dawn Weisz
 Title: CEO
 Date: 9/20/2021

DocuSigned by:
 By: DEVIN TRE MURPHY
 7FFB0B0B30A4FB...
 Chairperson
 Date: 9/17/2021

Implementer:

DocuSigned by:
 By: Andrea White
 8E542A5E4B6F4EA...
 Name: Andrea white
 Title: Vice President, West & Lakes
 Date: 9/21/2021

MODIFICATIONS TO ENERGY EFFICIENCY STANDARD SHORT FORM

☒ Standard Short Form Content Has Been Modified

List sections affected: Sections 2, 5.6(b), 5.7 (a) and (c), 6, 7, 9, 10.5 10.6(b), (c), and (d), 12, 15, 27

Approved by MCE Counsel:

DocuSigned by:
Catalina Murphy
 0CC3FD724F79482...

Date: 9/22/2021

**Exhibit A
Form of Statement of Work**

**Schedule A. __
Statement of Work for [Describe Work]**

This Schedule A. __ is entered into on **[Date]** pursuant to the Master Services Agreement between MARIN CLEAN ENERGY, hereinafter referred to as "MCE", and CLEARRESULT CONSULTING INC., hereinafter referred to as "Implementer", dated **September 3, 2021** ("MSA").

The First Agreement between MCE and Implementer dated March 21, 2019 is terminated as of September 3, 2021.

Implementer shall provide the following Services under the Agreement as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

[List scope of services]

Attached as **Attachment __** is the technical scope of work for this request.

Billing:

Implementer shall bill monthly and according to the rate schedule listed in Exhibit B of the Master Services Agreement dated **DATE**. In no event shall the total cost to MCE for the services provided under this Statement of Work exceed the maximum sum of **\$0,000** for the term of the Agreement.

Term of Statement of Work:

This Statement of Work shall commence on **September 3, 2021** and shall terminate on **December 31, 2021**.

IN WITNESS WHEREOF, the parties have executed this Statement of Work – Schedule A.1 on the date first above written.

APPROVED BY

Marin Clean Energy:

Implementer:

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

By: _____

Chairperson

Date: _____

EXHIBIT B
FEES AND PAYMENT

For services provided under this Agreement, MCE shall pay Implementer in accordance with the rate schedule as specified below and in accordance with the payment structure listed in a Statement of Work:

- Performance Rates and Customer Incentives are determined by the payment structure listed in a Statement of Work
- Marketing support services will be charged at the personnel hourly rates listed below:

Title:	Rate:
Marketing Account Manager	\$137
Creative Director	\$202
Graphic Designer	\$98
Copywriter	\$112
Web Developer	\$159
Senior Program Manager	\$181
Account Manager	\$109

EXHIBIT C

Energy Efficiency Program Terms

The terms below are additional terms and conditions for programs under this Agreement.

1. **BILLING, ENERGY USE, AND PROGRAM TRACKING DATA** (REQUIRED IF CHECKED ☒).

- a) Contractor shall comply with and timely cooperate with all CPUC directives, activities, and requests regarding the Program and Project evaluation, measurement, and verification ("EM&V"). For the avoidance of doubt, it is the responsibility of Contractor to be aware of all CPUC requirements applicable to the Services of this Agreement.
- b) Contractor shall make available to MCE upon demand, detailed descriptions of the program, data tracking systems, baseline conditions, and participant data, including financial assistance amounts.
- c) Contractor shall make available to MCE any revisions to Contractor's program theory and logic model ("PTLM") and results from its quality assurance procedures, and comply with all MCE EM&V requirements, including reporting of progress and evaluation metrics.

2. **WORKFORCE STANDARDS** (REQUIRED IF CHECKED ☒.

At all times during the Term of the Agreement, Contractor shall comply with, and shall cause all Contractor Parties to comply with, the workforce qualifications, certifications, standards and requirements set forth in this Exhibit D, Section 2 ("Workforce Standards"). The Workforce Standards shall be included in their entirety in MCE's Final Implementation Plan. If applicable, "Final Implementation Plan" is defined in the deliverables for the Services listed in Exhibit A. Prior to commencement of any Services, once per calendar year, and at any other time as may be requested by MCE, Contractor shall provide all documentation necessary to demonstrate to MCE's reasonable satisfaction that Contractor has complied with the Workforce Standards.

2.1. **HVAC STANDARDS** (REQUIRED IF CHECKED ☒). For any non-residential project pursuant to this Agreement installing, modifying or maintaining a Heating Ventilation and Air Conditioning ("HVAC") system or component with incentives valued at \$3,000 or more, Contractor shall ensure that each worker or technician involved in the project, including all employees and agents of its Subcontractors, meets at least one of the following workforce criteria:

- a) Completed an accredited HVAC apprenticeship;
- b) Is enrolled in an accredited HVAC apprenticeship;
- c) Completed at least five years of work experience at the journey level as defined by the California Department of Industrial Relations, Title 8, Section 205, of the California Code of Regulations, passed a practical and written HVAC system installation competency test, and received credentialed training specific to the installation of the technology being installed; or
- d) Has a C-20 HVAC contractor license issued by the California Contractor's State Licensing Board.

This standard shall not apply where the incentive is paid to any manufacturer, distributor, or retailer of HVAC equipment, unless the manufacturer, distributor, or retailer installs or contracts for the installation of the equipment.

2.2. **ADVANCED LIGHTING CONTROLS STANDARDS** (REQUIRED IF CHECKED ☒). For any non-residential project pursuant to this Agreement involving installation, modification, or maintenance of lighting controls with incentives valued at \$2,000 or more, Contractor shall ensure that all workers or technicians involved in the project, including those of its Subcontractors are certified by the California Advanced Lighting Controls Training Program ("CALTP"). This requirement shall not apply where the incentive is paid to a manufacturer, distributor, or retailer of lighting controls unless the manufacturer, distributor, or retailer installs or contracts for installation of the equipment.

3. **COORDINATION WITH OTHER PROGRAM ADMINISTRATORS** (REQUIRED IF CHECKED ☒.

Contractor shall coordinate with other Program Administrators, including investor-owned utilities and local government agencies authorized by the CPUC to implement CPUC-directed energy efficient programs, administering energy efficiency programs in the same geographic area as MCE. These other Program Administrators include: Pacific Gas and Electric Company and Bay Area Regional Energy Network. The CPUC may develop further rules related to coordination between Program Administrators in the same geographic area, and any Contractor is required to comply with such rules.

4. **MEASUREMENT AND VERIFICATION REQUIREMENTS, INCLUDING GUIDELINES ABOUT NORMALIZED METERED ENERGY CONSUMPTION ("NMEC") DESIGN REQUIREMENTS** (REQUIRED IF CHECKED ☒.

Contractor shall:

1. Only enroll customers that qualify for Program services.

2. Comply with current policies, procedures, and other required documentation as required by MCE;
3. Report Customer Participation Information to MCE.
4. Work with MCE's evaluation team to define Program-specific data collection and evaluability requirements, and in the case of NMEC which independent variables shall be normalized.

Throughout the Term, MCE may identify new net lifecycle energy savings estimates, net-to- gross ratios, effective useful lives, or other values that may alter Program Net Lifecycle Energy Savings, as defined in Exhibit A, if applicable. Contractor shall use modified values upon MCE's request, provided MCE modifies Contractor's Program budget and/or overall Program net lifecycle Energy Savings consistent with the requested change. MCE shall determine any budget increases or decreases in its sole discretion.

For Programs claiming to-code savings: Contractor shall comply with Applicable Law and work with MCE to address elements in its Program designs and Implementation Plans, such as:

1. Identifying where to-code savings potential resides;
2. Specifying which equipment types, building types, geographic allocations, and/or customer segments promise cost-effective to-code savings;
3. Describing the barriers that prevent code-compliant equipment replacements;
4. Explaining why natural turnover is not occurring within certain markets or for certain technologies; and
5. Detailing the program interventions that would effectively accelerate equipment turnover.

STATEMENT OF WORK

Schedule A.1

Statement of Work for MCE Agricultural, Industrial and Commercial Sectors

This Schedule A.1 ("Agreement") is entered into on **September 3, 2021** pursuant to the Master Services Agreement between MARIN CLEAN ENERGY, hereinafter referred to as "MCE", and CLEARRESULT CONSULTING INC., hereinafter referred to as "Implementer", dated **September 3, 2021** ("MSA").

The First Agreement between MCE and Implementer dated March 21, 2019 is terminated as of September 3, 2021.

Implementer will provide the following Energy Efficiency Program services for MCE's Agricultural and Industrial sectors as directed by MCE staff, up to the maximum time and fees allowed under this Agreement. As requested and directed by MCE staff, Implementer will also serve MCE Commercial customers, in which projects will be approved individually by MCE staff.

I. Overview:

Implementer will offer comprehensive solutions for delivering electric and gas energy efficiency savings, serving the Agricultural and Industrial customer base in MCE's service territory. Implementer may also serve MCE customers in the Commercial sector, with a limited scope of services described under Section IV below and at the direction of MCE staff.

Implementer will develop and implement the Agricultural and Industrial Energy Efficiency programs ("the Programs") consistent with the outlines developed in program-specific Implementation Plans (see III below, Appendix A).

II. Goals and Targets:

Savings goals and Implementer's operating budget (performance payments and customer incentive budgets) for each year or years will be finalized through the Bi-Annual Budget Advice Letter, or other Advice Letter requesting ratepayer funding. Implementer will adhere to the program budgets outlined by MCE following the approval of an Advice Letter for each funding cycle.

Implementer may also serve commercial customers within MCE's service area as directed by MCE. See Section IV below for details on this service.

III. Agricultural and Industrial Program Services:

Implementer will provide comprehensive Program design, project development and Program implementation services, including but not limited to:

a. Program Design and Measure Development

Implementer will work with MCE on an ongoing basis to improve Program designs. This will include, but is not limited to: identifying and vetting energy efficiency measures; setting incentive and/or rebate levels based on budgets approved by MCE; selecting savings calculation methods; and determining intervention strategies.

Implementer may utilize deemed, custom, Strategic Energy Management ("SEM"), and Normalized Metered Energy Consumption ("NMEC") savings analyses and claims. Implementer will select the savings methodology which maximizes accuracy of the savings claim and customer benefit. Implementer will adhere to the most up-to-date guidance from the California Public Utilities Commission ("CPUC") in developing the Programs and specific projects.

With support from MCE staff, Implementer will make updates (if applicable) to the Implementation Plans per CPUC requirements for the Programs. Implementer will complete initial drafts of the document, as well as inputs for the Total Resource Cost and Program Administrator Cost calculations to inform cost-effectiveness forecasts. The template for Implementation Plans is attached to the MSA as Appendix A.

Implementer will provide cost-effectiveness forecasts as needed in support of MCE's requests for ratepayer funding.

b. Implementation Documentation Activities

Implementer will implement the Programs to eligible customers within MCE service territory.

Implementer will lead the development and maintenance of a Program Policies Manual – a required component of the Implementation Plans – to be used by Implementer and MCE to provide guidance around common processes and procedures encountered during the course of Program implementation, including:

- Eligible Measures
- Customer Eligibility Requirements
- Contractor Eligibility Requirements
- Program services such as training, specification, installation oversight, measurement and verification (“M&V”)
- Audit procedures

Implementer will maintain and utilize a document or matrix which summarizes additional customer opportunities beyond the core MCE Program. The opportunities listed in the document shall include information summarizing eligibility standards for customer financing, renewable energy, and water efficiency programs or opportunities that may be presented to customers together with MCE’s energy efficiency project proposals.

c. Customer Recruitment and Enrollment

Implementer will use data provided by MCE along with best practice parameters to target, recruit, and enroll customers in the Programs. Recruitment may include, but is not limited to: coordination with MCE and PG&E representatives; customer marketing and outreach; vendor engagement; and industry trade association event attendance and coordination.

d. Project Development and Project Engineering

Implementer will perform project engineering for each applicable customer project (“Project”) which may include, but is not limited to: engineering assessments; energy savings and Project financial assessments; Project data analysis and calculations; Project evaluation; Project site surveys and assessments; and M&V. Implementer will provide customers with estimated savings summaries and/or reports for each Project, to address customer-specific needs such as payback estimates, annual energy savings estimates, operational improvements, and financing resources.

e. Project Application Review, Validation, and Submittal

Implementer will maintain customer application documents and calculators for use throughout the Programs. Implementer will compile, review, and validate customer Project applications prior to submitting to MCE for payment. Any Project submitted for incentive payment must also be submitted as part of the monthly and quarterly energy savings claim (see below).

A subset of all deemed Projects and measures must be selected for post-installation review. Custom Projects will be audited both pre-installation and post-installation to verify accuracy of savings claims. SEM and NMEC Projects will adhere to CPUC guidance on the validation of savings claims.

i. Savings Claims Reporting and Invoicing

Implementer will submit net and gross monthly energy savings and year-to-date energy savings claims data on a monthly basis for each Project, following the submittal of an application for incentive payment. Monthly reporting documentation will include:

- Monthly invoice;
- Monthly reporting, including net energy savings (kWh, kW reduction, therms) and year-to-date net energy savings;
- Monthly spend-to-date on Implementer expenditures;
- Monthly spend-to-date on dollar per unit (kwh and therm) in customer incentives;
- Project paperwork as required by MCE program managers.

f. M&V Plan and M&V

Implementer will provide an updated M&V Plan to serve as the basis for verification of savings claims. Implementer shall conduct all M&V activities in compliance with all CPUC orders and guidance.

Implementer will ensure that NMEC projects follow the most recent CPUC Rulebook on NMEC savings claims and embedded M&V for site-specific analyses and any additional guidance provided by MCE at the time of project initiation. For the avoidance of doubt, Implementer may rely on guidance from MCE provided at the time of project initiation, however NMEC projects must always follow the most recent CPUC Rulebook regardless of calculations/methodologies in place at the time of project initiation.

Implementer will ensure that SEM projects follow the most up-to-date guidance from the CPUC on M&V, incorporating principles of the California Industrial SEM M&V Guide (included as Appendix B), The American Society of Heating, Refrigerating and Air-Conditioning Engineers Guideline 14:2014, and International Performance Measurement and Verification Protocol (“IPMVP”). The M&V Plan will include the following:

- Energy Data Collection Plan
- Energy Data Report
- Energy Savings Calculation Report

g. Program Enhancement Planning and Policy Coordination Activities

At the request of MCE, Implementer will participate in Program planning activities and energy efficiency policy coordination to improve Program design.

IV. Commercial Program Services

Implementer will serve commercial customers with energy efficiency Program services, pending approval and/or referral of Projects from MCE staff. Eligible commercial customer types will include any non-residential customer with average load of greater than 20 kW. Implementer will not engage in commercial program marketing without MCE staff approval, and must seek MCE approval for project incentive reservations, in advance of presenting project proposals to customers.

All projects submitted to MCE's Commercial Energy Efficiency Program must utilize pre-approved Project paperwork, measures/interventions, and savings claims requirements. Project savings will be reported in accordance with MCE's requirements.

V. Industrial and Agricultural Marketing Support Services

Implementer may, with prior written approval from MCE, perform targeted marketing and outreach to industrial and agricultural customers to increase awareness and participation in the Program. For each initiative, Implementer will submit a written plan, budget, and timeline to MCE for approval. All approved services will be billed on a time and materials basis with the rate card and budget listed in Exhibit B of the MSA.

These services include, but are not limited to:

- Digital advertising
- Case studies
- Collateral

VI. Deliverables

- a. **Updated Implementation Plans** – to be completed on an as-needed basis at MCE's direction
 - i. See Appendix A for required components
- b. **Updated Application and enrollment forms, rebate/incentive forms, calculator tools, audit documentation** – as needed or directed by MCE
- c. **Updated M&V Plan** – as needed or directed by MCE
- d. **Cost Effectiveness Tests** – Annually in July, or as requested by MCE based on compliance requirements, in support of budget requests or Program design revisions

Billing:

Implementer shall invoice MCE according to the project type listed below and pursuant to the payment schedule listed in Table 1. For clarity, Marketing Services are to be billed at the hourly personnel rate listed in Exhibit B of the MSA and shall not exceed \$40,000. In no event shall the total cost to MCE for the services provided under this Statement of Work exceed the maximum sum of **\$6,898,444** for the term of the Agreement.

Table 1: Payment Schedule

	2021-2024 Program Years		Total NTE
	\$/net kWh	\$/net therm	
Industrial	\$0.30	\$1.76	N/A
Agricultural	\$0.30	\$1.76	N/A
Commercial	\$0.27	\$1.76	N/A
NTE Industrial	\$ 2,259,986.41	\$ 968,565.60	\$ 3,228,552.01
NTE Agricultural	\$ 1,296,005.76	\$ 228,706.90	\$ 1,524,712.66

NTE Commercial	\$ 1,684,143.10	\$ 421,035.77	\$ 2,105,178.87
Total			\$ 6,858,443.54

The payment schedule in Table 1 defines Implementer's rates and maximum available contract value for this Statement of Work, which includes performance rates. The Program budget is determined by MCE on an annual basis through MCE's Annual, Bi-Annual or Supplemental Advice Letters which requests ratepayer funding for the Industrial, Agricultural and Commercial Programs. The funding available to Implementer is contingent upon CPUC approval of the aforementioned Advice Letters, and subject to change, pending regulatory approval to continue administering these programs. MCE will inform Implementer at the beginning of each Program year the expected funding available for performance rates and customer incentives, which may be updated from time to time as needed by MCE.

For purposes of this Agreement, "net" is defined as claimable energy savings as determined and approved by the CPUC. Implementer shall adhere to the most up to date guidance from the CPUC for all calculations of net energy savings.

Projects are paid based on claimed (deemed or custom) or metered (NMEC or SEM) energy savings reported to the CPUC.

- I. **Claimed Energy Savings Projects**. Implementer payments for Projects based on deemed or custom claimed energy savings will be made after Project completion and submission of Project energy savings documentation and claims data to MCE. Claimable energy savings will be based on the CPUC-approved policy at the time the Project is pre-approved by MCE and valid for a period of one year. Projects not completed after one year of MCE pre-approval, may require additional MCE review. Implementer shall invoice monthly for these completed Projects.
- II. **Metered Energy Savings Projects**. Implementer payments for Projects based on measured consumption data Projects (NMEC and SEM) will follow the IPMVP and CPUC guidance for NMEC and SEM analyses and measurement and according to the following schedule:
 - a. **Payments for SEM Projects not using site-level NMEC:** Implementer payments will be made based on forecasted annual energy savings and shall be paid to Implementer in quarterly installments, beginning after the initial intervention or enrollment for a Project, and subject to the True-Up Protocol listed in Section II, c. below. Forecasting methodology shall be consistent with protocols approved by the CPUC. Implementer shall invoice quarterly for these Projects.
 - b. **Payments for NMEC Projects (Including whole facility SEM projects using site-level NMEC):** Implementer payments will be made based on NMEC savings and shall be paid to Implementer in quarterly installments, beginning after the initial intervention or enrollment for a Project, and subject to the True-Up Protocol listed in Section II, c. below. Implementer shall provide documentation of energy savings for the prior quarter which will be reviewed and approved by MCE before issuing a payment installment. Implementer shall invoice quarterly for these Projects.
 - c. **True-Up Protocol after 12 Months (applicable to both NMEC and SEM Projects).** After 12 months following project enrollment, Implementer will submit the final first year annual energy savings based on documentation and true-up positive or negative variance from the quarterly claims. In the event that MCE has paid less than the amount to which Implementer was entitled based on annual energy savings documentation (as reviewed and approved by MCE), MCE shall pay any such net difference to Implementer. In the event that MCE has paid more than the amount to which Implementer was entitled, as reviewed and approved by MCE, Implementer shall refund any such amount to MCE. This process will repeat for a second year to cover variance from the first year's annual energy savings, concluding 24 months after the initial intervention.
 - d. **Year 2 of a Project:** MCE will pay Implementer based on the incremental savings earned above the verified savings claimed in the first year of a Project, and according to the applicable payment schedule for claimed or metered energy savings projects listed above, and subject to the True-Up Protocol listed in Section II, c. above.
 - e. **Existing Participants Year 3 and 4 Program Extension:** Implementer will continue to offer program participation for existing participants into Cycle 2 (Year 3 & 4). Participants wishing to continue participation will be required to re-sign participation agreements for Cycle 2.
- III. Marketing support services will be charged at the personnel hourly rates listed in Exhibit B of the MSA with a **maximum sum of \$40,000**.

Term of Statement of Work:

This Statement of Work shall commence on **September 3, 2021** and shall terminate on **December 31, 2024**.

IN WITNESS WHEREOF, the parties have executed this Statement of Work – Schedule A.1 on the date first above written.

APPROVED BY

Marin Clean Energy:

DocuSigned by:
By: Dawn Weisz
A59878416EBC4F8...
Name: Dawn Weisz
Date: 9/20/2021

DocuSigned by:
By: DEVIN TRE MURPHY
7FFB8D80B38A4FB...
Chairperson
Date: 9/17/2021

CONTRACTOR:

DocuSigned by:
By: Andrea White
8E54ZA5E4B6F4EA...
Name: Andrea White
Date: 9/21/2021

STATEMENT OF WORK

Schedule A.2

Statement of Work for MCE Multifamily Residential Sector

This Schedule A.2 ("Agreement") is entered into on **September 3, 2021** pursuant to the Master Services Agreement between MARIN CLEAN ENERGY, hereinafter referred to as "MCE", and CLEARRESULT CONSULTING INC., hereinafter referred to as "Implementer", dated **September 3, 2021** ("MSA").

Implementer will provide the following Energy Efficiency program services for MCE's multifamily residential sector as directed by MCE staff, up to the maximum time and fees allowed under this Agreement. As requested and directed by MCE staff, Implementer will also serve MCE Commercial customers with housing facilities, in which projects will be approved individually by MCE staff.

Implementer will implement a multifamily Strategic Energy Management ("SEM") program serving multifamily (defined as residential buildings with 5 or more units and alternative housing facilities) customers ("the Program"). The Program will:

1. Offer multifamily organizations an innovative, low- no-cost approach to saving energy in common areas and in unit.
2. Build lasting relationships with multifamily property managers.
3. Educate and promote action around energy use in multifamily residences.
4. Achieve persistent behavioral, retro-commissioning, and operational ("BRO") energy savings.
5. Identify and refer capital projects to other MCE programs.

Program Design

Implementer's SEM program design will use a cohort model. During the first-year, multifamily property managers will be brought together to participate in the Program. The cohort will create a community of energy efficiency, encourage peer-to-peer learning, and provide intrinsic motivation to make changes that will save energy and money.

The Program will include five main elements:

1. Collaborative group workshops
2. One-on-one events
3. Energy management coaching
4. Measurement of energy savings
5. Residential tenant engagement

TASK 1: PROGRAM START-UP AND ADMINISTRATION

Implementer will offer the Program to eligible multifamily customers within MCE service territory.

Implementer will lead the development and maintenance of a Program Implementation Plan ("IP") and a Program Manual to provide guidance around common processes and procedures encountered during the course of Program implementation, including defining and describing:

- Eligible measures
- Customer eligibility requirements
- Program services such as training, specification, installation oversight, measurement and verification (M&V)
- Audit procedures

Deliverables:

1. Draft IP due within 40 days of contract execution; Final IP ready for MCE submission within 60 days of contract execution. The template for the IP is attached to the MSA as Appendix A.
2. Updated application and enrollment forms, rebate/incentive forms, calculator tools, audit documentation within 60 days of contract execution. Recruitment is not dependent on finalizing these documents.

TASK 2: RECRUITING

MCE will provide Implementer with customer information and utility usage data. Implementer will use provided data to develop a target customer list and leverage existing MCE relationships as well as Implementer's outreach team to recruit SEM participants. Implementer will target existing multifamily customers to recruit for each cohort to meet the energy savings targets.

TASK 3: COHORT DELIVERY

Implementer will deliver cohort-based SEM program which will include:

- **Collaborative group workshops:** Implementer will facilitate discussions, activities, and workshops to introduce and teach energy management core concepts in a lively and engaging manner.
- **One-on-one events:** Includes an energy scan to identify energy efficiency opportunities and engage Program participants' employees in energy efficiency, energy modeling and data collection discussions, and an Energy Management Assessment ("EMA"). The EMA is interactive one-on-one activity with the participant designed to evaluate participant's energy efficiency organizational culture engagement level to gain mutually-decided upon action items that target to improve participant's participation, organization-wide engagement, and promote energy efficiency culture.
- **Energy management coaching:** Implementer will work closely with each participant on a one-on-one basis to help them apply the principles and concepts of continuous improvement applied to energy management within their facility. Implementer will communicate with the energy champion and the executive sponsor on a regular basis to track and assess progress. This will include conducting scheduled one-on-one events, ad-hoc remote meetings, and site visits.

In addition to common area energy savings, Implementer will provide residential tenant engagement activities which will achieve savings from the residents in the multifamily units through the following engagements:

- Seasonal Resident engagement workshops which provide training and education on energy efficiency, behavior changes, and available programs for reducing energy use.
- Virtual turndown and tune up assessments using a virtual tool to look at the equipment in unit and help tenants reduce their usage.
- Monthly communication and marketing materials kits provided to property managers to encourage energy reduction practices.

Illustrative Multifamily SEM Program Schedule

The Program events, activities and workshop schedule are structured on a yearly cycle, with savings determined and incentivized at the end of the year. The timing of these events may shift based on participant availability, holidays and other customer priorities to ensure the Program maximizes engagement.

Table 1: SEM Program Year-One Schedule

#	Workshop/Event/Milestone	Timing
1	Group Property Manager Workshop – Kick-off building a foundation	Month 1
2	One-on-One Activity - Energy Scan	Month 2 - 3
3	One-on-One Activity - Review and Prioritize Opportunities -- SEM Plan	Month 3 - 4
4	Group Property Manager Workshop - Engaging Your Tenants in Saving Energy	Month 5
5	One-on-One Activity - Measuring Energy and Modeling Energy Performance	Month 5
6	Group Maintenance Workshop - Learning about energy efficiency - Season 1	Month 6 -7
7	Group Residential Workshop - Learning about energy efficiency - Season 1	Month 6 -7
8	One-on-One Event - Energy Management Assessment	Month 9
9	Group Maintenance Workshop - Learning about energy efficiency - Season 2	Month 9 - 10
10	Group Residential Workshop - Learning about energy efficiency - Season 2	Month 9 - 10
11	Group Property Manager Workshop - Sustaining Energy Reductions / Report Out	Month 12
12	Savings Report - Year 1 energy Reduction Reporting	Month 14

TASK 4: ENERGY SAVINGS CALCULATIONS AND REPORTING

Energy Savings Calculations

Implementer will measure energy savings in the Program by creating, maintaining, and reporting energy models. Implementer will perform energy modeling to establish a statistical model for the facility that correlates energy consumption to the key energy drivers (occupancy, weather, etc.). Implementer will adhere to the most up-to-date guidance from the California Public Utilities Commission ("CPUC") in developing the Program and specific projects.

SEM Report

After the measurement period concludes, Implementer will prepare a final report for each participant that will be provided to MCE. This report will include:

- An overview of the participant's involvement in the SEM process.
- Documentation of activities completed, summary of the statistical basis and rational for the baseline models and savings calculations.
- The energy models and data.
- Any available documentation that demonstrates participant success and engagement, such as team meeting notes, energy policy, etc.

Savings Claims Reporting and Invoicing

Implementer will maintain customer application documents and calculators for use throughout the Program. Implementer will compile, review, and validate customer project applications prior to submitting to MCE for payment. Any project submitted for incentive payment must also be submitted as part of the monthly and quarterly energy savings claim (see below). SEM projects will adhere to CPUC guidance on the validation of savings claims.

Implementer will submit net and gross monthly energy savings and year-to-date energy savings claims data on an annual basis for each project, following the submittal of an application for incentive payment. Monthly reporting documentation will include:

- Monthly invoice;
- Monthly reporting, including net energy savings (kWh, kW reduction, therms) and year-to-date net energy savings;
- Monthly spend-to-date on Implementer expenditures;
- Monthly spend-to-date on dollar per unit (kwh and therm) in customer incentives;
- Project paperwork as required by MCE Program managers.

Billing:

Implementer shall bill according to the project type listed below and pursuant to the payment schedule listed in Table 3. In no event shall the total cost to MCE for the services provided under this Statement of Work exceed the maximum sum of **\$1,339,656** for the term of the Agreement.

ENERGY SAVINGS TARGETS

Implementer will target energy efficiency gas and electric savings and provide MCE with annual forecasts documenting annual targets.

Table 2: Energy Savings Targets

Program Goals	2022-2024 Contract	
	net kWh	net therms
Multifamily SEM Program	3,934,000	90,600

FEES AND PAYMENT SCHEDULE

For services provided under this Agreement, MCE shall pay Implementer in accordance with the following payment schedule:

Table 3: Payment Schedule

Performance Rates	2022 - 2024 Program Years		2022-2024 NTE Contract Value
	\$/net kWh	\$/net therm	
Multifamily	\$.30/kWh	\$1.76/Therm	\$1,339,656
Performance rates will be invoiced and paid quarterly. Customer rebates and incentives will be proposed by Implementer in the Implementation Plan, not to exceed average rates for measures (Electric incentive budget/net kWh goal, or Gas incentive budget/net therms goal) as directed by MCE per its available incentive budget.			

For purposes of this Agreement, "net" is defined as claimable energy savings as determined and approved by the CPUC. Implementer shall adhere to the most up-to-date guidance from the CPUC for all calculations of net energy savings.

"Gross Savings" is defined by counting the energy savings from installed energy efficiency measures irrespective of whether or not those savings are from free riders, i.e., those customers who would have installed the measure(s) even without the financial incentives

offered under the program. Gross savings are adjusted by a net-to-gross ratio to produce net savings, that is, to remove the savings associated with free riders.

Projects are paid based on metered (SEM) energy savings reported to the CPUC.

- I. **Metered Energy Savings Projects.** Implementer payments for Projects are based on measured consumption data. Projects will follow the CPUC guidance for SEM analyses and measurement and according to the following schedule:
 - a. **Payments for SEM Projects not using site-level NMEC:** Implementer payments will be made based on forecasted annual energy savings and shall be paid to Implementer in quarterly installments, beginning after the initial intervention or enrollment for a Project, and subject to the True-Up Protocol listed in Section II, c. below. Forecasting methodology shall be consistent with protocols approved by the CPUC. Implementer shall invoice quarterly for these projects.
 - b. **Payments for NMEC Projects (Including whole facility SEM projects using site-level NMEC):** Implementer payments will be made based on NMEC savings and shall be paid to Implementer in quarterly installments, beginning after the initial intervention or enrollment for a project, and subject to the True-Up Protocol listed in Section II, c. below. Implementer shall provide documentation of energy savings for the prior quarter which will be reviewed and approved by MCE before issuing a payment installment. Implementer shall invoice quarterly for these projects.
 - c. **True-Up Protocol after 12 Months.** After 12 months following project enrollment, Implementer will submit the final first year annual energy savings based on documentation and true-up positive or negative variance from the quarterly claims. In the event that MCE has paid less than the amount to which Implementer was entitled based on annual energy savings documentation (as reviewed and approved by MCE), MCE shall pay any such net difference to Implementer. In the event that MCE has paid more than the amount to which Implementer was entitled, as reviewed and approved by MCE, Implementer shall refund any such amount to MCE. This process will repeat for a second year to cover variance from the first-year annual energy savings, concluding 24 months after the initial intervention.

Term of Statement of Work:

This Statement of Work shall commence on **September 3, 2021** and shall terminate on **December 31, 2024**.

IN WITNESS WHEREOF, the parties have executed this Statement of Work – Schedule A.2 on the date first above written.

APPROVED BY

Marin Clean Energy:

DocuSigned by:
By: Dawn Weisz
A59878416EBC4F8...
Name: Dawn Weisz
Date: 9/20/2021

DocuSigned by:
By: DEVIN TRE MURPHY
7FFB8D80B38A4FB...
Chairperson
Date: 9/17/2021

CONTRACTOR:

DocuSigned by:
By: Andrea White
8E542A5E4B6F4EA...
Name: Andrea White
Date: 9/21/2021

Appendix A - Implementation Plan Template

ALJ/TOD/sbf/dc3

Date of Issuance 10/28/2015

Decision 15-10-028 October 22, 2015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning
Energy Efficiency Rolling Portfolios,
Policies, Programs, Evaluation, and
Related Issues.

Rulemaking 13-11-005
(Filed November 14, 2013)

**DECISION RE ENERGY EFFICIENCY GOALS FOR 2016 AND BEYOND AND
ENERGY EFFICIENCY ROLLING PORTFOLIO MECHANICS**

R.13-11-005 ALJ/TOD/sbf/ dc3

ATTACHMENT: Implementation Plan Guidance

The following information will be uploaded to EEStats, to create a separate webpage for each program and sub-program through an online database platform.

Program Budget and Savings Information

EE Stats implementation plan platform will generate summary views of the following information, based on application tables that the PAs upload to EE Stats .The information will be organized at the measure and sub-program level to enable multiple cross tabulations and outputs for stakeholders review and consideration. Programs with subprograms will be displayed at subprogram level, and will roll up to a program summary page..

1. Program and/or Sub-Program Name
2. Sub-Program ID number
3. Sub-program Budget Table
4. Sub-program Gross Impacts Table
5. Sub-Program Cost Effectiveness (TRC)
6. Sub-Program Cost Effectiveness (PAC)
7. Type of Sub-Program Implementer (Core, third party or Partnership)
8. Market Sector (including multi-family, low income, etc)
9. Sub-program Type (Non-resource, resource acquisition, market transformation)
10. Intervention Strategies (Upstream, downstream, midstream, direct install, non-resource, finance, etc)

Implementation Plan Narrative

Provide the following narrative description for each program (and sub-program, if applicable):

1. **Program Description:** Describe the program, its rationale and objectives.
2. **Program Delivery and Customer Services:** Describe how the energy efficiency program will deliver savings (upstream, downstream, direct install, etc); how it will reach customers and the services that the program will provide. Describe all services and tools that are provided.
3. **Program Design and Best Practices:** Describe how the program meets the market barriers in the relevant market sector/end use. Describe why the program approach constitutes “best practices” or reflects “lessons learned”. Provide references where available.
4. **EM&V:** Describe any process evaluation or other evaluation efforts that the Program Administrator (PA) will undertake Identify the evaluation needs that the PA must build into the program. These might include:
 - a. data collection strategies embedded in the design of the program or intervention to ensure ease of reporting and near term feedback, and

R.13-11-005 ALJ/TOD/sbf/dc3

- b. internal performance analysis during deployment
 - c. performance metrics
- 5. **Pilots:** Please describe any pilot projects that are part of this program, and explain the innovative characteristics to these pilots. The inclusion of this description should not replace the Ideation Process requirements currently agreed by Commission staff and IOUs. This process is still undergoing refinements and will be further discussed as part of Phase III of this proceeding.¹
- 6. **Additional information:** Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers)

Supporting Documents

Attach the following documents in Word:

1. **Program Manuals and Program Rules (See below)**
2. **Program Logic Model:** Model should visually explain underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).
3. **Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.
4. **Incentive Tables, Workpapers, Software Tools:** (Can incentives be drawn out of the E3s?) Provide a summary table of measures and incentive levels, along with links to the associated workpapers. Templates are available at <http://eestats.cpuc.ca.gov/StandardTables/GuidanceDocument.aspx>.

¹ The Ideation Process is a set of reporting requirements developed collaboratively to ensure adequate reporting and review of pilots and other similar projects. This process will be further deliberated as part of Phase III. The current set of guidelines can be found here: http://www.cpuc.ca.gov/NR/rdonlyres/2D89F0DD-619B-4FC7-BD17-843E2993594D/0/IdeationProjectsProcess_OUT.pdf

R.13-11-005 ALJ/TOD/sbf/dc3

5. **Quantitative Program Targets:** Provide estimated quantitative information on number of projects, companies, non-incentive customer services and/or incentives that program aims to deliver and/or complete annually. Provide references where available.
6. **Diagram of Program:** Please provide a one page diagram of the program including sub-programs. This should visually illustrate the program/sub-program linkages to areas such as:
 - a. Statewide and individual IOU marketing and outreach
 - b. WE&T programs
 - c. Emerging Technologies and Codes and Standards
 - d. Coordinated approaches across IOUs
 - e. Integrated efforts across DSM programs

Program Manuals:

All programs must have manuals to clarify for implementers and customers the eligibility requirements and rules of the program. Note that program rules must comply with CPUC policies and rules. Table templates are available at

<http://eestats.cpuc.ca.gov/StandardTables/GuidanceDocument.aspx>. At minimum, manuals should include:

1. **Eligible Measures or measure eligibility:** Provide requirements for measure eligibility or a list of eligible measures.
2. **Customer Eligibility Requirements:** Provide requirements for program participation (e.g., annual energy use, peak kW demand)
3. **Contractor Eligibility Requirements:** List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).
4. **Participating Contractors, Manufacturers, Retailers, Distributors:** For upstream or midstream incentive and/or buy down programs indicate
5. **Additional Services:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above
6. **Audits:** Indicate whether pre and post audits are required, if there is funding or incentive levels set for audits, eligibility requirements for audit incentives
7. **Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials

R.13-11-005 ALJ/TOD/sbf/dc3

For Market Transformation Programs Only:

1. **Quantitative Baseline and Market Transformation Information:** Provide quantitative information describing the current energy efficiency program baseline information (and/or other relevant baseline information) for the market segment and major sub-segments as available.
2. **Market Transformation Strategy:** A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address.

(End of Appendix 4)

Appendix B - California Industrial SEM M&V Guide



California Industrial SEM M&V Guide

VERSION 2.02, SEPTEMBER 28, 2020

PREPARED BY: SERGIO DIAS CONSULTING

*PREPARED FOR: PACIFIC GAS AND ELECTRIC, SAN DIEGO GAS AND ELECTRIC,
SOUTHERN CALIFORNIA EDISON, AND SOUTHERN CALIFORNIA GAS COMPANY*

TABLE OF CONTENTS

1	<u>INTRODUCTION.....</u>	5
1.1	GOALS AND OBJECTIVES OF CONDUCTING THE M&V PROCESS.....	5
1.2	TERMINOLOGY	6
1.3	METHODS OF DETERMINING ENERGY SAVINGS	6
1.4	LEADING AND LEARNING THE M&V PROCESS.....	8
1.5	RELATIONSHIP TO OTHER M&V GUIDES	8
1.6	RELATIONSHIP TO THE NMEC RULEBOOK	9
2	<u>THE SEM M&V PROCESS.....</u>	10
2.1	SEM TIME PERIODS	10
2.2	TOOLS, REPORTS, AND REVIEWS.....	11
3	<u>CHARACTERIZING THE FACILITY</u>	13
3.1	INTRODUCTION	13
3.2	PROCESS	13
3.3	TYPES OF ENERGY CONSUMED.....	13
3.4	ENERGY USES.....	15
3.5	ENERGY METERS.....	15
3.6	DOCUMENTING M&V BOUNDARIES.....	16
4	<u>RELEVANT VARIABLES</u>	17
4.1	INTRODUCTION	17
4.2	PROCESS	17
4.3	IDENTIFYING POTENTIALLY RELEVANT VARIABLES	17
4.4	IDENTIFYING POTENTIALLY RELEVANT VARIABLE DATA SOURCES	19
4.5	SELECTION OF RELEVANT VARIABLES	20
5	<u>ENERGY DATA COLLECTION PLAN.....</u>	21
5.1	INTRODUCTION	21
5.2	PROCESS	21
5.3	DEVELOPING THE ENERGY DATA COLLECTION PLAN.....	21
5.4	THE OPPORTUNITY REGISTER	23
6	<u>COLLECTING DATA AND ASSESSING DATA QUALITY</u>	25
6.1	INTRODUCTION	25

6.2	PROCESS	25
6.3	COLLECTING DATA	25
6.4	REVIEWING FOR DATA OUTLIERS AND MISSING DATA POINTS.....	25
6.5	ADJUSTING DATA FOR TIME-SERIES OFFSETS.....	27
7	<u>ENERGY CONSUMPTION ADJUSTMENT MODELING</u>	<u>29</u>
7.1	INTRODUCTION	29
7.2	PROCESS	30
7.3	ASSESSING IF MODELING SHOULD BE ATTEMPTED.....	30
7.4	CONSIDERATIONS WHEN DEVELOPING ENERGY CONSUMPTION ADJUSTMENT MODELS	31
7.5	DEVELOPING ENERGY CONSUMPTION ADJUSTMENT MODELS.....	36
7.6	REVIEWING COMPETING ENERGY CONSUMPTION ADJUSTMENT MODELS.....	37
7.7	ONGOING CONFIRMATION OF MODEL VALIDITY	39
7.8	OPTIONS WHEN A VALID ENERGY CONSUMPTION ADJUSTMENT MODEL CANNOT BE CREATED	39
8	<u>THE OPPORTUNITY REGISTER AND EPIA ENERGY SAVINGS</u>	<u>42</u>
8.1	INTRODUCTION	42
8.2	PROCESS	42
9	<u>TRACKING ENERGY PERFORMANCE.....</u>	<u>43</u>
9.1	INTRODUCTION	43
9.2	PROCESS	43
10	<u>TECHNICAL REVIEW OF THE M&V PROCESS AND RESULTS</u>	<u>44</u>
10.1	INTRODUCTION	44
10.2	SCHEDULING THE TECHNICAL REVIEW	44
10.3	TECHNICAL REVIEW TOPICS.....	45
11	<u>CALCULATING ENERGY SAVINGS WITH ENERGY CONSUMPTION ADJUSTMENT MODELS....</u>	<u>47</u>
11.1	INTRODUCTION	47
11.2	PROCESS.....	47
11.3	ESTABLISHING REPORTING PERIODS.....	47
11.4	CALCULATING ENERGY SAVINGS DURING THE REPORTING PERIOD	48
11.5	ANNUALIZATION OF ENERGY SAVINGS	49
11.6	CALCULATING ANNUALIZED ENERGY SAVINGS FOR MULTIPLE REPORTING PERIODS USING THE SAME ENERGY CONSUMPTION ADJUSTMENT MODEL.....	51
11.7	CLASSIFYING ENERGY SAVINGS FOR REGULATORY REPORTING.....	51
11.8	ESTABLISHING CONFIDENCE IN ENERGY SAVINGS	53
12	<u>CALCULATING ENERGY SAVINGS WITH THE OPPORTUNITY REGISTER.....</u>	<u>55</u>

12.1	INTRODUCTION	55
12.2	PROCESS.....	55
13	<u>REGULATORY REPORTING OF THE M&V PROCESS AND ENERGY SAVINGS.....</u>	56
13.1	INTRODUCTION	56
13.2	CONSIDERATIONS FOR NON-IOU SUPPLIED ENERGY	56
13.3	NEGATIVE ENERGY SAVINGS	57
14	<u>M&V REPORT PREPARATION CHECKLIST.....</u>	58
14.1	INTRODUCTION	58
14.2	PROCESS.....	58
	<u>REFERENCES</u>	60
	<u>ACKNOWLEDGEMENTS</u>	60
	<u>ANNEX A - TERMINOLOGY</u>	61
	<u>ANNEX B - REFERENCE NOTATION.....</u>	66
	<u>ANNEX C - SPECIAL CASES IN ENERGY ACCOUNTING</u>	68
	ENERGY ACCOUNTING OF ENERGY EXPORT AND ENERGY PRODUCT	68
	ON-SITE EXTRACTION OR GENERATION OF ENERGY FROM NATURAL RESOURCES.....	69
	FEEDSTOCK AND RESULTING ENERGY TYPES	69
	<u>ANNEX D – MULTICOLLINEARITY AND AUTOCORRELATION</u>	71
	MULTICOLLINEARITY	71
	AUTOCORRELATION.....	71
	<u>ANNEX E – EXAMPLE OF ENERGY SAVINGS ANNUALIZATION AND DISAGGREGATION OF ENERGY SAVINGS TYPES.....</u>	73
	<u>ANNEX F – FRACTIONAL SAVINGS UNCERTAINTY SCENARIOS</u>	74
	<u>ANNEX G – REVISION HISTORY.....</u>	75

1 Introduction

Measurement and verification (M&V) is the process of planning, measuring, collecting data, analyzing, verifying, and reporting energy performance or energy performance improvement for a defined boundary.

The purpose of this California Industrial SEM M&V Guide (M&V Guide) is to define a set of principles, guidelines, and requirements that establish a systematic M&V process which can be used by industrial facilities as part of, or irrespective of, participation in a California investor owned utility (IOU) sponsored strategic energy management (SEM) program. The requirements of this M&V Guide shall be adhered to when an industrial facility is participating in an IOU sponsored SEM program engagement. Outside of an IOU sponsored SEM program engagement the industrial facility may wish to adapt this M&V Guide to suit their own energy information needs as determined by their energy business practices.

The industrial facility participating in the SEM program (customer), the SEM implementer (implementer), and IOU are the three primary stakeholders who will be engaged in conducting the measurement and verification (M&V) of energy savings as the metric used to demonstrate and report energy performance improvement.

The California Public Utilities Commission (CPUC) has specified in decision and other documentation that this M&V Guide provides the basis by which energy savings shall be determined as part of an IOU sponsored industrial SEM program engagement. The sponsoring IOU will direct the customer and implementer as to when energy savings shall be reported to the IOU for regulatory reporting. This M&V Guide should serve as the basis of evaluation of energy savings when customers are participating in an IOU sponsored SEM program engagement.

This M&V Guide is designed to work in coordination with the California Industrial SEM Design Guides (Design Guides). The Design Guides are framed around three, two-year SEM program cycles, each with its own distinct set of objectives. A common principle of the Design Guides is that over the three two-year SEM program cycles the customer will first learn about and then lead aspects of a well-structured systematic energy management system (EnMS) that is based upon the ISO 50001:2018 standard. As part of an IOU sponsored SEM program engagement, this M&V Guide should be used to evaluate the development of the energy data collection and energy performance improvement determination portion of a customer's EnMS.

The main text of this M&V Guide contains the requirements that must be followed when a customer is participating in an IOU sponsored engagement. If exceptions to this M&V Guide are sought, or clarification is needed, the IOU program administrator shall be contacted. The annexes of this M&V Guide contain additional guidance that may be of use.

1.1 Goals and Objectives of Conducting the M&V Process

The goals of conducting the M&V process are to:

1. Develop a deeper customer understanding of the relationship between energy uses, operations, and energy consumption.
2. Enable the customer to lead all or a majority of the M&V process.
3. Calculate energy savings as information for the customer and regulatory reporting.

The objectives of conducting the M&V process are to:

1. Teach the M&V process to the customer as part of their EnMS development.
2. Characterize the energy consumption, energy uses, and relevant variables of the facility.
3. Develop a plan to collect energy data.

4. If possible, develop and use energy consumption models for each type of energy consumed within the M&V boundaries.
5. Quantify energy savings for implemented energy performance improvement actions (EPIA) listed on the Opportunity Register.
6. Calculate energy savings realized during a Reporting Period and then annualize those energy savings so they can be reported to and accepted by the CPUC.

1.2 Terminology

The Design Guides base the development of an EnMS on the ISO 50001:2018 framework, so the terminology used in this M&V Guide is consistent with the international standard. In some cases, the terminology listed in Annex A - Terminology, of this M&V Guide provides commonly understood terms along with ISO 50001 references.

The concepts of energy performance and energy performance improvement are critical to the M&V process:

- Energy performance can be thought of as a snap shot in time of how much energy is being consumed or efficient the use of energy is.
- Energy performance improvement is related to a quantifiable change in the amount of energy consumed between two time periods during which EPIAs may be implemented.

An indefinite number of methods can be used to determine and report energy performance improvement. This M&V Guide uses estimated energy savings as an indicator of energy performance improvement. Customers may use the M&V process to develop other energy performance improvement indicators such as changes in energy intensity and energy efficiency in addition to estimations of energy savings.

1.3 Methods of Determining Energy Savings

This M&V Guide details two methods to determine energy savings. The methods are based upon:

1. One or more energy consumption adjustment models developed for each type of energy consumed within the M&V boundaries (commonly referred to as a top-down approach).
2. The aggregation of energy savings calculated for individual EPIAs that are listed on the Opportunity Register and implemented during the Reporting Period (commonly referred to as a bottom-up approach).

Both methods of determining energy savings are detailed in this M&V Guide. For each type of energy included in the M&V process this M&V Guide requires that a bottom-up approach be taken only when a top-down approach is not used.

Both methods provide value to the customer but the meaning and context of resulting energy savings values is different and needs to be contextualized appropriately. Reconciliation of energy savings values calculated from use of the two different methods should not be conducted as part of an IOU sponsored SEM program engagement.

As part of an IOU sponsored industrial SEM program engagement top-down derived energy savings is preferred for regulatory reporting. Energy savings from only one of the two methods shall be reported to the regulator.

1.3.1 Energy Consumption Adjustment Models

The primary tool to calculate energy savings and track energy performance is one or more energy consumption adjustment models developed for each type of energy consumed within the M&V boundaries. The development and use of energy consumption adjustment models serves two primary purposes:

- ***Informative tool for customers to take action with.*** Energy consumption adjustment models developed to normalize energy consumption for relevant variables are tools that provide customers with information about the relationship of energy consumption, energy use, and operations. It is important that the customer work closely with the implementer to understand how energy consumption adjustment models are developed, can be used to track energy performance, and calculate energy savings.
- ***Making energy savings values meaningful.*** Energy savings are calculated by comparing the energy consumption of one time period to the energy consumption of another. Because variables that affect energy consumption are ever changing, the operational and external conditions of these time periods do not inherently reflect one another. By adjusting, via a regression model, the energy consumption of one of the two time periods such that the operational and external conditions are comparable, calculated energy savings values depict an accurate representation of the affect implemented EPIA and other actions have on energy consumption.

Both purposes for developing energy consumption adjustment models need to be equally considered throughout the M&V process.

In some instances, energy consumption adjustment models for each type of energy cannot be created based upon the full M&V boundary (typically the facility boundary). In these cases, multiple energy consumption adjustment models can be made so long as the boundaries of each model do not overlap and fit within the larger M&V boundary. When multiple energy consumption adjustment models are developed they typically focus on key processes, systems, and equipment. The creation of multiple models is not a requirement of this M&V Guide but is an option for use. The development of multiple models incurs additional time, complexity, and cost, though the customer may find greater value using multiple models which individually better relate to facility operations than one overall facility-wide model might.

Ideally facility-wide energy savings will be determined with energy consumption adjustment models, though a smaller boundary for which energy consumption models can be successfully developed may be used. The determination of energy savings with an energy consumption adjustment model does not rely on the calculation of energy savings of individual EPIAs, the energy savings of individual energy efficiency projects may be used in a limited capacity to provide confidence in calculated Facility-wide Projected Energy Savings but is not a requirement of this M&V Guide.

1.3.2 Aggregation of Energy Savings from Individual EPIA

Regardless of whether energy consumption adjustment models are developed or not, energy savings values shall be calculated for select implemented EPIA as required by this M&V Guide. If for a given energy type energy consumption adjustment models are not created or used to calculate energy savings, a bottom-up approach of determining energy savings by aggregating energy savings from select individual EPIAs listed on the Opportunity Register shall be conducted. Use of aggregated energy savings from individual implemented EPIAs acknowledges that the energy savings value will most likely not capture the total energy savings resulting from behavioral, retro-commissioning, and operations (BRO) activities and other EPIAs with smaller energy savings potential.

The specificity and detail used to calculate energy savings for each EPIA should be proportional to the annualized energy savings estimated to result from implementation of the action. Energy savings for EPIA with estimated energy savings less than 1.0% of baseline energy consumption for that type of energy do not need to be calculated.

1.4 Leading and Learning the M&V Process

Over the span of the three, two-year SEM program cycles as defined by the Design Guides, it is expected that the customer first learn from the implementer, then begin, and finally independently lead most or all of the M&V processes outlined in this M&V Guide with limited assistance.

This M&V Guide includes suggestions as to what parts of the M&V process the customer may begin leading during the three different SEM program cycles. In order to lead all or portions of the M&V process the customer will need to understand the activities and expected outcomes. Leading the M&V process could be accomplished by the customer themselves conducting the activities described or by the customer specifying and directing others to complete the activities then checking to ensure outcomes meet expectations.

The customer should focus on learning to lead the M&V process activities that would be of value to them beyond the conclusion of the SEM program engagement. The portions of the M&V Guide that pertain to regulatory reporting and other IOU and CPUC policies and requirements will probably have limited value to the customer beyond the SEM program engagement.

The timing and structure to transition the leadership of the M&V process is not fixed or assumed to be the same for each customer and implementer. In general, it is suggested that:

- In SEM program Cycle 1: The implementer will lead the M&V process while the customer supports and begins to learn.
- In SEM program Cycle 2: The customer learns to lead with significant implementer support. By the end of the SEM program cycle the customer is ready to lead parts of the M&V process with limited support. The customer may need greater levels of support conducting some parts of the M&V process, such as developing energy consumption adjustment models and establishing Annualization Periods used to calculate annualized energy savings values.
- In SEM program Cycle 3: The customer eventually leads the M&V process with limited implementer support. If leading the M&V process alone, the customer should be able to contact the implementer as needed for assistance. The implementer should review customer led work on a regular basis to ensure the M&V process is being followed and energy savings determined in accordance with this M&V Guide.

When managing the M&V process on their own, or with limited implementer guidance, customers may be able to use the M&V process to track progress towards established energy targets and other objectives, and forecast energy demand and carbon emissions in addition to calculating energy savings. Beyond participation in an IOU sponsored SEM program engagement, the customer should review which requirements of this M&V Guide should be altered to best fit their own needs as part of their EnMS.

1.5 Relationship to Other M&V Guides

This M&V Guide (v2.0 and higher) is an update to the original version (v1.0) published February 8, 2017. This revision incorporates feedback from IOU staff, contracted SEM implementers, CPUC staff, and CPUC contracted evaluators who were engaged in the first offerings and evaluation of the California Industrial SEM Program.

As with the original, this updated M&V Guide is founded upon the key principles and specifications of well-established SEM M&V documents. Much of the technical content has been adapted from three SEM M&V documents:

- Energy Trust of Oregon Energy Production Efficiency, Energy Intensity Modeling Guideline, Version 2.2, January, 2019.

- Bonneville Power Administration Monitoring Tracking and Reporting (MT&R) Reference Guide, Revision 8.0, November 15, 2019.
- U.S. Department of Energy Superior Energy Performance 50001, SEP 50001, Measurement & Verification Protocol: 2019, October 29, 2019.

This M&V Guide is consistent with the principles and compatible with:

- ISO 50015:2014 – Measurement and verification of energy performance of organizations – General principles and guidance.
- ISO 50047:2016 – Determination of energy savings in organizations.

In addition, efforts were taken to ensure consistency in technical direction with:

- ASHRAE Guideline 14:2014 – Measurement of Energy, Demand and Water Savings.
- International Performance Measurement and Verification Protocol – Option C, January 2012.

1.6 Relationship to the NMEC Rulebook

The CPUC developed Rulebook for Programs and Projects Based on Normalized Meter Energy Consumption (NMEC Rulebook) summarizes requirements for NMEC programs where energy savings are based on normalized metered energy consumption (NMEC). The purpose of the NMEC Rulebook is to provide a list of the directives and policies that have been established by the CPUC for the administration and implementation of such programs.

This M&V Guide and the NMEC Rulebook are based upon the common concept of determining energy savings on a facility-wide, existing baseline, utility meter-based approach. While the concept is common, the CPUC has stated that the NMEC Rulebook and this M&V Guide are separate and not interchangeable. As stated in the January 7, 2020 version 2.0 of the NMEC Rulebook, “NMEC is not permissible for industrial operations and maintenance (O&M) or behavior, retro commissioning, and operations (BROs)-type projects except as a component of Commission defined Strategic Energy Management Programs.” The NMEC Rulebook continues that in Decision 18-01-004, “We clarify that this SEM program is the only program in which NMEC currently may be used to assess savings in industrial facilities from operations and maintenance (O&M) or behavior, retro commissioning, and operations (BROs)-type activities.”

The separation of the NMEC Rulebook and this M&V Guide reflects the CPUC understanding that while the meter-based approach of the two documents contains many similarities, the NMEC Rulebook is oriented towards the commercial sector. The NMEC Rulebook refers extensively to the LBNL Technical Guidelines which states, “the guidance [of the LBNL Technical Guidelines] has the objective of informing the M&V Plan that will support the Implementation Plan for proposed programs targeting multiples measures, and whole building gross savings approaches in the commercial sector.” This M&V Guide pertains to the industrial sector.

When reasonable, consistency between the NMEC Rulebook and this M&V Guide has been considered.

2 The SEM M&V Process

This M&V Guide is divided into 2 non-technical and 12 technical sections. Each technical section is itself a process that fits within the larger process of M&V. The larger M&V process and section level processes should be conducted at least on an annual basis. Review and update of certain parts of the M&V process can be conducted more frequently as needed.

The overall process of M&V described in this M&V Guide includes:

- Characterizing the facility.
- Identifying and selecting relevant variables.
- Developing the Energy Data Collection Plan.
- Collecting data and assessing data quality.
- Developing energy consumption adjustment models.
- Using the Opportunity Register.
- Tracking energy performance.
- Conducting a Technical Review of the M&V process.
- Calculating energy savings with energy consumption adjustment models.
- Calculating energy savings with the Opportunity Register.
- Reporting energy savings.
- Ensuring a M&V Report is prepared throughout the M&V process.

2.1 SEM Time Periods

The M&V process described in this document is assumed to be conducted on an annual basis. Specific time periods listed below are established within and outside of the annual process. Use of these time periods helps define how energy performance is monitored and energy performance improvement is determined. These time periods may or may not change as the annual M&V process is conducted.

Due to their foundational importance, the time periods are defined here as well as in Annex A - Terminology, of this M&V Guide.

2.1.1 Baseline Period

A consecutive 12 or 24-month period for which energy consumption and relevant variable data are collected to create forecast energy consumption adjustment models and serves as the comparative basis by which improvements in energy performance are calculated against. Ideally, the Baseline Period will end immediately prior to the start of the SEM Program Engagement Period. The Baseline Period shall not end more than three months prior to the beginning of the SEM Program Engagement Period. The three-month allowance provides for abnormal operations not expected to be observed again. The Baseline Period shall be updated as needed based upon the requirements of this M&V Guide. The Baseline Period shall not be truncated if selected data are omitted.

2.1.2 SEM Program Engagement Period

A consecutive 24-month time period after the Baseline Period during which the SEM program engagement is conducted. Energy consumption data and relevant variable data are collected continuously during the SEM Program Engagement Period.

2.1.3 Reporting Period

Time period for which energy saving are calculated. All portions of the SEM Program Engagement Period shall be encompassed by one or more Reporting Periods.

Establishing a single Reporting Period so that it is the same duration as the SEM Program Engagement Period offers simplicity in understanding the energy savings resulting from a SEM program engagement and can provide a more meaningful retrospect on actions taken to

improve energy performance over time. The IOU sponsoring the SEM program engagement shall be responsible for establishing the duration of the Reporting Period.

2.1.4 Annualization Period

Used to annualize energy savings from energy consumption adjustment models, in most instances a time period of 90 days during the final months of the Reporting Period. The Annualization Period can be longer than 90 days depending on the variability of the facility. If the customer's operation is highly seasonal, and only has one model, a longer Annualization Period that addresses seasonal impact on varying energy savings rates should be selected.

2.2 Tools, Reports, and Reviews

Throughout this M&V Guide, various tools, reports, and reviews are referred to. These tools, reports, and reviews are detailed below.

2.2.1 Energy Map

The energy map is akin to an energy end-use breakdown chart. It highlights potential areas for eliminating waste and helps facility personnel visualize the relative scale of energy use for different locations and systems in their facility. The energy map produces a compelling and understandable graphic and chart of how the facility uses energy.

The energy map is intended to: Identify and show where and how much energy is used within a facility, create employee awareness of facility-wide energy use, prioritize energy-saving opportunities based on areas of high use in a facility.

An Energy Map Tool, likely Excel-based, that helps the customer build a basic energy map, and optionally a detailed energy map shall be provided to customers to help them organize and understand energy use at their facility by area or system.

2.2.2 Energy Data Collection Plan

The Energy Data Collection Plan includes information describing when and how data should be collected from identified data sources. The Energy Data Collection Plan shall address the collection of energy consumption and relevant variable data.

2.2.3 Opportunity Register

The Opportunity Register helps the customer prioritize and track opportunities to improve energy performance and as specified in the SEM program Cycle 1 Program Design EnMS improvement opportunities. This M&V Guide focuses on the energy savings part of the Opportunity Register.

The implementer shall provide and ensure the customer can record and track data in a no-cost, publicly available Opportunity Register. An Excel based tool is likely to be provided as the underlying software is typically available to customers. Other no-cost tools are acceptable so long as the customer can maintain access to the tools at no-cost beyond the IOU sponsored SEM program engagement.

In addition the no-cost tool and with approval from the sponsoring IOU, implementers are permitted to make available to customers proprietary/for fee software tools to serve as the Opportunity Register so long as data contained with these tools can be extracted and used to populate the no-cost Opportunity Register at the conclusion of the SEM Program Engagement Period.

2.2.4 Energy Consumption Adjustment Model Development Tool

The implementer shall provide and ensure the customer can use a no-cost, publicly available Energy Consumption Adjustment Model Development Tool. As part of an IOU sponsored SEM program engagement there are no specific software requirements for building energy consumption adjustment models so long as the resulting model meets all validity requirements

of this M&V Guide. Consider the software's flexibility and its ability to iterate quickly on relevant variable combinations. The customer must be able to maintain access to the tools at no-cost beyond the IOU sponsored SEM program engagement.

In addition the no-cost tool and with approval from the sponsoring IOU, implementers are permitted to make available to customers proprietary/for fee software tools to serve as the Energy Consumption Adjustment Model Development Tool so long as data contained with these tools can be extracted and used to populate the no-cost Energy Consumption Adjustment Model Development Tool at the conclusion of the SEM Program Engagement Period.

2.2.5 Energy Data and Performance Tracking Tool

This tracking tool shall include selected energy consumption adjustment models so that, as new energy consumption and relevant variable data are entered, the model is used to display and track the most recent energy performance value.

To ensure the customer can access their own data and continue to record and track data after an SEM program engagement, the implementer shall provide and ensure the customer can record and track data in a no-cost, publicly available Energy Data and Performance Tracking Tool. An Excel based tool is likely to be provided as the underlying software is typically available to the customer. Other no-cost tools are acceptable so long as the customer can maintain access to the tools at no-cost beyond the IOU sponsored SEM program engagement.

If the customer would rather use their own data collection tool the implementer shall ensure it is configured to track all data identified in the Energy Data Collection Plan and data will be exportable to provide to the sponsoring IOU if needed.

In addition the no cost tool and with approval from the sponsoring IOU, implementers are permitted to make available to customers proprietary/for fee software tools to serve as the Energy Data and Performance Tracking Tool so long as data contained with these tools can be extracted and used to populate the no-cost Energy Data and Performance Tracking Tool at the conclusion of the SEM Program Engagement Period.

2.2.6 M&V Report

A living documentation of the activities and outputs of the M&V process. The M&V Report shall be finalized once per year. The M&V Report is intended to be of use to the customer as a record of the M&V process that can be used in subsequent year continuations of the M&V process.

2.2.7 Technical Review

An annual review of the M&V process conducted between the implementer and IOU sponsoring the SEM program engagement. The Technical Review should be scheduled first approximately four months after the start of an SEM Program Engagement Period and then approximately every 12 months thereafter. With the current SEM Program Design of three, two-year SEM Program Engagement Periods this would result in two Technical Reviews per SEM Program Engagement Period.

3 Characterizing the Facility

3.1 Introduction

M&V is conducted for a defined set of boundaries. The process of establishing M&V boundaries is based upon developing an understanding of the:

- Types of energy consumed.
- Energy uses.
- Energy meters at the facility.

In many cases, establishing M&V boundaries may be relatively straightforward depending on the nature of the facility and what information is already available. If the M&V process is being conducted as part of an IOU sponsored SEM program engagement, the M&V boundaries most likely will be the same as those used to define the facility as part of the SEM program engagement. M&V boundaries should align with the location of energy meters and energy uses such as production lines, process systems, buildings, and other equipment.

Initial establishment of M&V boundaries should be led by the implementer with engaged participation of the customer.

The process of updating M&V boundaries is based upon detailed knowledge of the energy consumption, use, and operations within the facility, information the customer should have intimate knowledge of. Annual review of the M&V boundaries following the process detailed in this section of the M&V Guide should be led by the customer and supported by the implementer. Over time the customer should ever more independently lead annual reviews of M&V boundaries.

3.2 Process

The process of first establishing and then reviewing M&V boundaries is to be conducted annually. Annual updates could be a simple review to confirm what, if any, changes to the types of energy consumed, energy uses, energy meters, operations, and potentially relevant variables have occurred at the facility and need to be reflected. If changes to the facility, including the addition or removal of on-site generation and facility expansions, have occurred an assessment should be made to understand how they may affect the M&V boundaries and other parts of the M&V process.

Subsequent parts of the M&V process may reveal a need to revisit M&V boundaries. Changes to the M&V boundaries shall be documented in the M&V Report.

An energy map shall be developed through the process of establishing M&V boundaries.

M&V boundaries shall be documented by one or more line drawings or aerial images of the facility with the M&V boundaries clearly marked.

3.3 Types of Energy Consumed

The scope of the M&V process includes all energy types, which are delivered to, consumed within, and delivered away from the M&V boundaries. The originating source (e.g., utility, on-site generation, other organization) of the energy should be noted but does not exclude any energy types from being included in the M&V process.

Based upon the working understanding of the M&V boundaries a list of all energy types that the customer has authority of and that are delivered to, consumed within, and delivered away from the boundaries shall be created. The types of energy identified shall be recorded in the M&V Report.

3.3.1 Quantifying Energy Consumption

The quantity of a particular type of energy that is consumed within the M&V boundaries is defined by the net energy flow of that energy type across the M&V boundaries. For each energy type included in the M&V process, energy consumption shall be equal to or greater than zero. If energy consumption is calculated to be a negative value, it shall be accounted for as zero. In such cases, care shall be taken to ensure energy export and energy product are correctly accounted for.

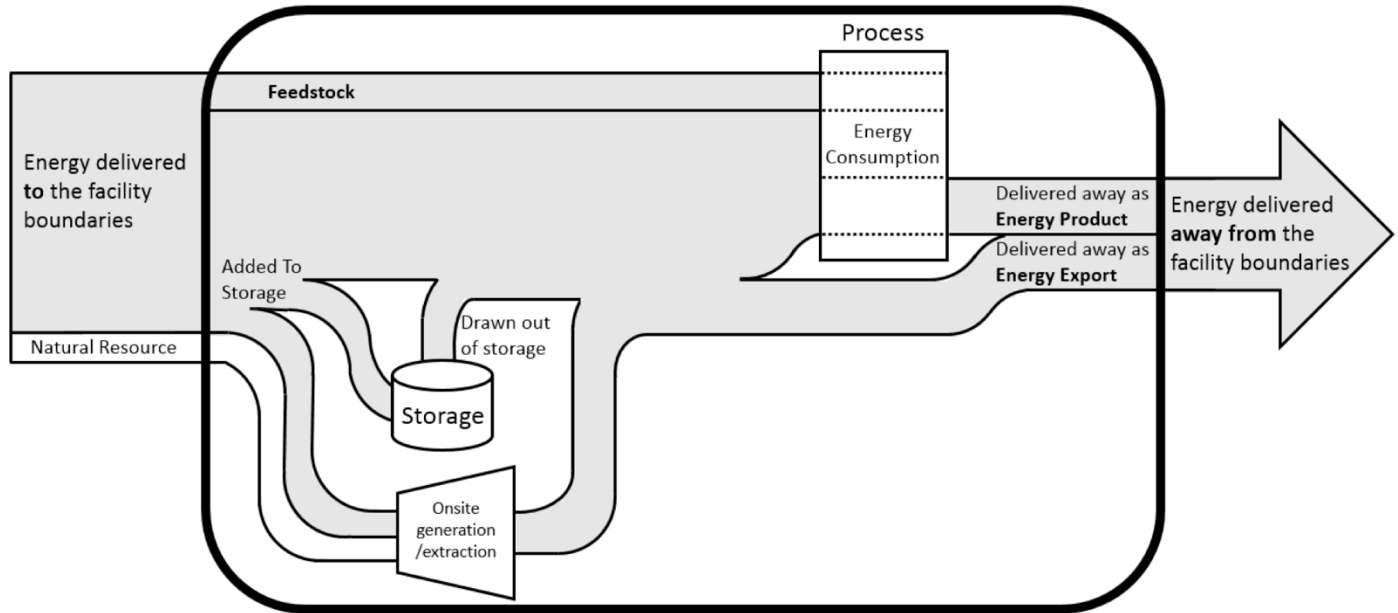


Figure 1: Generic Energy Consumption Accounting Flow Diagram.

The below equation describes how to calculate energy consumption. Figure 1 graphically illustrates this relationship.

$$\begin{aligned} ECD(*) &= E(*) \text{ delivered to the facility} + E(*) \text{ onsite generation/extraction} - \\ &E(*) \text{ delivered away as export} - \\ &E(*) \text{ delivered away as product} + E(*) \text{ drawn out of storage} - \\ &E(*) \text{ added to storage} - E(*) \text{ used as feedstock} \end{aligned}$$

3.3.2 On-site Energy Generation and Conversion

M&V boundaries are considered three-dimensional, thus energy accounting shall include energy that enters the M&V boundaries from the sky (e.g., rooftop solar PV) and ground (e.g. on-site natural gas extraction) if consumed at the facility in the form of an energy type for which energy savings are being determined.

The establishment of M&V boundaries should consider on-site energy conversion equipment such as a CHP system, natural gas fueled gas turbine engine, or biogas fueled boiler. This consideration shall include analysis of how energy converted from one type to another (e.g., natural gas to steam and electricity) are ultimately consumed by energy uses within the M&V boundary and consideration for use in the future development of energy consumption adjustment models. To aid energy consumption adjustment model development it may be useful to remove the energy conversion equipment from the M&V boundaries such that the energy the equipment produces is accounted for rather than the energy that enters is (e.g., account for the steam produced by a boiler rather than the biogas that feeds it, account for the electricity after the inverter that is generated by an on-site PV panel).

See Annex C - Special Cases in Energy Accounting for examples of how to establish the delivered energy value for various M&V boundary situations.

3.3.3 Types of Energy with Relatively Insignificant Consumption

A given type of energy may be omitted from the M&V process if it accounts for 5.0% or less of the facility's total prior year annual delivered energy. In calculating the percent of total consumption represented by an omitted energy type, both the energy consumption of the omitted energy type and total facility energy consumption shall be calculated on a delivered energy basis. The determination to omit energy types shall be based on measured data or calculated analysis and documented in the M&V Report.

EXAMPLE: A facility that produces and freezes large quantities of processed foods uses propane for two forklifts. The annual energy consumption of propane is calculated to be 2.5% of facility total energy consumption. As a result, propane is omitted from the M&V process.

3.4 Energy Uses

M&V boundaries shall be defined to encompass important energy uses such as production lines, process systems, and buildings as appropriate.

Uses of energy that consume a significant quantity of energy or are important to the operations of the facility shall be identified. As part of the EnMS, criteria may have been developed to identify significant energy uses (SEUs). Document these energy uses and the SEUs along with any criteria developed and used to decide which energy uses to list or not.

Identified energy uses shall be indicated on the energy map. Process flow diagrams, piping and instrumentation diagrams, and value stream maps can be helpful in creating the images(s). Indicate the flow of each type of energy on this drawing. The energy flows trace the "path" energy takes from the point it is delivered to the M&V boundaries and to the energy end uses. If applicable, the energy flows will include the "path" energy may take into and out of on-site storage, delivered away from the facility as an energy product or energy export. Additionally, if energy is used as a feedstock this shall be noted as part of the energy flow. The energy content of the energy flows that do not terminate in energy end uses within the M&V boundaries will need to be netted out to correctly establish the amount of delivered energy.

3.5 Energy Meters

Data regarding the quantity of energy delivered into or away from the M&V boundaries (delivered to the facility, delivered away as energy export, delivered away as energy product, or feedstock) may be available directly from meters (utility or submeters) or taken from a supplier invoice. Based upon the location of energy meters the M&V boundaries may need to be adjusted.

Meters (utility or submeters) may directly report energy consumption values or physical properties such as pressure, temperature, mass, volumetric flow, and heating value that can be used to calculate energy consumption by using equations and conversion factors. Equations and conversion factors shall be documented as part of the M&V Report.

Use of existing utility meters may be sufficient to quantify the delivered energy. Examples of when metering of energy consumption and generation metering is required within the M&V boundaries are presented in Annex C - Special Cases in Energy Accounting.

If utility meters serve buildings, equipment, processes or other energy using systems outside the M&V boundaries (nominally outside the SEM program boundaries if the customer is participating in an IOU sponsored SEM program engagement) for which energy performance

and energy savings are being determined, submeters are required to net out the energy consumption of these energy uses.

The M&V Report shall document all utility and other relevant energy meters for all types of energy delivered to or away from the M&V boundaries as well as energy submeters. For each meter document the meter serial number, utility account number, or other unique identifiers. Document the major processes monitored by each energy meter and the metering interval.

3.6 Documenting M&V Boundaries

Documentation of M&V boundaries shall include a description and one or more line drawings or aerial images of the facility with the M&V boundaries clearly marked in the M&V Report. The line drawing(s) or aerial image(s) shall include demarcation of buildings and major equipment and processes, energy meters, and energy flows within the M&V boundaries. Special note should be made regarding the location and interrelationship of energy conversion equipment (e.g., CHP, on-site generation). Process flow diagrams, energy maps, piping and instrumentation diagrams, and value stream maps can be helpful in creating the images.

4 Relevant Variables

4.1 Introduction

Relevant variables are quantifiable factors that routinely change and have a major impact on energy performance, including operational performance. Relevant variables may or may not be in the control of the customer and which directly affect the amount of energy consumed within the M&V boundaries.

EXAMPLES: Production quantities, equivalent products, number of batches, heating degree-days, humidity, occupancy, hours worked, and raw material characteristics.

Relevant variables are an important part of understanding the relationship between relevant variables and energy consumption.

Relevant variables are used to normalize energy consumption as part of an adjustment model. Relevant variables can also be used with other methods of tracking energy performance and determining energy performance improvement. In order to develop robust and meaningful adjustment models, care shall be taken to avoid:

- Omitting relevant variables that affect energy consumption.
- Including variables that do not directly affect energy consumption.

The implementer shall lead the customer through a process of identifying relevant variables before attempting to develop energy consumption adjustment models. As needed, the implementer shall re-engage with the customer to select alternative relevant variables to facilitate model development.

Subsequent annual updates should be led by the customer with implementer support. Updates could be simple reviews to confirm that the selected relevant variables are indeed still relevant. A full review of selected relevant variables may be needed if additional or different energy consumption adjustment models are needed or if significant operational changes have occurred at the facility.

4.2 Process

Data for relevant variables will be collected on an ongoing basis. It is important to select a suite of relevant variables that will fully represent the use and consumption of energy within the M&V boundaries. Equally, it is important to not collect data on variables that have no bearing on the use and consumption of energy.

To develop an appropriate and useful set of relevant variables, a list of potentially relevant variables should be assembled, criteria for selection should be established, and a final list of relevant variables for which data will be collected should be selected. Review of which variables are selected as relevant variables should be conducted annually, reflecting lessons learned from the prior year and taking into account planned changes to the facility. Relevant variables should be added and removed as needed to reflect changes to energy uses and operations as well as taking into account feedback from efforts to establish energy consumption adjustment models.

4.3 Identifying Potentially Relevant Variables

Using engineering judgment, a list of potentially relevant variables that may or may not be included in the energy consumption adjustment models shall be developed. For each potentially relevant variable included on this list, the energy type and energy use (of those identified in Section 3) that the relevant variable is suspected to affect shall be noted. This list shall be included as part of the M&V Report.

Facilities with complex or diverse operations, for which there may be difficulty creating a single facility-wide energy consumption adjustment model for each type of energy, should consider assessing additional potentially relevant variables that may be more directly related to a discrete process, building, or other operation that could be modeled in isolation.

The following variables shall be considered for inclusion as relevant variables:

- Activity level (e.g., operating hours, operating mode (weekend/weekday), production level, product mix, and equivalent products, occupancy).
- Weather (e.g., heating degree-day, cooling degree-day, ambient temperature, and humidity).

Relevant variables shall be physical quantities, characteristics, or conditions. Financial metrics or metrics that include a financial component, such as product price or energy costs are not allowed as they lack a physical relationship to energy consumption.

4.3.1 Production Metrics

For industrial facilities, a metric of production is often included as a relevant variable. It is important to understand how many product types are manufactured in a facility and whether there is likely to be a difference in energy consumption based on operating parameters such as product type, process flow, or batch size. Facility personnel who work closely with energy uses typically have insight into what variables should be considered. By thinking openly about which variables may affect energy consumption and how those variables relate to one another, the chances of developing a robust energy consumption adjustment model will be increased.

EXAMPLE: A facility that produces two types of products, one of which is very energy intensive to produce and the other is not, may consider including production levels from both products rather than an aggregated production value.

If multiple production variables are available, use process flow diagrams and energy maps to identify potentially interactive effects and correlations. Using multiple measurement points in the same process line may not be necessary or beneficial. See Annex D – Multicollinearity and Autocorrelation, for more details.

Measurement Points	Pros	Cons
Raw material input	Provides a mechanism for capturing the effects of different types of raw materials.	Fails to provide a mechanism for understanding energy impact of yield/productivity improvements.
In-line metric	Allows for the selection of a production variable at energy-intensive processes, thereby minimizing a time-series shift.	Fails to provide a mechanism for incentivizing the energy impact of yield/productivity improvements downstream, from point of measurement.
End-of-line metric	Provides a mechanism for incentivizing the energy impact of yield/productivity improvements.	May induce a time-series shift for long lead-time processes.
Finished product shipped	Data can be captured via accounting systems.	May not sync with production depending on dwell time in the warehouse.

Table 1: Options for Production Relevant Variables

Raw material, in-line production, and finished product metrics each have pros and cons as relevant variables that shall be considered. An informed decision will take into account factors such as lead time, the desire to account for yield effects, as well as the prevalence of inventory fluctuations in-process or at the finished-product stage.

4.3.2 Weather Metrics

Weather data shall be actual weather data from published government sources, such as primary National Oceanic and Atmospheric Administration (NOAA) weather stations, the National Climate Data Center (NCDC) database, or from a calibrated weather meter within close enough proximity to the facility to reflect the weather conditions at the facility. If on-site weather station data is to be used it must be calibrated per the manufacturer's specifications and confidence established that the station will be available through the SEM program cycle. The customer must be able to access the same data during and after the SEM Program Engagement Period in order to update the model themselves upon completion of the SEM program engagement.

In some cases, weather stations report in coordinated universal time (UTC) time, which means a daily average is not representative of a 12:00am-11:59pm day in local time. Proper time zone offsets shall be applied to data before averaging into a daily, weekly, or monthly interval.

In many cases heating degree day (HDD), cooling degree day (CDD), and other types of weather relevant variables will be more useful in the formation of meaningful energy consumption adjustment models than ambient temperature.

If being used in the formulation of energy consumption adjustment models that will be used to report energy savings to the CPUC, HDD and CDD shall be calculated based upon at least daily data. Ensure that all relevant weather data are identified to form a suite of weather based relevant variables for use.

4.3.3 Indicator Variables and other Relevant Variables

Based on the energy map and energy uses consider which other relevant variables may affect energy consumption such as raw material properties, operational modes (weekend/weekday) occupancy, shifts, and hours.

Indicator variables can represent tangible changes to operations, facilities, and processes. Positively, the use of an indicator variable can help ensure energy consumption adjustment models are meaningfully constructed. Negatively, indicator variables can be developed semi-arbitrarily to ensure a model can be created regardless of the resulting model being meaningful. Whenever an indicator variable is used in a model, define whether it is a one-time change or a reoccurring event that will also apply in the Reporting Period.

An indicator variable could be used in conjunction with production data to create an artificial offset for regular non-production data days. In this case as the indicator variables would establish a level of energy consumption for non-production days on which energy consumption would increase as production level rise.

Indicator variables may be used to represent seasonal changes, energy projects during the Baseline Period or other step-changes.

4.4 Identifying Potentially Relevant Variable Data Sources

If possible, data sources for each potentially relevant variable shall be identified. If possible, data sources should be calibrated per manufacturer's recommendation.

Assess where production data is available relative to energy-intensive process steps. If a significant time offset exists between the energy-intensive process step and the measurement point, note that a time-shift in interval data is needed to align the production data with energy consumption data.

The list of potentially relevant variables shall be amended to include data sources. For each data source note the serial number or other unique identifiers for meters that would be used to collect data. Data source descriptions shall be specific so that an individual

familiar with the systems and operations of the facility could understand where and how to collect relevant variable data.

4.5 Selection of Relevant Variables

The list of potentially relevant variables and associated data sources shall be assessed and a list of relevant variables selected for data collection shall be developed as part of the M&V Report. The list of relevant variables most likely will include more variables than will ultimately be used in energy consumption adjustment models. The assessment shall be based upon an established selection criteria and knowledge of the facility. The selection criteria shall be reviewed and updated as part of the annual review of M&V boundaries.

5 Energy Data Collection Plan

5.1 Introduction

The process of collecting energy consumption and relevant variable data shall be conducted in accordance with a preestablished Energy Data Collection Plan. The Energy Data Collection Plan includes information describing when and how data should be collected from identified data sources. The Energy Data Collection Plan shall address the collection of energy consumption and relevant variable data.

The Energy Data Collection Plan shall be utilized to collect data for the duration of the SEM program engagement as well as any time period prior to accommodate establishment of an energy baseline for energy consumption adjustment model development as needed (typically between a 12 and 24-month period). In cases where historic data are needed, data shall be collected from records in line with the Energy Data Collection Plan (e.g., data are collected at the same frequency and from the same meter or another source). The Energy Data Collection Plan can be used after an IOU sponsored SEM program engagement to continue collecting data in order to track energy performance and determine energy savings.

Development of the Energy Data Collection Plan will rely upon outputs of Sections 3 and 4 of this M&V Guide. The implementer shall work with the customer to develop an Energy Data Collection Plan being sure to identify who is responsible for collecting data, how often they are to collect data, and that they know how to record data in the Energy Data and Performance Tracking Tool.

The implementer shall check in with the customer on a regular basis to ensure the Energy Data Collection Plan is being updated as needed. This check in can be combined with regular confirmation of data collection.

The customer shall update the Energy Data Collection Plan as needed. When major changes occur at the facility the customer shall inform the implementer and together assess what changes are needed to the Energy Data Collection Plan.

5.2 Process

The process of developing and maintaining the Energy Data Collection Plan shall be in part based upon information assembled when establishing M&V boundaries and selecting relevant variables. In addition to these considerations, the Energy Data Collection Plan shall include details identified in this section of the M&V Guide as well as by the IOU and implementer if participating in an IOU sponsored SEM program engagement. The Energy Data Collection Plan shall be checked by the implementer to ensure the data necessary to determine and report energy savings to the CPUC will be collected.

The Energy Data Collection Plan shall be reviewed and updated on at least an annual basis following review of the M&V boundaries and selection of relevant variables. The Energy Data Collection Plan may need to be additionally updated if it is found to be ineffective, identified meters are removed, additional relevant variables are identified, or other extenuating circumstances arise. Changes to the Energy Data Collection Plan shall be documented. The updated Energy Data Collection Plan shall be put into place and used to retroactively collect data for the SEM Program Engagement Period and any time prior as needed.

5.3 Developing the Energy Data Collection Plan

The Energy Data Collection Plan shall list the energy meters and relevant variables data sources for which data will be collected. For each of these data sources the Energy Data Collection Plan shall indicate:

- How the data are to be collected.

- The frequency of data collection.
- Data storage method and location.
- The person(s) responsible for collecting and storing the data.
- The person(s) responsible for conducting quality control of the data.

A consistent and reliable process for acquiring and recording data shall be developed. The steps (detailed appropriately to the skills, experience, and abilities of the person collecting the data) to be followed to ensure timely acquisition and quality control of data shall be listed. A complete collection process shall include:

- Data required.
- Data location.
- Method of analysis to ensure data quality.

In some facilities, a data collection process may already in place and can be leveraged. If data that need to be collected are not already collected, then determine if the organization has the means to collect the data. If not, the customer shall acquire additional metering equipment or identify different data that will fulfill the same need. The Energy Data Collection Plan shall reflect if such considerations are needed.

5.3.1 Frequency of Data Collection

Energy and relevant variable data shall be collected at least monthly if not more frequently (e.g., weekly, daily, and 15-minute interval). In general, more frequent data collection can be beneficial in the development of robust energy consumption adjustment models. Daily or weekly time interval data typically provide better insight into the process, system, or facility being modeled compared to data collected less frequently (e.g., monthly).

The frequency of data collection shall take into consideration the frequency at which energy consumption data and relevant variable data can be obtained and be meaningful. If production is a relevant variable and data can only be collected on a weekly basis, then there is limited benefit to collecting energy consumption on a 15-minute basis.

While this M&V Guide makes this conditioned allowance for a slower collection of data, it is highly encouraged that data be collected at the most frequently rate possible for possible future use. More frequently collected data can be aggregated together to match the rate at which relevant variable data can be collected when forming energy consumption adjustment models (e.g., 15-minute interval electricity consumption data can be aggregated to a weekly basis if the relevant variables associated with electricity are only available on a weekly basis.).

5.3.2 Energy Types with Multiple Sources and Meters

When a particular energy type is delivered to the M&V boundary from multiple sources (e.g., IOU supplied electricity and on-site generated electricity from a PV system or chilled water delivered by another organization and water chilled by a chiller supplied with IOU delivered electricity) or multiple meters from IOU supplied energy, the quantity of energy from each originating source should be recorded separately. These values may be aggregated in the formation of energy consumption adjustment models but the disaggregated values may be needed to determine energy savings for regulatory reporting purposes.

As part of an SEM program engagement, be aware of relevant utility or CPUC policies related to data collection and the source of energy, specifically for non-IOU supplied energy and if a public purpose charge (PPP) is paid by the customer.

5.3.3 Meter Calibration

All data used as part of the energy accounting, including those for energy consumption and relevant variables, shall be taken from precise measurement systems, such as utility meters and

regularly calibrated submeters. Quantification of energy consumption or of a relevant variable via subtraction of readings from two or more calibrated meters is acceptable.

If energy consumption data are taken from a source other than the utility meter, calibration of that meter must follow the manufacturer's recommendations. Calibration records and records of repairs to calibrated meters shall be maintained by the customer and available for the implementer to review if requested. Calibration records for utility meters are not the responsibility of the customer or implementer and do not need to be maintained.

Proper calibration of meters alone will not ensure data are accurately collected and tracked. Care shall be taken to ensure data from meters are collected accurately as part of the data collection efforts detailed in Section 6.

5.4 The Opportunity Register

5.4.1 Establishing the Opportunity Register

The Opportunity Register helps the customer prioritize and track opportunities and supports the program in recording both influence and savings. An Opportunity Register shall be created and must include both EPIAs and EnMS improvement opportunities. Opportunity Register data related to the EPIAs shall include:

- **A general description:** including a name, reference number, location, system or process, equipment type, size, capacity, load, and operating conditions.
- **An “identify” section:** including the location, process area/system or cost center it impacts, the type of activity (operational, capital, process, maintenance, or other), and who it was submitted by.
- **A “prioritize” section:** including the energy impact (by category, i.e. low or high), energy saving estimate by energy type, the cost/effort required (by category, i.e. low or high), and the decision the facility is making on whether to implement the opportunity (i.e. implement now, implement later, not implement)
- **A “planning” section:** including a brief description of what the next steps are (or the required actions to complete), who the opportunity is assigned to, the target due date, the actual date the opportunity was completed, and the current status of the opportunity.
- **An “ensure persistence” section:** including the risk of backsliding (or how likely it is that the energy savings from this project will decline without regular attention paid by key personnel), a summary of the strategy for ensuring energy savings persist in the long term (this should likely be documented more fully elsewhere), whether or not the strategy was implemented, and a review date for the persistence strategy.
- **An “implementation” section:** including the date initiated, data completed (and if not completed a brief rationale), note if it was identified during or outside a SEM program engagement, and note if it was planned during or outside a SEM program engagement.
- **A “results” section:** including annualized energy savings for each type of energy affected, the method used to calculate the energy savings, notes where documentation for the energy savings can be found (Details pertaining to when energy savings shall be calculated for individual EPIAs are provided in this M&V Guide).

5.4.2 Planning to Collect Data for EPIAs

Energy performance improvement actions listed on the Opportunity Register with very roughly assumed energy saving greater than 1.0% of the energy baseline value for that type of energy which are selected for implementation will need to have post implementation energy savings values determined. Consideration shall be given to how post implementation energy savings will be calculated.

Energy savings calculations for any EPIA shall not be as rigorous as those performed for IOU incentivized custom capital projects and a detailed M&V plan is not needed.

The data needed to calculate annualized energy savings for each action will be unique and consideration of necessary pre and post energy consumption and relevant variable (e.g., operating hours) data and data sources shall be identified. The specificity of the data and subsequent energy savings calculation should be proportional to the assumed energy savings potential of the action.

Energy savings do not need to be determined for EPIA with energy savings roughly estimated to be less than 1.0% of the energy baseline value for that type of energy. Energy savings for these EPIA still can be estimated as seen fit by the customer and implementer. These can be, “back of the envelope,” type calculations.

6 Collecting Data and Assessing Data Quality

6.1 Introduction

Energy data collection is conducted regardless of if an energy consumption adjustment model can or will be developed. Collected data may be used later if operations or other factors change as that data provides information about facility operations in relationship to the energy management system and captures results of implemented EPIA.

The intention is customer should be collecting all energy and relevant variable data. During the first SEM program engagement the IOU may provide energy data to both the customer and implementer directly. In subsequent SEM program engagements the customer should collect both energy and relevant variable data and either use this directly as part of the M&V process or provide it as appropriate to the implementer.

6.2 Process

The Energy Data Collection Plan shall be continuously used to guide the collection of energy consumption and relevant variable data in the Energy Data and Performance Tracking Tool. The customer shall ensure that data needed to calculate energy savings for implemented EPIAs listed on the Opportunity Register are collected as needed. Data pertaining to specific EPIAs do not necessarily need to be tracked in the Energy Data and Performance Tracking Tool. The collection, recording, and maintenance of data shall be led by the customer.

6.3 Collecting Data

The implementer shall ensure that data are being collected in accordance with the Energy Data Collection Plan on at least a monthly basis to ensure that data are being accurately collected and recorded.

The collection, recording, and maintenance of data shall be led by the customer. Energy data shall be recorded in the Energy Data and Performance Tracking Tool. Raw source data shall be preserved along with modifications made to data. Data continuity is critical to maintaining energy consumption adjustment model accuracy through the SEM program engagement.

As data are collected, issues that arise with implementing the Energy Data Collection Plan shall be documented and used to assess if modifications to the Energy Data Collection Plan are needed.

6.4 Reviewing for Data Outliers and Missing Data Points

Data outliers and missing data points can negatively impact the accuracy of energy consumption adjustment models.

Data outliers and missing data points shall be identified and addressed. Analysis conducted to identify and address data points shall initially be led by the implementer with the customer learning. The implementer also shall be responsible for teaching the customer how to identify and address data outliers and missing data points such that in subsequent SEM program cycles the customer can lead this activity with implementer support and review.

Energy consumption and relevant variable data shall be screened for anomalous values that are not representative of typical operating conditions. If high variability is characteristic of the operation, outliers do not necessarily need to be removed. Data outliers can be an indicator of poor operational control and can be used to help identify possible energy performance improvement actions. The effect of outliers on the reliability of energy consumption adjustment models and the reason for removing them shall be maintained as a record in the M&V Report.

If an anomalous value is found, reasons for the anomaly shall be identified if possible. If the anomaly is determined to be a data error, the error shall be corrected if possible. If the anomaly

is determined to be a data error that cannot be corrected, the anomalous value shall be deleted from the data set. The effects of data errors on the reliability of the energy consumption adjustment model and the reason for making any changes to the data set shall be maintained as a record in the M&V Report. If the anomalous value is determined not to be a data error it shall be left in the data set.

An initial review for outliers and missing data can be conducted by creating time series plots of data for energy consumption and relevant variable independently in a time series format. Outliers and missing or erroneous entries shall be flagged for review, investigation, and correction (if possible) by applying a general rule for identifying data that lie outside the range of plus or minus three standard deviations from the mean.

A resolution strategy shall be developed for identified outliers. If outliers related to specific operating conditions are excluded from the Baseline Period, the intervals in the SEM Program Engagement Period corresponding to the same conditions must also be excluded from the Reporting Period. The strategy used to remove outliers shall be documented as part of the M&V Report.

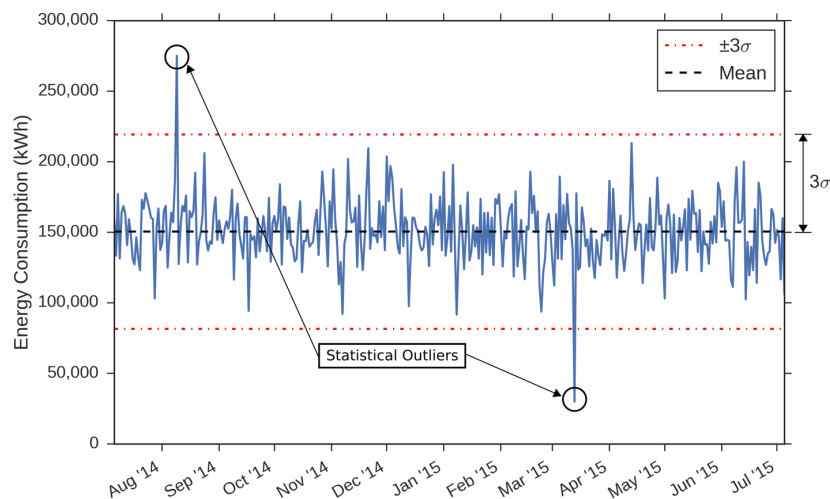


Figure 2. Example of Graphical Methods to Identify Outliers.

Omitted data shall not be replaced with a calculated interpolation. Filling in missing data can skew energy consumption adjustment model validity.

NOTE: A particular type of outlier results from shut-down periods where production is zero. In some facilities, this may only occur for a handful of days per year. If a single energy consumption adjustment model can be created that reflects both the production and non-production days, the shut-down outliers do not need to be excluded. Alternatively, a relevant variable can be created to account for the effect of reoccurring shutdown days. If an otherwise valid adjustment model cannot be created to accommodate the shut-down periods, these periods may be excluded from the model or treated as a separate mode of operation and modeled independently. When determining a strategy, consider whether energy savings are expected to be achieved during shutdown periods.

NOTE: Outliers should not be excluded from data sets unless there is a reason to do so. For example, a facility may have outliers on major holidays. Consider

adding an indicator variable to represent those holidays, or simply exclude these holidays from the model. Note that any reoccurring periods that are excluded from the baseline model must also be excluded from the SEM Program Engagement Period.

NOTE: Be careful to distinguish between a zero-data point and a missing data. Missing data should be excluded and not treated as a zero.

NOTE: The removal of outliers, especially in the cases when data is collected on a monthly basis, can significantly affect an energy consumption model's predictive power. Careful consideration should be made regarding the removal of outliers when data is collected on a less frequent basis.

Outliers shall be reviewed by the customer and implementer so that both parties understand the cause of the anomaly. The customer shall take corrective action to reduce the potential for data outliers if possible as outliers can be an indicator of poor operational control or data collection systems. The customer shall update the Energy Data Collection Plan if appropriate. The omission of data points shall be documented in the M&V Report.

6.5 Adjusting Data for Time-Series Offsets

Energy consumption and relevant variable data will frequently not be available for exact calendar months or aligned with other time intervals. For example, monthly production data may be reported on the first of the month, while utility data may be provided mid-month. Alignment of time intervals is preferred and may facilitate development of more representative adjustment models, but it is not required.

A time-series offset may exist between energy consumption and relevant variable data. Energy consumption and relevant variable data shall be reviewed to identify time-series offsets. This most commonly occurs when data are collected at high frequency levels (typically weekly or higher). Time-series offsets that negatively affect adjustment model development shall not be used.

Time-series plots shall be used to identify consistent offsets between energy consumption data and each relevant variable (**Error! Reference source not found.**). For example, if an energy-intensive process has a two-day lead time from the point at which production levels are measured, a two-day time series adjustment may need to be applied to the production variable.

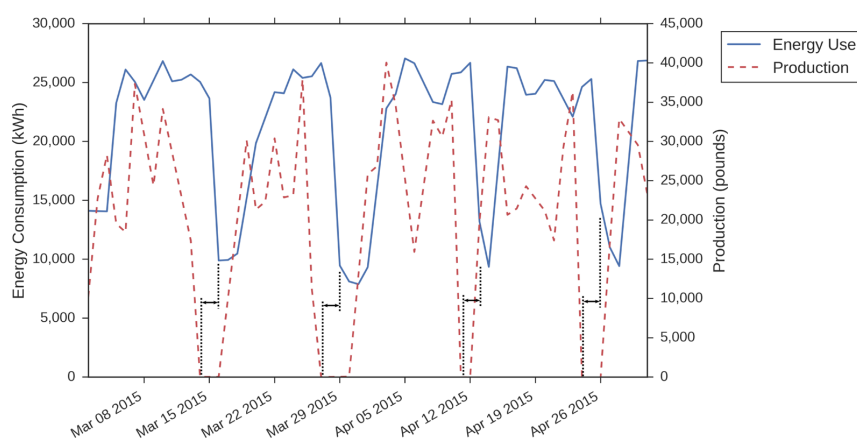


Figure 3. Example of a Time-series Plot (Energy Consumption and Production vs. Time). Arrows Indicate the Time-series Offset.

If such an offset is identified, the customer and implementer shall discuss if the application of a time-series adjustment, or if aggregating data such that the data frequency interval is slower

(e.g. aggregate so that all data are represented on a weekly rather than daily time interval), would improve the adjustment model. The decision to use a time-series adjustment shall be documented as part of the M&V Report.

As part of an IOU sponsored SEM program engagement, data collected on a monthly basis or irregular time intervals (such as billing cycles roughly issued on a monthly basis) should be weighted based upon the number of days in the month the data were collected. Weighting should be based upon the number of days within the month or irregular time interval. These weighted values should be recorded alongside the original values and weighting value.

7 Energy Consumption Adjustment Modeling

7.1 Introduction

The primary method for determining energy savings is to develop and use one or more energy consumption adjustment models for each type of energy identified in Section 3.3.

This M&V Guide has multiple stated goals for the development and use of energy consumption models: 1) to determine facility wide energy savings, 2) for the customers to develop a deeper understanding of their facility and operations in relationship to energy consumption and use, and 3) eventually for the customer to be able to lead the M&V process on their own, which includes the development of energy consumption adjustment models.

The development of energy consumption adjustment models can be a complicated process and the implementer shall work with the customer over multiple SEM program engagements to teach the customer how models are developed. To aid in the customer's understanding of their facility and ability to develop energy consumption adjustment models, the implementer shall strive to develop simple and easily understood models rather than complex models that may statistically be more precise. Multiple energy consumption adjustment models for a specific type of energy may be needed to achieve this simplicity principle.

While a number of energy consumption adjustment modeling methods exist, the forecast method shall be used if energy consumption adjustment models are to be developed as part of an IOU sponsored SEM program engagement. The forecast modeling method meets all of the goals and objectives identified in this M&V Guide.

The forecast energy consumption adjustment model method allows the model user to estimate what Reporting Period energy consumption would have been if the facility had not implemented any EPIAs during the Reporting Period and operated as it did during the Baseline Period.

The forecast method provides a predictive energy consumption adjustment model that once developed can be used to track energy performance and routinely determine energy savings.

The forecast model can also be used to project energy demand if future relevant variable quantities, such as production volume, are known.

Alternative modeling methods do not necessarily meet all of the objectives for energy consumption adjustment models identified in this M&V Guide and do not necessarily offer an opportunity for immediate customer education and ability to respond to unexpected model results.

This M&V Guide acknowledges that the forecast model method does have limitations, particularly if facility energy use and operating conditions change significantly during the Reporting Period. If forecast models cannot be developed for a given type of energy then the implementer may use the backcast model method for the purposes of regulatory reporting of energy savings. Only the backcast model method is provided as an alternative in this M&V Guide. This limitation is intentional as to deter excess expenditure to develop any working energy consumption adjustment model and help ensure the focus of the M&V process remains on customer education and building systems that, in the future, the customer can use on their own.

Rationale for the use of the backcast model over reporting energy savings aggregated from implemented EPIAs must be supported and accepted during the Technical Review and documented in the M&V Report. Such rationale could include assumptions that significant energy savings will be achieved from operational actions that would not be accounted for by the aggregation of energy savings for EPIA listed on the Opportunity Register.

All energy consumption adjustment model parameters (including the relevant variables, units, and associated coefficients used to make the model) shall be included in the M&V Report.

This M&V Guide acknowledges the complexities and skill needed to develop energy consumption adjustment models, especially when they will be evaluated as part of regulatory oversight and potentially used to determine performance incentive payments.

The implementer shall provide detailed instructions for energy consumption model management (e.g., energy data handling, unit conversions, time interval manipulations as well as customer provided data queries) in subsequent SEM program engagements with acknowledgement that customer staff turnover can be detrimental energy consumption adjustment model upkeep and performance.

7.2 Process

Based upon the considerations above, development of one or more energy consumption adjustment models for each energy type should be considered with the following process:

1. Assess if development of energy consumption adjustment models should be attempted.
2. Establish the relationship of relevant variables to energy consumption.
3. Develop energy consumption adjustment models.
4. Review competing energy consumption adjustment models.
5. Select energy consumption adjustment models for use to track energy performance and calculate energy savings.

7.3 Assessing if Modeling Should be Attempted

As energy consumption adjustment models are intended to meaningfully represent the facility's relationship of energy consumption to relevant variables, both the Baseline Period and Reporting Period need to be reflective of relatively normal operations and free of numerous anomalous events and large structural changes to the facility.

While use of energy consumption adjustment models to calculate energy savings is the preferred method of this M&V Guide, the ability to use aggregated energy savings from individual EPIAs listed on the Opportunity Register allows for the potential to assess and decide not to create energy consumption models for one or more types of energy included in the M&V process.

The following are potential indicators that either energy consumption modeling efforts should not be made or that additional review and scrutiny should be placed on models as they may not be able to be used to calculate valid energy savings.

Before or at the beginning of the SEM program engagement:

- Estimated facility wide energy savings potential is less than 3% of annual facility energy consumption or less than 100,000 kWh of electricity per year.
- Existence of major facility, production, or schedule changes in the past year or planned in the next year.
- Facility energy consumption is increasing at a rate greater than a few percent per year.
- EPIAs with greater than 5% of facility baseline energy consumption have been planned for implementation in the Baseline Period or in the SEM Program Engagement Period.
- Highly variable production, production cycles longer than a month, or seasonal production are observed.
- On-site energy generation isn't metered.
- More than 10 energy meters for a given type of energy are identified.

During the SEM Program Engagement Period:

- Energy and relevant variable data are not being collected and facility staff are not indicating interest in correcting this issue.
- Energy and relevant variable data are recorded in a format that will require excessive time to process (e.g., PDF, manual logging sheets).
- Energy data quality is poor (e.g., missing intervals, multiple data points appear to be erroneous, interval data isn't consistent with billing data).
- Relevant variable data quality is poor (e.g., significant missing intervals, multiple data points appear to be erroneous).

The decision and rationale to not start or not continue energy consumption adjustment model development shall be approved by the IOU as part of the technical review and recorded in the M&V Report.

7.4 Considerations when Developing Energy Consumption Adjustment Models

The below sections shall be considered when creating energy consumption adjustment models.

7.4.1 Energy Data from Multiple Meters

When developing energy consumption adjustment models consider the following when energy data for a given type of energy is available from multiple meters. One of the following options shall be followed:

- Aggregate energy data. Sum the data from two or more meters to create an aggregate of facility energy data. If meter data is collected at different intervals, aggregate to the largest sampling interval. This method is appropriate when:
 - Meters have the same interval, or the meter capturing the greatest energy consumption has the largest sampling interval.
 - The same relevant variables apply to all meters.
 - The resulting energy consumption adjustment model created by using the aggregate data is simple and meaningful.
- Build separate energy consumption adjustment. Build an individual energy consumption adjustment model for each meter. Energy savings calculated for each model will be aggregated. This method is appropriate when:
 - An aggregate energy consumption adjustment model will have large a number of relevant variables.
 - Meters serve different areas or processes with different relevant variables.
 - Meters have different measurement intervals, especially if a meter with the largest energy consumption has much finer granularity than the other meter(s).
 - The customer prefers separate models for greater context of energy performance tracking and energy savings.
- Ignore meters. If the loads connected to a meter are outside the M&V boundaries or are used to meter negligible load, exclude these meters.

7.4.2 Establishing Relationships Between Energy Consumption and Relevant Variables

Energy consumption adjustment models shall be created based upon an informed understanding of the characteristics of the equipment, operations, and processes present within the M&V boundaries.

Use scatter diagrams to visually confirm whether a linear relationship exists between energy consumption data for each type of energy for which energy savings are being determined and each relevant variable. These graphs shall be included as part of the M&V Report and should be available for the Technical Review.

Though not statistically tested at this point, a lack of relationship between energy consumption and a relevant variable for which a relationship was expected shall prompt a discussion

between the customer and implementer. This result may be due to poor operational control or a mischaracterization of the facility.

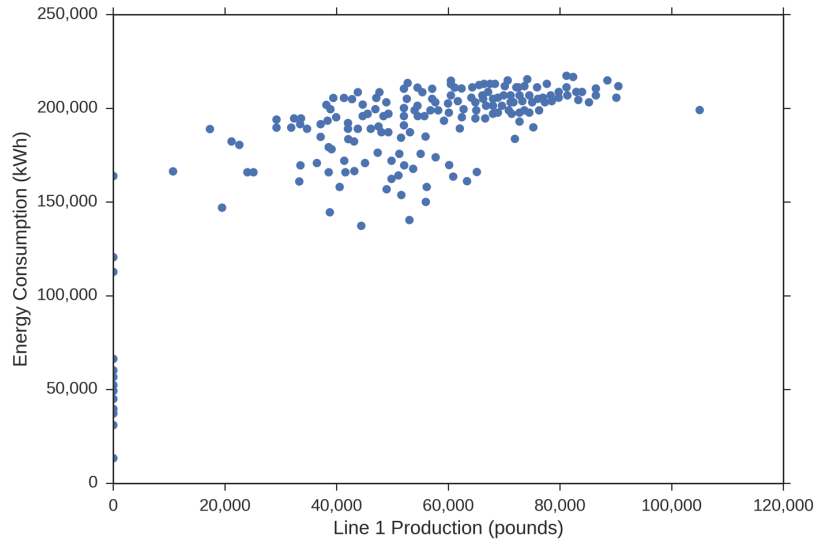


Figure 4. Example of a Scatter Plot (Energy Consumption vs. Production).

Facilities that have an ambient-dependent energy profile will often exhibit a “change-point” characteristic. The presence of a “change-point” can be determined by plotting a relevant variable versus energy consumption. Modeling a facility that exhibits a change-point with a single linear model introduces unnecessary error. Consider alternative relevant variables or a Multi-Mode Model if a change-point is observed.

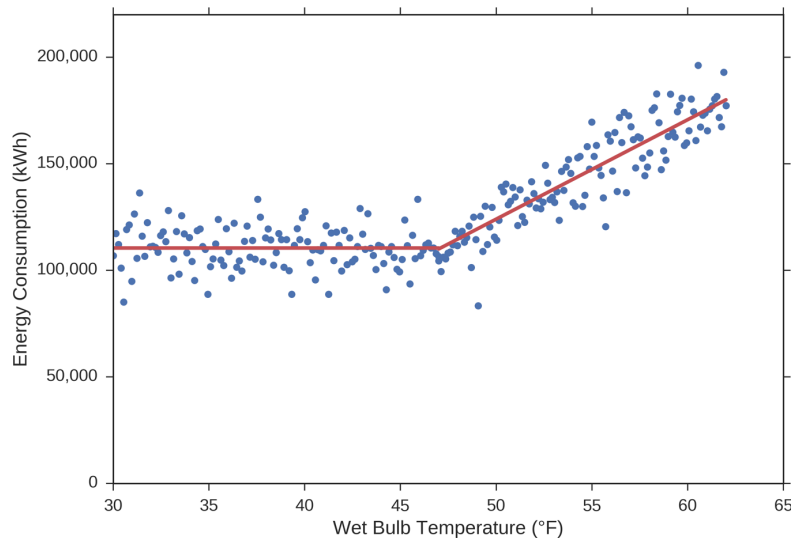


Figure 5. Example of a Change-point.

When two or more relevant variables exhibit correlation for the same energy type, multicollinearity is present. Adding and removing variables from the adjustment model will affect the significance of other variables. The presence of collinear variables can understate the statistical significance of individual relevant variables. Although in many cases multicollinearity

is unavoidable, it reduces the ability of statistical tests to establish model validity. While multicollinearity does not affect the model's predictive capacity, it has the potential to add unnecessary complexity. See Annex D – Multicollinearity and Autocorrelation, for a discussion on the effect of multicollinearity on an adjustment model.

Weather can be represented in terms of average temperature for each model interval, or cooling degree days (CDD) and heating degree days (HDD). When developing energy consumption adjustment models both approaches should be examined. For weekly and monthly models, a CDD/HDD model is preferred because it better represents heating and cooling demands over an aggregate period. For daily models, a CDD/HDD model is functionally equivalent to an average temperature model with a change point.

Weather correlation often masks other seasonal changes. Judgment and knowledge about the facility and its equipment should be used to determine whether energy consumption is truly affected by ambient weather. If no justification exists for a weather correlation, identify a more appropriate relevant variables to characterize the seasonal changes.

7.4.3 Factoring for Seasonality

Many facilities experience seasonal swings in operation. Swings can occur because of seasonal changes in product type, product quantity, or correlations between ambient temperature and process loads. When operational swings cause a fundamental change in the energy consumption of a facility, consider building multiple models.

If seasonal changes are moderate and gradual, a single model will generally be sufficient to characterize the entire energy baseline.

If a facility has a short period of abnormally high or low production with a different energy signature, or a negligible number of shutdown days throughout the year, consider removing these periods in the Baseline and Reporting Period as outliers.

If seasonal changes are abrupt and extreme, consider creating a model that includes a production based relevant variable and another model that does not.

Facilities experiencing swings due to weekend shutdowns are best modeled as one model with Saturday/Sunday/weekend indicator variables for simplicity.

Table 2 outlines the pros and cons for building one model versus two models.

Strategy	Pros	Cons
Single model with assumed year-round savings	Captures savings at all intervals. Easier to maintain one model than two. Most straightforward method, if energy consumption stays consistent.	Periods with abnormally high or low production can skew the model. Seasonal production relevant variables can lead to complex models with many relevant variables.
Single model with abnormally high or low production periods removed	Improves model accuracy during normal production periods. Works well if energy efficiency opportunities are minimal during excluded periods.	Reduces number of baseline data points. Unknown number of future data points due to production changes.
Dual production/non-production model	Each model has fewer variables and is easier to understand. Can improve model fitness compared to single model.	Maintenance of two models. Reduces number of baseline data points for each model.

Table 2: Options for Modeling for facilities with Production Swings

7.4.4 Frequency of Data used to Create Models

When possible, use daily intervals to develop energy consumption adjustment models. Models based on daily data allows the customer to track energy performance frequently during the SEM Program Engagement Period and can improve overall model accuracy by increasing the number of Baseline and Reporting Period data points. Meter data can often be acquired in 15-minute intervals and summed into daily energy data. The frequency of energy data will need to match that of relevant variable data.

If a multi-day time-shift exists between energy consumption and the primary production relevant variable, consider using weekly model rather than a daily model.

If daily production or other relevant variable data is not available, weekly or monthly model intervals can be used. Weekly model intervals are preferred over monthly. Ensure that energy consumption data is accurately summed to match relevant variable intervals.

7.4.5 Energy Baseline

7.4.5.1 Establishing the Energy Baseline

The energy baseline shall proceed the SEM Program Engagement Period and consist of a time period that is representative of normal operations within the facility. An energy baseline shall be established for each energy consumption model being developed.

Ideally, the Baseline Period will end immediately prior to the start of the SEM Program Engagement Period. The Baseline Period shall not end more than three months prior to the beginning of the SEM Program Engagement Period. The three-month allowance provides for abnormal operations not expected to be observed again. The rationale for not ending the energy baseline immediately before the start of the SEM Program Engagement Period must be documented in the M&V Report and discussed during the Technical Review.

The Baseline Period shall be 12 or 24 consecutive months with the following considerations:

- 12 months: Appropriate for sties with weather-dependent and seasonal operations. A 12 month baseline shall be the first choice. The 12 month period could be a calendar year, fiscal year, or other designated 12 consecutive months.
- 24 months: For highly seasonal models or models with monthly intervals, a 24 month Baseline Period may be optimal.

When choosing a Baseline Period length consider the reasonable ability to identify the implementation date and energy savings of EPIA implemented during the Baseline Period.

7.4.6 Accounting for Energy Projects During the Baseline Period

In order to create energy consumption adjustment models that reflect regular facility operations, customer and IOU records shall be reviewed to determine if any incentivized or non-incentivized EPIAs with sizable energy savings were implemented during the Baseline Period. In addition to reviewing customer records, interviews with customer staff shall be conducted to determine if other non-incentivized EPIAs or changes that increased energy consumption occurred. If the customer had previously participated in an IOU sponsored SEM program engagement the Opportunity Register from that engagement shall be reviewed for implemented EPIAs.

If such EPIAs were implemented during the Baseline Period, project records shall be obtained to accurately capture implementation dates and the magnitude of verified savings as needed. Ensure these EPIAs are documented on the Opportunity Register.

If EPIAs implemented during the Baseline Period are identified, consider modifying the Baseline Period to a time period when the EPIA was not implemented. If the EPIA was implemented after

the Baseline Period and prior to the start of the SEM Engagement Period remove annualized energy savings in accordance with Section 11.7.

If the Baseline Period includes implemented EPIAs confirm that the IOU does or does not have approved annualized energy savings values for the EPIA. Approved energy savings values shall be used for any adjustment made because of the EPIA. If IOU approved energy savings values are not available calculate energy savings for the EPIA following the requirements of this M&V Guide (see Section 12).

Use prorated energy savings values to adjust the energy consumption of the Energy Baseline using IOU approved energy savings values if they are available. Prorating of energy savings should be based upon the EPIA implementation date. Confirm the implementation date recorded by the IOU, if available, against the records and memory of facility staff. Use the implementation date that best connects to when energy savings resulting from the EPIA would have been realized.

EPIAs that are known to have a seasonal nature can be removed from the energy baseline accounting for known seasonality.

7.4.7 Continued use of Energy Baselines and Energy Consumption Adjustment Model(s)

Over the course of one or more SEM program engagements, changes to the operations, production, or equipment can invalidate energy consumption models. If during periodic checks or the Technical Review an energy consumption adjustment model is found to not be valid per the quantitative and qualitative tests in this M&V Guide first examine if the model can be updated or if the energy baseline and energy consumption adjustment model are no longer viable.

If the energy baseline is no longer viable or current energy consumption adjustment model is now invalid, use of the energy consumption model shall be suspended. Development of a new energy baseline and energy consumption model shall be conducted. Depending upon reporting timing energy savings may need to be determined and reported via aggregation of energy savings for individual EPIAs listed on the Opportunity Register.

An energy consumption adjustment model and its associated energy baseline that was approved for use during a previous SEM Program Engagement Period may be accepted for continued use so long as all of the following are true:

- The customer has continuously participated in an IOU sponsored SEM program engagement since the original development of the energy consumption adjustment model (with an allowance for gaps between SEM program engagements resulting from cohort launch or other timing issues).
- Annualized energy saving values that were submitted and accepted by the CPUC for all Reporting Periods that preceded the current Reporting Period are available.
- The energy consumption adjustment model and energy baseline data meet the quantitative and qualitative requirements of this M&V Guide.
- A completed Opportunity Register from prior SEM program engagements, for which the energy consumption adjustment model was used, is available.
- Relevant variables selected as part of the process detailed in Section 4 are not different than those used in the existing energy consumption adjustment model.
- More granular energy consumption and relevant variables data are not available compared to that used in the existing energy consumption adjustment model.
- The M&V boundaries have not changed.
- The customer has not requested a new model.

The above listed criteria shall be reviewed at the Technical Review meeting. If, following the Technical Review meeting, the energy consumption adjustment model is not approved for use by the IOU sponsoring the SEM program engagement the energy consumption adjustment model is not allowed for use and a new energy baseline and energy consumption adjustment model(s) shall be developed.

The IOU sponsoring the SEM program engagement may at its discretion require a new Baseline Period, energy baseline, and energy consumption adjustment model development. This may be required at the beginning of new SEM Program Engagement Periods to create a distinct basis for energy savings determination and to remove all residual effects of existing energy consumption adjustment models.

7.5 Developing Energy Consumption Adjustment Models

Using information gathered as part of the M&V process, for each energy type for which data are collected, develop one or more energy consumption adjustment models with the form:

$$ECD(*) = b_0 + b_1x_1 + b_2x_2 + \dots + b_nx_n$$

where x_i is the relevant variable quantity, b_0 is the base load delivered energy consumption not related to relevant variables, and b_i (when $i > 0$) is the incremental energy consumption per unit of that relevant variable (coefficient).

Attempts shall be made to develop one or more energy consumption adjustment models for each energy type that encompass the full M&V boundary in order to capture facility-wide energy savings. If development of models to encompass the full M&V boundary is not possible then developing multiple energy consumption models within that “fit” within the M&V boundary shall be attempted.

Depending on the list of selected relevant variables identified in the Energy Data Collection Plan for which data were collected, attempts shall be made to develop competing models that can be assessed with the quantitative and qualitative validity tests described in the energy consumption adjustment model validity section (7.6) of this M&V Guide.

7.5.1 Simplicity principal

The desire to create the most descriptive or “perfect” model can lead to a disproportionate use of resources. The objectives of creating energy consumption models extend beyond creating tools to estimate facility-wide energy savings.

Simple energy consumption adjustment models have multiple benefits:

- **Easier data collection:** In some cases, collecting production data may be a burden to the customer. Minimizing the data requirements for a customer may increase buy-in to data collection and use of the energy consumption adjustment models.
- **Better understanding of the model:** A model that can be easily explained will be better understood by the customer, which will increase their trust in the energy savings predicted by the final model.
- **Reduced likelihood of outliers and errors:** A model with fewer variables is less likely to suffer from data-entry errors and/or outliers during the Reporting Period. A simple model is more “durable” and therefore more useful to a customer long-term.

Customers need to be able to understand the modeling process and outputs so they can track energy performance and determine energy performance improvement using the model. Teaching the customer to make simple, meaningful models and when to stop modeling efforts in favor of aggregated energy savings from individual energy performance improvement actions will benefit the customer in the long run.

As guidance, if five or more relevant variables are being used in a single energy consumption adjustment model, the model should be split if possible by using data from multiple meters. Alternatively, remove relevant variables from the model to see if the loss of some statistical validity creates a simpler, more understandable model.

However, also consider that an energy consumption adjustment model which is too simple and does not include sufficient relevant variables can provide poor predictive capability. Weigh the pros and cons of each combination of variables to determine a minimal level of model complexity while providing adequate energy savings estimations.

7.6 Reviewing Competing Energy Consumption Adjustment Models

The selection of energy consumption adjustment models that will be used to track energy performance and determine energy performance improvement shall be made based upon quantitative and qualitative model validity testing described in this M&V Guide.

While acknowledging that this M&V Guide states an objective for the customer to increasingly lead the process of model development, the implementer shall be responsible for ensuring the validity of energy consumption adjustment models that will be used to calculate energy savings used for regulatory reporting. Model validity will be reviewed as part of the Technical Review.

If leading the M&V process outside of an SEM program engagement, the customer may not wish to stringently apply these validity tests. A customer can make meaningful use of energy consumption adjustment models that have lower statistical validity than would be acceptable for regulatory reporting.

7.6.1 Assessing Statistical Significance of Relevant Variables

To establish quantitative validity, each relevant variable used in an energy consumption adjustment model shall meet all of the following statistical tests:

Statistical Tests	Statistical Test Threshold Values
T-stat	Absolute value > 2.00
p-value	< 0.05

Table 3: Relevant Variable Statistical Tests

Adding and removing relevant variables will affect the significance of other relevant variables. In many cases, multicollinearity is unavoidable; however, it should be taken into consideration when validating the statistical significance of each relevant variable. While multicollinearity does not affect the model's predictive capacity, it has the potential to add unnecessary complexity. See Annex D – Multicollinearity and Autocorrelation, for more information.

7.6.2 Validating Models with Statistical Tests

The following statistical tests shall be applied to all energy consumption adjustment models:

Statistical Tests	Statistical Test Threshold Values
Number of Relevant Variables	< 5
Model R²	> 0.75
Net Determination Bias	< 0.005%
Coefficient of Variation	< 20% for daily models
	< 10% for weekly models
	< 5% for monthly models
Durbin-Watson	~ 2
Fractional Savings Uncertainty (predictive)	< 50%
	Apply anticipated energy savings and Reporting Period interval frequency.

Table 4: Energy Consumption Statistical Tests

The selection of energy consumption adjustment models should not be narrowly driven by evaluating which model “best” meets statistical tests as meaningful models may not meet all listed statistical tests. For example, a low R^2 value may be the result for a facility with low variation in energy consumption. In cases where all of the tests cannot be met but a model passes a majority of the statistical tests and meets the qualitative requirements of Section 7.6.3, the customer and implementer together shall select which models to use moving forward. The selection rationale shall be documented in the M&V Report and will be reviewed during the Technical Review.

7.6.3 Validating Models with Qualitative Considerations

Equal to the statistical validity tests, the selection of energy consumption models shall be based upon assessment of qualitative considerations including that:

- The selection of relevant variables in the adjustment model and the subsequently determined relevant variable coefficients are consistent with a logical understanding of the energy use and energy consumption of the facility.
- No substantial difference between the two periods in product types.
- Meters used were functioning, calibrated, and maintained as appropriate.

Additionally, considerations including the simplicity of the energy consumption adjustment model, meaning of the model to the customer, and the ability to continue collecting data required for use of the model shall be considered.

7.6.4 Table of Competing Models and Selecting Models for Use

A table of competing models shall be created for each energy consumption adjustment model development effort and provided in the M&V Report. While many variations of model may be developed, ideally around 5 with a maximum of 10 of the most meaningful of the competing models should be listed on the table of competing models. The table shall include a row for each competing model a column for each of the following:

- Model reference number.
- Data interval (frequency).
- Baseline Period start and end dates.
- Upcoming Reporting Period start and end dates.
- R^2 .
- Net determination bias.
- Coefficient of variation.
- Durbin Watson.
- Projected fractional savings uncertainty.
- Comments about the model.

Four columns of each row should be subdivided to provided information about the relevant variables that are used to form the model. The four columns should include:

- Name of the relevant variable.
- Relevant variable coefficient value.
- T-stat.
- P-value.

The table of competing models shall be filled out as the energy consumption adjustment modeling development effort proceeds. The table of competing models should be used along with qualitative assessments to select energy consumption adjustment models that will be used to track energy performance and calculate energy savings.

7.7 Ongoing Confirmation of Model Validity

On a monthly basis, confirmation of model validity shall be conducted. This review shall be led by the customer when their skills and abilities relative to the M&V process improve to an appropriate level. The implementer shall confirm model validity prior to the customer assuming this responsibility.

Ongoing confirmation of model validity shall include answering the following questions:

- Have operating characteristic remained similar?
- Has production stayed within the range as recorded during the Baseline Period?
- Has any major energy uses been installed?
- Does the level of energy savings achieved so far align with energy savings from implemented EPIAs listed on the Opportunity Register?
- Has the facility or M&V boundaries changed?

Analysis of data collected for use with the selected energy consumption adjustment model shall be conducted as well. Individual data intervals in the Reporting Period should be flagged if a relevant variable data point is $\pm 10\%$ beyond the bounds of the energy baseline data set. These points may be handled in one of three ways:

- Include the point without alteration.
 - This is appropriate if the residual for the point is not an outlier compared to the overall population of residuals.
- Exclude the point.
 - This is appropriate if the residual of the outlier point is an outlier compared to the overall population of residuals. In this case the energy savings from this outlier point would have an outsized effect on the energy savings measurement.
- Develop a new energy consumption adjustment model.
 - This is appropriate if the outlier interval data points are caused by an issued that will fundamentally result in an energy consumption adjustment model that does not have a meaningful relationship to the energy consumption, uses, and operations of the facility.

In preparation for the Technical Review the above questions shall be answered in addition to confirmation that the selected energy consumption models still pass the quantitative and qualitative validity requirements of this M&V Guide.

7.8 Options when a Valid Energy Consumption Adjustment Model Cannot be Created

Energy consumption adjustment models that do not meet the quantitative and qualitative validity requirements of this M&V Guide cannot be used in the calculation of energy savings as part of an IOU sponsored SEM program engagement and may potentially mislead customers.

If such a case occurs, the party responsible for developing energy consumption adjustment models shall first attempt to modify the forecast adjustment model. This process might include modifications to the assumed relevant variables and frequency of data collection. Any changes that result in a successful energy consumption adjustment model shall be noted in the Energy Data Collection Plan to ensure ongoing collection of data needed to use the model.

Changes to the Baseline Period are allowed for as detailed in Section 7.4.5 but should be cautioned against. The objective of the M&V process is not to hunt for a valid model but to collect data and assess if a model can be made to meaningfully represent the relationship of energy consumption to relevant variables.

If the M&V boundary is supplied by multiple meters, disaggregating the meters may result in better model resolution.

7.8.1.1 Non-Routine Adjustments to the Baseline Energy Consumption

Non-routine adjustments are made to the observed (actual) energy consumption in the baseline and/or Reporting Periods if one or both of the following have occurred:

1. If static factors have changed during the SEM Program Engagement Period.
2. If relevant variables have been subject to unusual changes.

Examples of events that might require a non-routine adjustment include the following:

- A supplier goes out of business, and an equivalent raw material is not available. A process modification is needed to use a different type of raw material. No data exist for Baseline Period operating conditions with the new type of raw material.
- Processes are outsourced, enhancing profitability and decreasing energy consumption.
- Business acquisition occurs which results in data not being available or limits on the data availability for the period prior to the acquisition.

Any numeric inputs to non-routine adjustment calculations shall be based on observed, measured, or metered data.

Non-routine adjustments are typically based on an engineering analysis to calculate energy consumption in the baseline and Reporting Periods as if static factors were at the same condition in both periods. In this case, the adjustment will be to calculate Baseline Period energy consumption as if the Reporting Period condition of the static factors had been the same as in the Baseline Period.

The effort expended to calculate the amount of energy the non-routine adjustment will result in should be less than that of incentivized custom capital project and proportional to the level of expected energy adjustment.

The method for making the non-routine adjustment and the rationale for that method shall be maintained, including the general reasonableness of the methodology and calculations, the adequacy of the metering and monitoring methodologies, and conformance of the calculations applied. Non-routine adjustments may be used, but only after review and approval from the IOU. The method for making the non-routine adjustment and the rationale for that method must be documented in the M&V Report.

7.8.1.2 Backcast Energy Consumption Adjustment Model Development Method

If forecast energy consumption adjustment models still cannot be created, use of the backcast method to develop energy consumption adjustment models can be considered. The development of a backcast energy consumption model is optional.

Backcast normalization results in a model of the Reporting Period energy consumption that is applied to the Baseline Period and Reporting Period-relevant variable values to calculate adjusted Reporting Period energy consumption for comparison with observed (actual) Baseline Period energy consumption. The adjusted Reporting Period energy consumption is an estimate of the energy consumption that would have been expected at Baseline Period relevant variable values, if the Reporting Period operating systems and practices were in place during the Baseline Period.

The backcast normalization method is applicable in instances where:

- One or more relevant variables has significantly increased or decreased from the Baseline Period through the Reporting Period.

- The resolution of the energy signature for the Baseline Period was relatively poor and the resolution of the energy signature during the Reporting Period has significantly improved.
- No major operational or structural changes have occurred during the SEM Program Engagement Period.

The backcast modeling method may be used so long as the validity requirements of Section 7.6 are taken into account. The justification and use of a backcast modeling method shall be documented in the M&V Report and presented during the Technical Review.

8 The Opportunity Register and EPIA Energy Savings

8.1 Introduction

In addition to the development of energy consumption adjustment models, annualized energy savings for each EPIA listed on the Opportunity Register that is estimated to result in energy savings greater than 1.0% of the energy baseline value for that type of energy shall be calculated when the action is implemented.

The implementer shall ensure that annualized energy savings for all implemented EPIA listed in the Opportunity Register that are estimated to result in energy savings greater than 1.0% of the energy baseline value for that type of energy, are calculated and recorded in the Opportunity Register.

Following the implementer's lead, the customer should begin to lead the calculation of energy savings for EPIAs.

8.2 Process

If the EPIA is to apply for a custom capital or deemed incentive the M&V practices governing those programs shall be followed. The energy savings value claimed as part of an incentivized project shall be recorded in the Opportunity Register.

If the EPIA listed on the Opportunity Register will not be used to apply for a custom capital or deemed incentive, the effort expended to calculate energy savings for the EPIA should be less than that of incentivized custom capital project and proportional to the level of expected energy savings. M&V plans for each EPIA are not required. Energy savings calculations for EPIA shall be documented and defensible.

If a rough order of magnitude estimate indicates that implementation of the EPIA will result in energy savings less than 1.0% of baseline energy consumption for that type of energy, "back of the envelope," calculations can be used to estimate energy savings if so desired by the customer and implementer.

On a project by project basis the implementer and customer shall work together to identify who will lead the calculation of annualized energy savings from implemented EPIA. Alternatively, for each SEM program engagement the implementer and customer may come to a common understanding of who will lead the calculation of annualized energy savings for implemented EPIA, so long as there is movement towards the customer having a growing role in this process over the course of multiple SEM program engagements.

The customer shall regularly update and maintain the Opportunity Register. The implementer shall verify, at least quarterly, that the Opportunity Register is updated and maintained.

9 Tracking Energy Performance

9.1 Introduction

Energy performance calculated with the selected energy consumption adjustment models and the Opportunity Register shall be conducted on a regular basis.

The customer shall track energy performance on a regular basis with implementer support and consultation.

9.2 Process

9.2.1 Tracking Energy Performance with Energy Consumption Adjustment Models

The customer shall collect energy consumption and relevant variable data per the Energy Data Collection Plan and track energy performance using the Energy Performance Tracking Tool.

The customer shall update the Energy Performance Tracking Tool on at least a monthly basis. The customer and implementer shall review the Energy Performance Tracking Tool on a regular basis to ensure data are being collected, energy performance is being calculated correctly, detect anomalous values, and account for situations that did not happen in the Baseline Period and may need to be corrected for. This high-level review should be used to identify changes in trends and decide if corrective actions need to be taken. This review is not intended to be a detailed evaluation of energy performance.

A time-series plot of actual and predicted energy consumption for each energy consumption model in use, shall be created while tracking Energy Performance.

Backsliding refers to worsening energy performance compared to a previous achieved benchmark. Energy consumption adjustment models can be used to provide a feedback loop to identify and correct backsliding. As new energy performance values are reviewed, the implementer and customer shall together assess if energy performance is backsliding. When backsliding is identified, corrective action shall be taken as soon as possible.

9.2.2 Tracking Energy Performance with the Opportunity Register

On a regular basis, the customer and implementer shall together review the Opportunity Register to ensure that EPIAs are being implemented, resulting energy savings are calculated with appropriate effort relative to the expected energy savings, and that within reason energy savings are similar to what was expected.

By reviewing if EPIAs are being implemented, the customer can ensure they are taking action to improve energy performance. If no EPIAs are being implemented an assessment of why they are not being implemented should be conducted.

The review provides the implementer and customer a chance to ensure energy savings from implemented EPIAs are calculated with appropriate relative effort compared to an expected energy savings potential. If the EPIA was incentivized by a different IOU program the energy savings value determined by that program for the EPIA shall be used and recorded in the Opportunity Register.

If calculated energy savings for EPIAs are significantly different than expected, an analysis of why this is the case shall be conducted.

During the energy performance review, energy savings from implemented EPIA listed on the Opportunity Register should be aggregated and compared to established energy targets. This analysis will help the customer and implementer know if adequate progress is being made towards achieving the energy target.

10 Technical Review of the M&V Process and Results

An annual Technical Review of the M&V process shall be conducted between the implementer and IOU sponsoring the SEM program engagement. The purpose of the Technical Review is to ensure that the M&V process is being followed, valid energy consumption adjustment models are being developed or assessed for continued use, and energy savings for EPIAs listed on the Opportunity Register are being appropriately calculated. The Technical Review is not designed to be part of the CPUC evaluation process.

Materials used as part of the Technical Review should be components of the M&V Report that would be developed regardless.

10.1 Introduction

During the review the implementer shall present to the IOU:

- A synopsis of facility characterization
- Energy Data Collection Plan
- Energy consumption adjustment models selected for use
 - The table of competing models (ideally 5 and a maximum of 10) with quantitative and qualitative test results for each new model selected for use.
 - Confirmation that previously used energy consumption models meet the requirements to re-use models per this M&V Guide.
- The Opportunity Register.

If the Technical Review is successful, the IOU will be able to:

- Confirm that the M&V process outlined in this M&V Guide is being conducted with appropriate customer engagement and leadership.
- Confirm the customer facility has been well characterized based upon the requirements of this M&V Guide.
- Approve the continued use of a previously developed energy consumption adjustment model if requested and appropriate.
- Approve the use of a newly developed energy consumption adjustment model if requested and appropriate.
- Approve requests to not pursue energy consumption adjustment modeling for a given type of energy, if such request is made and appropriate.
- Confirm that the Opportunity Register is being updated appropriately.

10.2 Scheduling the Technical Review

The Technical Review can be conducted in person, remotely via web meeting, or through desk audit by IOU staff. The IOU shall specify how the Technical Review will be conducted.

NOTE: This M&V Guide assumes an in person or remote presentation will be given and this section is written accordingly. Adjustment made by the IOU are permitted to accommodate how they want the Technical Review to proceed.

The Technical Review should be scheduled first approximately four months after the start of an SEM Program Engagement Period and then approximately every 12 months thereafter. With the current SEM Program Design of three, two-year SEM program cycles this would result in two Technical Reviews per SEM program cycle. It is the implementer's responsibility to schedule the Technical Review once all materials are prepared.

The Energy Data Collection Plan, Energy Performance Tracker Tool populated with model coefficients, and Opportunity Register shall be supplied to the IOU by the implementer at least five business days before the scheduled Technical Review

10.3 Technical Review Topics

The items below will be part of the Technical Review.

10.3.1 Customer facility synopsis preparation

Keeping to a maximum of 10 minutes, the implementer shall provide a brief presentation of the customer to orient IOU staff.

- What is the customer's business?
- What energy types are being included in the M&V process?
 - Fed by how many meters each
 - % of total load
- Any special M&V boundary considerations such as on-site generation or energy conversion technology?
- What are their major energy uses?
- What relevant variables were selected?
 - Which relevant variables were rejected but may come back into play?
- Review of the energy map.

10.3.2 Energy Data Collection Plan

The current Energy Data Collection Plan shall be electronically provided to the IOU staff as directed. The Technical Review is not designed to detail the contents of the Energy Data Collection Plan but provide time to discuss any questions and concerns. This portion of the Technical Review should normally be kept to 5 minutes but may extend if questions are raised by the IOU staff. The implementer shall:

- Present if there have been unexpected changes to the Energy Data Collection Plan.
- Present which utility or other energy consumption meters are being used.
- Present if there have there been any delays in the customer collecting and tracking data.

10.3.3 Competing Energy Consumption Adjustment Models

For each energy consumption adjustment model developed for use

- Model original development date and prior use.
- Energy Baseline Period.
- Boundaries for the model.
- Energy type model is created for.
- Number of meters feeding data for each energy consumption adjustment model.
- Boundaries of the model (whole-facility, system...).
- Model equation.
- Results of relevant variable statistical tests.
- Results of quantitative validity tests.
- Actual vs. predicted chart (to date).
- CUSUM chart (to date).
- Identification of risks.

10.3.3.1 General

During the Technical Review, the implementer describes to the IOU all energy consumption adjustment models selected for use. For each energy consumption adjustment model being used the implementer shall be prepared to discuss alternative models and why they were not selected for use. Each energy consumption adjustment model shall be discussed between the implementer and IOU. Each energy consumption adjustment model should be discussed for a maximum of 30 minutes.

10.3.3.2 For New Models

For new models, the implementer shall develop a competing model summary table with notes as specified in Section 7.6.4. This table will be used in the M&V Report as well. Ideally, about 5 and no more than 10 competing models would be presented.

10.3.3.3 For Existing Models

For existing models, the Technical Review should focus on what was done to evaluate the model to confirm validity. This should include:

- Reviewing time series graphs & CUSUM graphs to identify changes in relationship between energy drivers and energy.
- Identifying and accounting for step changes or outliers in the data.
- The customer's success/challenges with managing their model(s).

The IOU shall confirm or reject use of existing models. The IOU can at its discretion require a new Baseline Period, energy baseline, and energy consumption adjustment model development.

10.3.4 Opportunity Register Review

The focus of the Technical Review is not how energy savings values were calculated for the Opportunity Register. The focus is a check that EPIA are being identified, implemented, and energy savings are calculated. Depending upon the types of EPIA listed, discussion of the IOU providing additional or different resources to assist the customer implement the EPIA may occur.

Ensure that EPIAs that received incentives from other programs have correctly recorded IOU claimed energy savings values.

10.3.5 Note Taking and Follow-up

During the session, the implementer shall be responsible for taking notes and keeping records of any follow up questions or requests. These notes and follow up questions should be sent out to all Technical Review attendees immediately after the review session. These notes should be documented in the M&V Report.

11 Calculating Energy Savings with Energy Consumption Adjustment Models

11.1 Introduction

Energy consumption adjustment models can be used to calculate energy saving realized during the Reporting Period. Energy savings of all types of energy shall be calculated and confidence established for the Reporting Period.

Energy savings calculated during the Reporting Period are not annualized values, meaning the energy savings do not represent the annual savings level that would be projected to persist beyond the Reporting Period. If an energy consumption adjustment model is used for consecutive Reporting Periods the energy savings value for each Reporting Period will reflect the cumulative change in energy consumption since the Baseline Period. Incremental energy savings can be calculated for each successive Reporting Period by subtracting the energy savings of the prior Reporting Period from the energy savings value calculated for the Reporting Period of interest.

As part of an IOU sponsored SEM program engagement and for the purposes for regulatory reporting, annualized energy savings resulting from 1) the implementation of EPIA identified and planned outside of any SEM program engagement as well as 2) EPIA identified at any time that will receive incentive from another IOU program, and are implemented during the current Reporting Period shall be removed from the current Reporting Period annualized energy savings as determined with use of the energy consumption adjustment model.

While the intent is for the customer to learn and eventually lead the energy savings calculation process, steps specifically related to regulatory requirements shall be addressed by the implementer rather than the customer. Ideally, the customer will be able to lead the calculation of Facility-wide Projected Energy Savings but the implementer should then conduct necessary actions to meet IOU and CPUC policy requirements (e.g., non-IOU fuels) and disaggregate the overall energy savings to their component parts as described in Section 11.7.

11.2 Process

In order to calculate energy savings during a Reporting Period the following shall be followed:

1. Establish a Reporting Period.
2. Calculate energy savings realized during the Reporting Period.
3. Annualize energy savings.
4. Consider when energy consumption adjustment models are used for multiple Reporting Periods.
5. Prepare energy savings for regulatory reporting.
6. Establish confidence in energy savings values.

11.3 Establishing Reporting Periods

The customer and implementer shall establish one or more Reporting Periods within the SEM Program Engagement Period. Reporting Periods can be established based upon customer needs and IOU specified reporting requirements. While this M&V Guide establishes the overall process based upon an annual process, the need to calculate energy savings is not required to be performed annually. Establishing a single Reporting Period so that it is the same duration as the SEM Program Engagement Period offers simplicity advantages and can provide a more meaningful retrospect on actions taken to improve energy performance over time. Tracking energy performance on a more frequent basis provides more informative information on which corrective actions can be taken.

Energy savings calculations made during the Reporting Period are by definition not annualized, that is the calculated Reporting Period energy savings value is the actual amount of energy

saved during the Reporting Period as compared to the energy baseline rather than a forward projection of expected annual energy savings following the Reporting Period.

In many cases the Reporting Period is established as a 12-month period. When a 12-month Reporting Period is used to calculate energy savings the value still is not annualized but rather the energy savings resulting during those specific 12 months.

As understood currently, there is no requirement to report energy savings to the CPUC from the SEM program on an annual basis. Use of a Reporting Period equal to the two-year SEM program engagement Period increases the time for energy management systems to be developed, energy performance improvement actions to be implemented, and data collection system to be established and accurately utilized.

Annualization of energy savings based upon a two-year Reporting Period will provide a single annualized energy savings value that directly reflects the result of the two-year SEM program engagement. This is aligned with how energy savings are reported to the CPUC for capital projects, with energy savings being reported once when the project is implemented, not during and again after implementation.

A drawback to using a Reporting Period aligned with the two year SEM Program Engagement Period is that while energy savings are not required to be reported to the CPUC every year, associated costs of operating the SEM program are. This creates a misalignment of reporting program costs and energy savings. This issue can be addressed in some way by offering multiple SEM cohorts that are started in alternating years.

Unless otherwise specified by the IOU, a Reporting Period equal in duration to the SEM Program Engagement Period shall be established and used for regulatory reporting.

11.4 Calculating Energy Savings During the Reporting Period

For each energy consumption adjustment model selected for use, energy savings during a specified Reporting Period shall be calculated by applying the following equation using observed (actual) and estimated (predicted) energy consumption values as appropriate.

11.4.1 Calculating Energy Savings for Each Interval of the Reporting Period

$$\begin{aligned} \text{Energy Savings}_{\text{Reporting Period Interval}} &= \text{Energy Consumption}_{\text{Reporting Period Interval}}^{\text{Modeled}} \\ &\quad - \text{Energy Consumption}_{\text{Reporting Period Interval}}^{\text{Observed}} \end{aligned}$$

11.4.2 Aggregating Interval Energy Savings to Calculate Reporting Period Energy Savings

$$\text{Energy Savings}_{\text{Reporting Period}} = \sum_{i=1}^n \text{Energy Savings}_{\text{Reporting Period Interval } i}$$

Where

n = number of intervals in the Reporting Period

Energy savings calculated using the above equation are for the current Reporting Period as compared to the energy baseline and will be cumulative of all energy savings activities between the end of the Baseline Period and the current Reporting Period. See Section 11.7.1 to determine incremental energy savings for the current Reporting Period.

11.4.3 Visualizing Energy Savings

The cumulative sum of differences (CUSUM) calculation is an effective means of quantifying and visualizing energy savings for each type of energy during the Reporting Period.

A CUSUM graph provides an illustration of the total savings achieved as compared to the energy baseline. A CUSUM graph can be accompanied by a time-series plot of actual and predicted energy consumption. A time-series plot of actual and predicted energy consumption for each energy consumption model in use shall be created while tracking Energy Performance as described in Section 9.

The CUSUM of energy savings shall be added to this existing graph of actual and predicted energy consumption.

NOTE: A national consensus whether to display CUSUM energy savings as a positive or negative value does not exist. Some utility sponsored SEM programs mandate increasing energy savings be displayed as a positive value while other programs mandate the opposite. Implementers and customers can display CUSUM energy savings as positive or negative so long as graphical representations of CUSUM energy savings clearly indicate the direction of increased energy savings. At its discretion the sponsoring IOU may require one approach or the other.

The implementation date of EPIAs listed on the Opportunity Register for which energy savings have been calculated shall be indicated on the CUSUM graph. Confirm the implementation date recorded by the IOU, if available, against the records and memory of facility staff. Use the implementation date that best connects to when energy savings resulting from the EPIA would have been realized.

Significant changes in CUSUM slope, positive and negative, should be investigated with analysis results noted as footnotes to the CUSUM graph.

CUSUM graphs with annotation and footnotes that span all Reporting Periods (current and historic) for which the energy consumption adjustment model has been used shall be provided as part of the M&V Report.

11.5 Annualization of Energy Savings

Energy savings calculated for implemented EPIAs are typically annualized values. As such, EPIA energy savings values are not comparable with energy consumption adjustment model based energy savings calculated during a Reporting Period. Additionally, while it is possible to disaggregate EPIA energy savings from Reporting Period energy savings using an approach that prorates EPIA energy savings using the EPIA implementation date, the concept assumes that energy savings from the EPIA are not seasonally affected and decay or increase over time.

Reporting Period energy savings can annualized through a process sometimes referred to as, “forward projection.” This annualization process uses a brief time period before the end of the Reporting Period (the Annualization Period) to annualize energy savings.

Annualization of energy savings is performed to:

- Convey the expected level of energy savings expected to be realized beyond the Reporting Period.
- Make energy savings comparable to annual energy savings calculated for implemented EPIAs.

11.5.1 Annualization Period

Annualization of energy savings is dependent upon extrapolating energy savings calculated during a short time period established towards the end of the Reporting Period. This time

period, the Annualization Period, shall be 90 consecutive days within the final 5 months of the Reporting Period.

The Annualization Period can longer than 90 days depending on the variability of the facility but shall be wholly within the final 5 months of the Reporting Period. If the customer's operation is highly seasonal, and only has one model, a longer Annualization Period that addresses seasonal impact on varying energy savings rates should be selected. The rationale for selecting a Annualization Period duration longer than 90 days shall be documented in the M&V Report. Annualization Periods shorter than 90 days shall not be used as they may result in energy savings based on short trends that may not be representative.

Ideally, the end of the Annualization Period should be established as close to the end of the Reporting Period as possible. The rationale for ending the Annualization Period prior to the end of the Reporting Period shall be documented as part of the M&V Report.

11.5.2 Confirming Data Quality within the Annualization Period

Data collected during the Annualization Period should be reviewed in detail to detect anomalous values and account for situations that did not happen in the Baseline Period.

Individual data intervals in the Annualization Period should be flagged if a relevant variable data point is $\pm 10\%$ beyond the bounds of the energy baseline data set. These points may be handled in one of three ways:

- Include the point without alteration.
 - This is appropriate if the residual for the point is not an outlier compared to the overall population of residuals.
- Exclude the point.
 - This is appropriate if the residual of the outlier point is an outlier compared to the overall population of residuals. In this case the energy savings from this outlier point would have an outsized effect on the energy savings measurement.
- Shift the Annualization Period.
 - This is appropriate if the interval in question is towards the end of the current Annualization Period and shifting the period will omit the interval in question while otherwise maintaining the integrity of the Annualization Period.
- Remodel
 - This is appropriate if no Annualization Period can be established during which a valid energy savings value can be calculated.

If an outlier is detected, qualitative justification based on visual representation of the data and quantitative justification should be provided, rationalizing the selected approach used to address the outlier. The selected approach should be documented in the M&V Report.

11.5.3 Calculating annualized energy savings

Annualized energy savings shall be calculated using the following equation:

$$\text{Annualized Energy Savings} = \left(\sum_{i=1}^n (\text{Energy Savings})_i \right) \times \left(\frac{n_{\text{year}}}{n} \right)$$

Where

n = number of intervals in the Annualization Period

n_{year} = number of intervals in a year

With energy savings being calculated using the equation in Section 11.4.1.

11.5.4 Considerations for Seasonality

When the distribution of relevant variables used for a particular energy consumption adjustment model is expected to be markedly different throughout the Reporting Period, this distribution must be considered when annualizing energy savings. If the ratio of higher to lower expected production level is not anticipated to stay seasonally consistent, the Reporting Period can be divided into two or more distinct periods for a given energy consumption adjustment model. This method is generally only feasible for daily models. There must be a minimum number of intervals (normally 30 for daily models) in each period to justify the split. Use of this method shall be documented in the M&V Report.

11.6 Calculating Annualized Energy Savings for Multiple Reporting Periods using the Same Energy Consumption Adjustment Model

Energy consumption adjustment models can be used for multiple consecutive Reporting Periods. Energy savings values for consecutive Reporting Periods are by nature cumulative of energy savings resulting from actions taken in the current as well as prior Reporting Periods. Incremental annualized energy savings for the current Reporting Period shall be calculated if energy consumption adjustment models are used for more than one Reporting Period as a way of “artificially re-baselining” the energy consumption model.

Incremental annualized energy savings for the current Reporting Period shall be calculated by subtracting the annualized energy savings from the prior Reporting Period from the annualized energy savings of the current Reporting Period. The prior Reporting Period energy savings must be cumulative with all other prior Reporting Periods.

If an energy consumption adjustment model is used for multiple consecutive Reporting Periods then the CUSUM value and graph shall be “artificially re-baselined” by setting the CUSUM value and graph to 0 at the start of each Reporting Period.

If an energy consumption adjustment model is re-baselined (a new energy baseline established and new model developed) any savings achieved prior to the new Baseline Period do not need to be removed from energy savings calculations made for the current Reporting Period as they will have been incorporated into the new model. Energy savings achieved during the Baseline Period must be accounted for following the guidance in Section 7.4.6.

11.7 Classifying Energy Savings for Regulatory Reporting

If incremental annualized energy savings for a given type of energy are calculated for the purposes of regulatory reporting, energy savings resulting from EPIA implemented during the Reporting Period that are incentivized by another IOU program or were identified and planned outside of participation in any SEM program engagement shall be removed from the energy savings value reported.

The following process of removing energy savings resulting from EPIAs implemented during the Reporting Period that are incentivized by another IOU program or were identified and planned outside of participation in any SEM program engagement shall be used and documented as part of the M&V Report.

All types of energy savings for each type of energy shall be documented in the M&V report.

11.7.1 Relationship Between Different Types of Energy Savings

The below listing defines types of energy savings that will be referenced in the process of appropriately removing energy savings from annualized energy savings for each type of energy.

1. **Facility-wide Annualized Energy Savings:** Incremental, annualized energy savings for a given type of energy resulting from the aggregation of annualized energy savings from

each energy consumption adjustment model developed for the same energy type. These “modeled” savings encompass all energy saving types listed below.

2. **Non-SEM Program Energy Savings:** Annualized energy savings calculated for EPIAs identified and planned outside of any SEM program engagement and implemented during the current Reporting Period, whether receiving other incentives or not.
3. **SEM Program Energy Savings:** Facility-wide Annualized Energy Savings minus Non-SEM Program Energy Savings. This value is the annualized combination of BRO, capital, and deemed projects that were influenced by SEM. This energy savings value is used to calculate program cost-effectiveness.
4. **SEM Incented Project Energy Savings:** Annualized energy savings for an EPIA (project) identified during any SEM program engagement and implemented during the current Reporting Period that is to receive an incentive from another IOU program. IOU custom capital M&V requirements (ex-ante, ex-post, etc.) will apply.
5. **SEM BRO Energy Savings:** SEM Program Energy Savings minus SEM Incented Project Energy Savings. At the discretion of the IOU, this energy savings value can be used to pay BRO performance incentives.

Mathematically:

SEM Program Energy Savings = Facility-wide Annualized Energy Savings - Non-SEM Program Energy Savings

SEM BRO Energy Savings = SEM Program Energy Savings - SEM Incented Project Energy Savings

The figure below illustrates the relationship of the different types of energy savings.

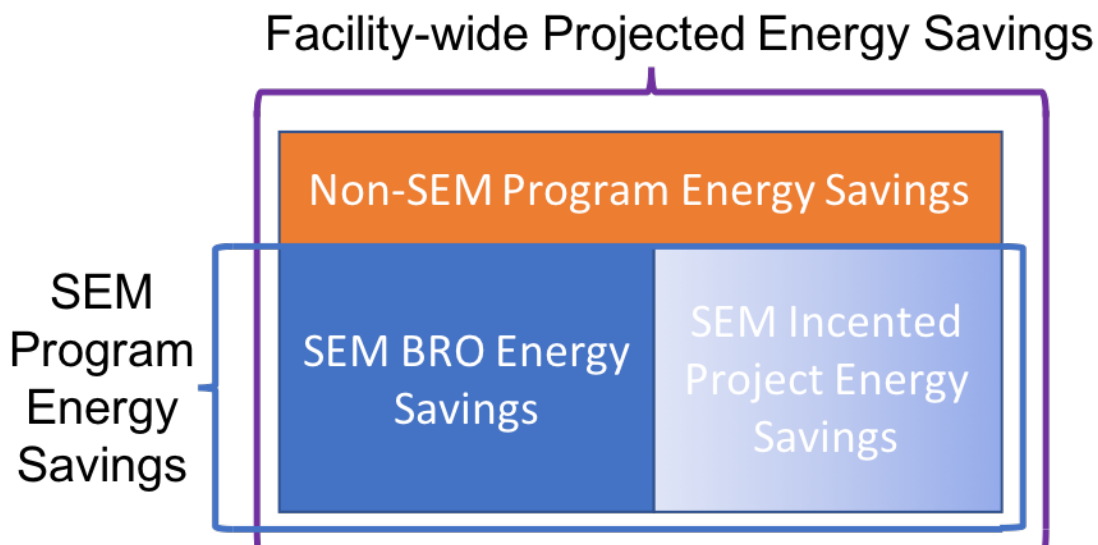


Figure 6. Relationship Between Different Types of Energy Savings.

11.7.2 Determining if Energy Performance Improvement Actions were Identified and Planned Outside of a SEM program engagement.

The implementer shall work with the customer to identify and list, as part of the Opportunity Register, EPIAs that were identified outside of any SEM program engagement but not yet implemented. Only EPIAs with a rough order of magnitude calculation are estimated to result in annualized energy savings greater than 1.0% of the energy baseline energy consumption for that type of energy need to be listed as part of the Opportunity Register.

For each listed EPIA that was identified outside any SEM program engagement, a determination shall be made if it was not only identified but also planned for implementation outside any SEM program engagement. Energy savings resulting from EPIA that are both identified and planned outside of any SEM program engagement shall be included as part of the Non-SEM Program Energy Savings. Energy savings that ultimately result from EPIA that were identified outside of any SEM program engagement but not planned for implementation shall be included as part of future SEM Program Energy Savings when the EPIA is implemented during a Reporting Period.

The determination whether an EPIA was not only identified but also planned for implementation outside of any SEM program engagement shall be based on evidence of planning taking place within the 12 months prior to the SEM Program Engagement Period. Evidence older than 12 months indicates that while planning may have been started, EPIA implementation was stalled and the SEM program engagement influenced its implementation. A, “wish-list,” or brainstorming list of EPIA ideas does not qualify as a planned EPIA. Evidence of an EPIA being planned for implementation could include the following:

- Budget allocated for the EPIA.
- Contracts signed related to EPIA implementation.
- Purchase orders issued or other indications of spending on the EPIA.
- Internal project manager assigned.
- Detailed EPIA implementation scope and schedule developed.

If an EPIA was identified and planned outside of an SEM program engagement but the implementation was abandoned or postponed, the EPIA may be considered as “planned” during an SEM Program Engagement Period if it can be demonstrated that the EPIA implementation was accelerated (e.g., from in three years to in one year).

The Opportunity Register shall be updated to indicate if each listed EPIA is determined to have been both identified and planned outside of any SEM program engagement or not. The rationale for the determination shall be recorded as part of the Opportunity Register.

Indication on the Opportunity Register or a separate list in the M&V Report of EPIAs linked to the Opportunity Register in some way for which energy savings were removed from each type of energy savings calculated should be provided.

11.7.3 Removing Energy Savings for EPIA Planned and Implemented during the SEM program engagement

Facility-wide Projected Energy Savings, Non-SEM Program Energy Savings, SEM Program Energy Savings, SEM Incented Project Energy Savings, and SEM BRO Energy Savings shall be calculated for each type of energy. The calculation of these values can be conducted by the implementer or led by the customer. If the energy savings values are to be reported to the IOU the implementer shall ensure they are calculated correctly and supported with documentation.

11.8 Establishing Confidence in Energy Savings

Fractional savings uncertainty (FSU) analysis is a method for judging the validity of energy savings based on regression modeling. An FSU calculation shall be conducted for each Facility-Wide Projected Energy Savings value calculated and used as the basis of an energy savings value to be reported.

The fractional uncertainty can be estimated with the general FSU equation as follows:

$$\frac{\Delta E_{save,m}}{E_{save,m}} = t \cdot \frac{1.26 \cdot CV\left(\left(\frac{n}{n'}\right)\left(1 + \frac{2}{n'}\right) \cdot \frac{1}{m}\right)^{\frac{1}{2}}}{F}$$

Where:

- t = t-statistic for desired confidence level
- CV = coefficient of variation
- n = number of observations in the Baseline Period
- m = number of observations in the Reporting Period
- F = observed savings during Reporting Period
- n' = number of independent Baseline Period observations
- ρ = auto-correlation coefficient

$$n' = n \frac{(1 - \rho)}{(1 + \rho)}$$

According to ASHRAE Guideline 14:2014, for monthly data an assumption that autocorrelation is 0 so n' is equal to n .

When Reporting Period intervals are monthly or daily the improved FSU equation from Sun and Baltazar should be used which replaces the 1.26 coefficient in the above equation with a polynomial:

$$\frac{\Delta E_{save,m}}{E_{save,m}} = t \cdot \frac{(aM^2 + bM + c) \cdot CV((\frac{n}{n'})(1 + \frac{2}{n'}) \cdot \frac{1}{m})^{\frac{1}{2}}}{F}$$

Where:

- M = number of months of Reporting Period data
- a , b , and c are defined as follows:

Data Interval	Monthly	Daily
a	-0.00022	-0.00024
b	0.03306	0.03535
c	0.94054	1.00286

Table 5: FSU Equation Coefficients.

ASHRAE Guideline 14-2002, Section 5.3.2.2 specifies that the level of uncertainty must be less than 50% of the annual reported savings, at a confidence level of 68%.

For an FSU value:

- Less than 50%, the reported energy savings value should be considered valid.
- Greater than or equal to 50%, energy savings aggregated from the list of implemented EPIAs on the Opportunity Register should be used to justify the energy savings calculated using the energy consumption adjustment model.
- Much greater than 50%, seen as an indicator that the energy savings are not valid.

The table in Annex F – Fractional Savings Uncertainty Scenarios, provides additional information for difference uncertainty scenarios.

12 Calculating Energy Savings with the Opportunity Register

12.1 Introduction

Energy savings may additionally be calculated from the aggregation of energy savings resulting from the implementation of selected individual EPIAs listed on the Opportunity Register. This approach is commonly referred to as a bottom-up approach.

12.2 Process

If one or more energy consumption adjustment models is not developed and used to calculate energy savings for a given type of energy, then a bottom-up approach of calculating energy savings shall be used. This bottom-up approach is optional and not necessary if one or more valid energy consumption adjustment models are developed and used to calculate energy savings for a given type of energy.

Energy savings for individual implemented EPIA listed on the Opportunity Register shall be conducted in accordance with the requirements of Section 8. Not all EPIA listed on the Opportunity Register will necessarily have a calculated energy savings value.

For EPIA implemented and listed on the Opportunity Register, the implementer shall ensure that energy savings values for each EPIA listed on the Opportunity Register were calculated properly with effort proportional to the assumed energy savings value. The level of detail for calculating energy savings should be higher for more complex EPIAs and/or EPIAs that result in large energy savings values.

The implementer and customer shall identify which EPIA listed on the Opportunity Register to include in the bottom-up calculation. Not all EPIA for which energy savings have been calculated must be included in the bottom-up calculation. Reasons to not include energy savings from specific EPIA may include lack of confidence in the estimated energy savings value and uncertainty that the implemented EPIA will remain in place during the SEM Program Engagement Period.

Only energy savings for EPIA implemented during the current Reporting Period shall be included in the bottom-up calculation.

If a bottom up calculation is made in addition to development and use of a valid energy consumption adjustment model for the same type of energy, the resulting aggregated energy savings can be used as a, “gut check,” in comparison to energy savings calculated with energy consumption adjustment models. This analysis is not a requirement of this M&V Guide. Energy savings calculated from the two methods should not be reconciled as the foundational assumptions of the two methods are incongruent.

13 Regulatory Reporting of the M&V Process and Energy Savings

13.1 Introduction

For the current Reporting Period, annualized energy savings values will be calculated for each type of energy included in the M&V process using one of two methods:

- Energy consumption adjustment models if the development of valid energy consumption models is attempted and possible.
- Aggregation of energy savings from individual EPIAs listed on the Opportunity Register.

For each type of energy included in the M&V process, if one or more valid energy consumption adjustment models were developed and used to calculate energy savings then energy savings for that type of energy shall be reported using this method. Development and use of energy consumption adjustment models is the preferred method to determine energy savings to be reported.

For each type of energy, if energy consumption adjustment models are not or cannot be developed, aggregated energy savings resulting from the implementation of EPIAs listed on the Opportunity Register per the requirements of this M&V Guide shall be reported for that type of energy.

If the bottom-up aggregation of energy savings approach to calculating energy savings is used to report energy savings it should be done so with the understanding that evaluation of energy savings for individual EPIA listed on the Opportunity Register may occur. This evaluation shall not be conducted to the level of rigor and specificity as is conducted for projects part of custom capital incentive programs. The evaluation shall be a check of the reasonable nature of the EPIA energy savings calculation approach, recognizing the requirements of this M&V Guide direct that a detailed M&V plan for each EPIA is not to be developed and energy savings are to be estimated with a rough order of magnitude data and calculations proportional to the expected level of energy savings.

Energy savings for different types of energy do not all have to be reported using the same energy savings determination method.

The M&V Report, Opportunity Register, and Energy Data and Performance Tracking Tool shall be provided to the CPUC as requested when reporting energy savings. The CPUC may have additional requests for data though the M&V Report should be adequate to evaluate if the energy savings reported conform to the requirements of this M&V Guide.

Program cost-effectiveness shall be based upon SEM Program Energy Savings.

This M&V Guide does not consider regulatory reporting aimed to evaluate the development of customer EnMS. As the M&V process is a component of a functional EnMS requests pertaining to the customer's understanding, activities, and leadership of parts of the M&V process may be made by the CPUC.

13.2 Considerations for non-IOU Supplied Energy

The implementer shall be responsible for adjusting energy savings values to account for IOU and CPUC requirements pertaining to claiming energy savings for facilities that have on-site energy generation and non-IOU supplied energy. In general, energy savings claims should only support impacts to IOU supplied energy. If a facility generates electricity on-site and exports excess electricity to the grid, those time periods shall be excluded from electricity savings claims.

The implementer shall also be responsible for ensuring the customer pays a public purpose charge for each type of energy for which energy savings will be reported and that the reported energy savings value is attributed to energy for which the public purpose charge was paid.

13.3 Negative Energy Savings

Energy consumption adjustment models may indicate that worsening energy performance (sometimes referred to as backsliding) occurred as compared to the energy baseline or relative to prior Reporting Periods when energy consumption models are used for multiple concurrent Reporting Periods.

Regardless of if and when backsliding occurs energy savings shall still be calculated per the requirements of this M&V Guide. This may result in negative energy savings. Negative energy savings shall be reported in the same way as positive energy savings values.

14 M&V Report Preparation Checklist

14.1 Introduction

The M&V Report shall be a living document compiled throughout the M&V Process that is finalized once per year and submitted as part of regulatory reporting requirements. Regulatory reporting of energy savings may not be every year, thus not requirement regulatory submission of the M&V Report for those years.

The M&V Report is intended to be of use to the customer as a record of the M&V Process that can be used in subsequent year M&V cycles.

The customer and implementer play a role in the development of the M&V Report. The customer should, over the course of multiple SEM program engagements, take a leadership in the development and continued use of the M&V Report.

It is the responsibility of the implementer to finalize the M&V Report and deliver it to the utility as requested or at the conclusion of the SEM program engagement.

14.2 Process

The below M&V Report preparation checklist is intended to help the implementer and customer build the M&V Report during the annual process of conducting M&V. Items on the check list are based upon the requirements within this M&V Guide. Additional information can be included in the M&V Report if it is of value to the customer or required by the IOU sponsoring the M&V engagement.

14.2.1 SEM Time Periods (2)

1. All time periods are provided. (2.1)

14.2.2 Characterizing the Facility (3)

1. The energy types that are consumed within the M&V boundaries are listed. (3.3)
2. The analysis based omission of energy types is provided. (3.3.3)
3. All utility and other energy meters for all types of energy are provided. (3.5)
4. Equation and conversion factors used to measure energy consumption are provided. (3.5)
5. The M&V boundaries are described. (3.6)
6. One or more line drawings or aerial images of the facility with the M&V boundaries is provided. (3.6)

14.2.3 Relevant Variables (4)

1. The list of potential relevant variables is provided. (4.3)
2. The list of potential relevant variables includes associated data sources. (4.5)
3. The relevant variables selected for data collection are identified. (4.5)
4. Relevant variable selection criteria is provided. (4.5)

14.2.4 Collecting Data and Assessing Data Quality (6)

1. The effect of outliers on the reliability of energy consumption adjustment models and the reason for removal is provided. (6.4)
2. The reason for making any changes to the data set is provided. (6.4)
3. The strategy used to remove outliers is provided. (6.4)
4. The omission of data points is documented and rationale provided. (6.4)
5. The decision to use a time-series adjustment is provided. (6.5)

14.2.5 Energy Consumption Model Development (7)

1. The decision and rationale to not start or not continue energy consumption adjustment model development is provided and has been approved by the IOU. (7.3)

2. Scatter diagrams of energy consumption for each type of energy and each relevant variable are provided. (7.4.2)
3. If pertinent, the rationale for not ending the energy baseline immediately before the start of the SEM Program Engagement Period is provided. (7.4.5.1)
4. The table of competing models is provided. (7.6.4)
5. The selection rationale for each energy consumption adjustment model is provided. (7.6.2)
6. The method for making non-routine adjustments and the rationale for that method are provided. (7.8.1.1)
7. Rationale for the use of the backcast model over aggregated EPIA energy savings is provided and has been accepted by the IOU. (7.1 and 7.8.1.2)

14.2.6 Results of Technical Review

1. Notes and results of the Technical Review are provided. (10.3.5)

14.2.7 Annualization of Energy Savings

1. CUSUM graphs with annotation and footnotes that span all Reporting Periods (current and historic) for which the energy consumption adjustment model has been used are provided. (11.4.3)
2. If pertinent, for each type of energy, the rationale for selecting an Annualization Period duration longer than 90 days is provided. (11.5.1)
3. If pertinent, for each type of energy, the rationale for ending the Annualization Period prior to the end of the Reporting Period is provided. (11.5.1)
4. If pertinent, the selected approach to handle outliers in the Annualization Period is provided. (11.5.2)
5. If pertinent, the method used to split the Reporting Period to accommodate seasonality is provided. (11.5.4)
6. The process of removing energy savings resulting from EPIAs implemented during the Reporting Period is provided. (11.7)
7. All types of energy savings are provided for each type of energy. (11.7)
8. A table similar to that presented in Annex E – Example of Energy Savings Annualization and Disaggregation of Energy Savings Types, is provided for each energy consumption adjustment model. (11.8)

References

- Andrew Bernath and Maggie Buffum, Estimating Energy Savings Resulting from Strategic Energy Management Programs: Methodology Comparison, 2017 International Energy Program Evaluation Conference, Baltimore, MD
- ASHRAE Guideline 14:2014 – Measurement of Energy, Demand and Water Savings
- Bonneville Power Administration Monitoring Tracking and Reporting (MT&R) Reference Guide, Revision 8.0, November 15, 2019
- Energy Trust of Oregon Energy Production Efficiency, Energy Intensity Modeling Guideline, Version 2.2, January, 2019
- International Performance Measurement and Verification Protocol – Option C, January 2012.
- ISO 50001:2018 – Energy management systems – Requirements with guidance for use
- ISO 50015:2014 – Measurement and verification of energy performance of organizations – General principles and guidance
- ISO 50047:2016 – Determination of energy savings in organizations
- NW SEM Collaborative, SEM Energy Modeling Method Selection Guide, 2019
- Philipp Degens and Anna Kelly, Strategic Energy Management Modeling: What's good enough?, 2017 International Energy Program Evaluation Conference, Baltimore, MD
- SBW Consulting Inc., Uncertainty Approaches and Analyses for Regression Models and ECAM, 2017
- U.S. Department of Energy Superior Energy Performance 50001, SEP 50001, Measurement & Verification Protocol: 2019, October 29, 2019

Acknowledgements

This M&V Guide was authored by Peter Therkelsen working under contract to Raven Energy Consulting. Raven Energy Consulting was contracted by Sergio Dias Consulting to perform this work.

Thanks to the Energy Trust of Oregon, Bonneville Power Administration, and U.S. Department of Energy for producing comprehensive and publicly available M&V Guides. M&V Guides from these organizations are foundational to this M&V Guide, which has been tailored to the specific context of the California Industrial SEM programs. Many elements developed for this document were based on those documents and adapted with permission. Without the public availability of these resources this M&V Guide would be a far less comprehensive document.

We would particularly like to thank Kati Harper of the Energy Trust of Oregon and Todd Amundson of the Bonneville Power Administration for graciously sharing their time discussing their decades-long experience designing and offering SEM programs. Their institutional knowledge far exceeds that captured in any SEM documentation.

In addition, thanks to the staff of the California Public Utilities Commission Energy Division, Pacific Gas and Electric, San Diego Gas and Electric, Southern California Gas, and Southern California Edison who have provided their expertise, knowledge, and made available their contractors time to support the revision of this M&V Guide. Utility and CPUC contractors include staff from Cascade Energy, CleaResult, Energy 350, Leidos, and EPS. Special thanks to Stillwater Energy whose staff provided contextualized answers to foundational questions.

Lastly, thank you to all the individuals that contributed comments and input through the original public review process.

Annex A - Terminology

For the purposes of this M&V Guide, the following terms and definitions apply.

This terminology guide is focused on providing clarity to assist the establishment of the M&V process. Statistical tests are not defined as detailed understanding of the meaning of these test is not required of the customer and competent implementers should already be familiar with these terms. Additionally, these terms are well established in authoritative and easily obtained statistics reference manuals.

SEM Program Engagement Period: interval between the end of the Baseline Period and the end of the Reporting Period

Additional specifications provided in Section 2.1.2

Baseline Period: specific period of time before the implementation of an energy performance improvement action selected for comparison with the Reporting Period and the calculation of the energy performance and of energy performance improvement

Source: ISO 50015:2014, 3.1

Additional specifications provided in Section 2.1.1

Behavioral: Behavioral activities provide energy savings from interventions that result in changes in actions by customers with respect to energy usage in a building. Behavioral activities consist of actions such as manually turning off lights and equipment, adjusting blinds, reducing water use and so on.

Source: CPUC NMEC Rulebook version 2.0

Boundary: physical or organizational limits

Example: A process; a group of processes; a site; multiple sites under the control of an organization, or an entire organization

Source: ISO 50001:2018, 3.1.3 - modified (removed Note 1)

BRO: The combination of behavioral, retrocommissioning, and operational activities

Energy: electricity, fuels, steam, heat, compressed air, and other like media

Note 1: for the purposes of this Guide, energy refers to the various types of energy, which can be purchased, stored, treated, used in equipment or in a process, or recovered.

Source: ISO 50001:2018, 3.5.1 - modified (replaced “International Standard” with “this Guide”, and removed “including renewable” in Note 1)

Energy baseline: quantitative reference(s) providing a basis for comparison of energy performance

Note 1: An energy baseline is based on data from a specified period of time and/or conditions, as defined by the organization

Note 2: Energy baselines are used for determination of energy performance improvement, as a reference before and after, or with and without implementation of energy performance improvement actions.

Source: ISO 50001:2018, 3.4.7

Energy consumption: quantity of energy applied

Source: ISO 50001:2018, 3.5.2

Energy efficiency: ratio or other quantitative relationship between an output of performance, service, goods, commodities, or energy, and an input of energy

Source: ISO 50001:2018, 3.5.3 – modified (removed examples and Note 1)

Energy export: The quantity of energy delivered away from the M&V boundary such that the facility is not be counted as a net negative consumer of energy

Source: Modified from SEP 50001 M&V Protocol, 2019

Energy management system: management system to establish an energy policy, objectives, energy targets, action plans and process(es) to achieve the objectives and energy targets

Source: ISO 50001:2018, 3.2.2

Energy performance: measurable result(s) related to energy efficiency, energy use, and energy consumption

Note 1: Energy performance can be measured against the organization's objectives, energy targets and other energy performance requirements.

Note 2: Energy performance is one component of the performance of the energy management system

Source: ISO 50001:2018, 3.4.3

Energy performance improvement: improvement in measurable results of energy efficiency, or energy consumption related to energy use, compared to the energy baseline

Note 1: This M&V Guide uses energy savings as the indicator of energy performance improvement.

Source 50001:2018, 3.4.6 – modified (added note)

Energy performance improvement action: action or measure or group of action or measures implemented or planned within an organization intended to achieve energy performance improvement through technological, managerial or operational, behavioral, economical, or other changes

Note 1: Energy performance improvement actions includes both BRO and capital projects.

Source: ISO 50015:2014, 3.3 – modified (added note)

Energy product: Any excess energy delivered away from the M&V boundaries after a net zero level of energy consumption is reached

Source: Modified from SEP 50001 M&V Protocol, 2019

Energy target: quantifiable objective of energy performance improvement

Source: ISO 50001:2018, 3.4.15

Energy use: application of energy

Examples: ventilation; lighting; heating; cooling; transportation; data storage; production process

Note 1: Energy use is sometimes referred to as “energy end-use”

Source: ISO 50001:2011, 3.5.4

Facility-wide Projected Energy Savings: Incremental, annualized energy savings for a given type of energy resulting from the aggregation of annualized energy savings from each energy consumption adjustment model developed for the same energy type.

Additional specification provided in Section 11.7.1.

Feedstock: raw or unprocessed material used as an input to a manufacturing process to be converted to a product

Example: crude oil used to produce petroleum products

Annualization Period: defined period of time selected for the annualization of energy savings

Additional specification provided in Section 2.1.4

Measurement and verification (M&V): process of planning, measuring, collecting data, analyzing, verifying, and reporting energy performance or energy performance improvement for defined M&V boundaries

Source: ISO 50015:2014, 3.11

M&V boundary: organizational, physical, site, facility, equipment, systems, process or activity limits within which energy performance or energy performance improvement is measured and verified

Source: ISO 50015:2014, 3.12

Natural resources: Energy delivered to the M&V boundaries that is not supplied by an organization

Examples: sunlight, natural gas from an on-site well, geothermal

Source: Modified from SEP 50001 M&V Protocol, 2019

Non-routine adjustment: adjustment made to the energy baseline or Reporting Period energy consumption to account for unusual changes in relevant variables or static factors, outside the changes accounted for by normalization

Note 1: non-routine adjustments may apply where the energy baseline or Reporting Period no longer reflects energy use or energy consumption patterns, or there have been major changes to the process, operational patterns, or energy using systems

Source: ISO 50015:2014, 3.16 – modified (added, “or Reporting Period energy consumption”)

Non-SEM Program Energy Savings: Annualized energy savings calculated for EPIAs identified and planned outside of any SEM program engagement and implemented during the current Reporting Period, whether receiving other incentives or not.

Definition also provided in Section 11.7.1.

Normalization: modification of data to account for changes to enable comparison of energy performance under equivalent conditions

Source: ISO 50001:2018, 3.4.10

Operational Activities: Control-based; they improve or adjust existing controls to optimize equipment performance. Operational activities include maintaining room temperature set points, revising equipment operating schedules consistent with current building occupancy schedule, and changing equipment set points in response to current weather conditions.

Source: CPUC NMEC Rulebook version 2.0

Relevant variable: quantifiable factor that affects energy performance and routinely changes

Note 1: Significance criteria are determined by the organization

Note 2: Other commonly terms for relevant variables include independent variable and energy driver

Examples: Weather conditions, operating conditions (indoor temperature, light level), working hours, production output

Source: ISO 50001:2018, 3.4.9 – modified (added Note 2)

Reporting Period: defined period of time selected for calculation and reporting of energy performance

Source: ISO 50001:3.17, 3.17

Additional specifications provided in Section 2.1.3

Retrocommissioning: A systematic process of identifying and implementing operational and maintenance improvements to achieve the design intentions consistent with the current usage of a building. The process is designed to improve the performance of building subsystems as well as optimize the performance of the overall system. Retrocommissioning focuses on operations and maintenance improvements and diagnostic testing, although major repairs and equipment upgrades may be identified and recommended through the process. Minor repairs required to conduct diagnostic testing may also be implemented.

Behavioral, Operational, Maintenance and Repair measures may be identified and carried out during a retrocommissioning project. Behavioral, operational and maintenance activities may also be implemented separately as "operations and maintenance" projects in existing buildings.

Source: CPUC NMEC Rulebook version 2.0

Strategic Energy Management (SEM): A holistic approach to managing energy consumption in order to continuously improve energy performance, by achieving persistent energy and cost savings over the long term. SEM focuses on business practice change from senior management through shop floor staff, affecting organizational culture to reduce energy waste and improve energy intensity. SEM emphasizes equipping and enabling plant management and staff to impact energy consumption through behavioral and operational change. While SEM does not emphasize a technical or project centric approach, SEM principles and objectives may support capital project implementation.

Source: CEE SEM Minimum Element – modified (replaced energy use with consumption)

SEM BRO Energy Savings: SEM Program Energy Savings minus SEM Incented Project Energy Savings.

Additional specification provided in Section 11.7.1.

SEM Incented Project Energy Savings: Annualized energy savings for an EPIA (project) identified during any SEM program engagement and implemented during the current Reporting Period that is to receive an incentive from another IOU program.

Additional specification provided in Section 11.7.1.

SEM Program Energy Savings: Facility-wide Projected Energy Savings minus Non-SEM Program Energy Savings

Additional specification provided in Section 11.7.1.

Static factor: Identified factor that impacts energy performance and does not routinely change

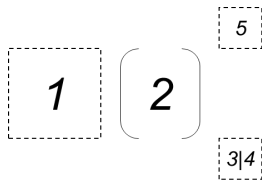
Example 1 Examples of static factors may include facility size, design of installed equipment, the number of weekly production shifts, the number or type of occupants, range of products

Example 2 An example of a change in a static factor could be a change in a manufacturing process raw material from aluminum to plastic may lead to a non-routine adjustment.

Source: ISO 50015, 3.20

Annex B - Reference Notation

This section describes the notation used in this Guide. The energy consumption and savings notation is designed to distinguish quantities in the format shown below.



- 1. **Base Notation:** Describes if the energy consumption or savings is for delivered energy and provides the base for energy performance improvement notation.
- 2. **Energy Types:** Describes the type of energy that is quantified. The asterisk (*) notation is used as a placeholder for a generic or unknown energy type.
- 3. **Modeled Period:** Indicated in subscripts and defines the time period for which the model is built.
- 4. **Period/Conditions of Interest:** Indicates the time period or conditions of interest for which the model is being applied to.
- 5. **Adjustment Indicator:** Indicated in superscripts and describes if the quantity of energy is observed (actual) or adjusted.

1. Base Notation

ECD(*)	Delivered energy consumption of an unspecified energy type
E(*)	Quantity of energy of an unspecified type
ESD(*)	Delivered energy savings of an unspecified energy type
EnPI	Energy Performance Indicator

2. Energy Types

Individual energy type notation replaces the asterisk (*) in parentheses from the base notation above. The following are recommended for clarity of communication.

*	Unspecified energy type
e	Electricity
ge	Grid delivered electricity
pve	On-site generated electricity from on-site photovoltaic panels
ng	Natural gas
st	Steam
ca	Compressed air
d	Diesel
c	Coal
hw	Hot water
Σ	The sigma notation is used to represent summation of all energy types. ECD(Σ) = Σ* ECD(*) Example: if observed baseline delivered energy types are “ge” and “ng”, then ECD(Σ) = ECD(ge) + ECD(ng)

3. Modeled Period and 4. Period/Conditions of Interest – (Subscript)

b	Baseline Period
r	Reporting Period
ap	Annualization Period

5. Adjustment Indicator – (Superscript)

o	Observed (actual) value for the indicated time period of condition of interest
a	Adjusted value for the indicated time period or condition of interest

Annex C - Special Cases in Energy Accounting

The below scenarios are provided as examples and are not requirements of this M&V Guide. Current IOU and CPUC policies should be reviewed and used throughout the M&V process.

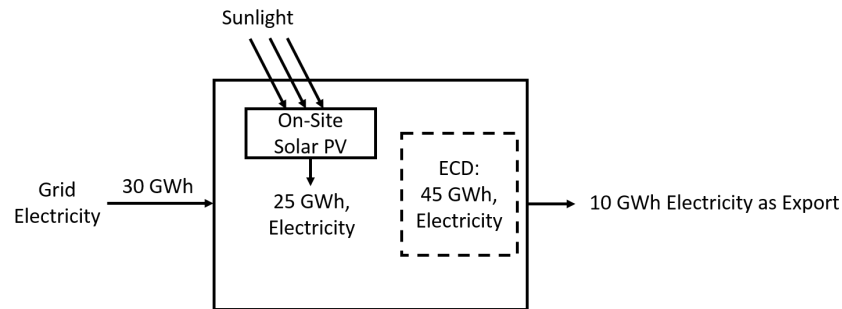
Energy Accounting of Energy Export and Energy Product

Energy delivered away from the M&V boundaries shall be accounted for as either an energy export or energy product.

Energy Export

The maximum allowable amount of energy export is equal to the quantity of energy delivered into the facility boundary of the same energy type such that a net zero level is reached on a delivered energy basis. A facility may not be counted as a net negative consumer of any energy type.

EXAMPLE: A facility purchases 30 GWh of grid electricity and produces 25 GWh of electricity with on-site photovoltaic (PV) panels. The facility consumes 45 GWh and delivers 10 GWh away from the M&V boundaries. The 10 GWh delivered away from the M&V boundaries is treated as energy export. See figure below.

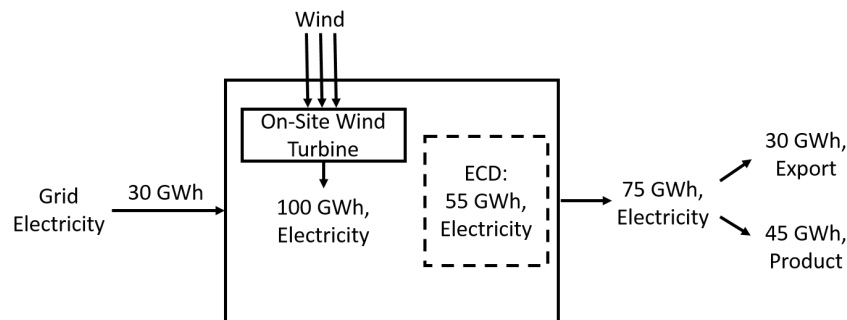


$$ECD(e) = 30 \text{ GWh} + 25 \text{ GWh} - 10 \text{ GWh} = 45 \text{ GWh}$$

Energy Product

For each energy type, if a net zero level is reached on a delivered energy basis, any excess energy delivered away from the M&V boundaries is accounted for as an energy product. This may result from a facility producing large quantities of on-site energy. Energy product shall be considered as a relevant variable for adjustment models.

EXAMPLE: A facility purchases 30 GWh of grid electricity and generates 100 GWh of electricity with on-site wind turbines. The facility consumes 55 GWh and delivers 75 GWh away from the M&V boundaries. A maximum quantity of 30 GWh is treated as energy export. The remaining 45 GWh is treated as energy product. See figure below.



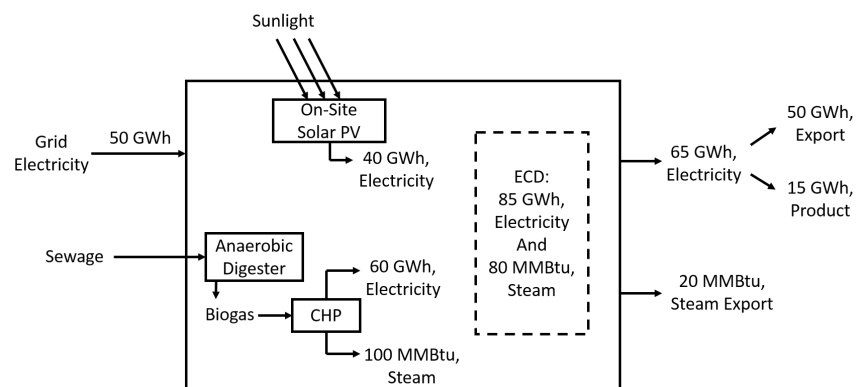
$$\text{ECD(e)} = 30 \text{ GWh} + 100 \text{ GWh} - 30 \text{ GWh} - 45 \text{ GWh} = 55 \text{ GWh}$$

On-site Extraction or Generation of Energy from Natural Resources

Energy from natural resources that are delivered into and consumed within or delivered away from the M&V boundaries shall be included in the energy accounting. The point at which on-site extracted or generated energy is metered and accounted for may be selected by the organization so long as it is at a reasonable point along the extraction or generation process flow (e.g., a facility may choose to meter biogas flow and energy content or the resulting electricity and hot water generated from the utilization of the same biogas). This measurement point shall be consistent between the baseline and Reporting Periods. This allowance is made recognizing that the quantity of energy of some natural resources (e.g., photons or wind) or the energy derived thereof (e.g., biogas) may be difficult to meter. In such cases, the quantity of energy generated within the M&V boundaries from the natural resource (e.g., AC electricity from the inverter of a PV panel system) may be metered and included in the energy accounting.

NOTE: While metering energy at a point along the extraction or generation process flow downstream of the M&V boundaries may be simpler and more cost effective (e.g. metering hot water produced from a biogas fired boiler, rather than the biogas produced from a sewage fed digester), the effect of energy performance improvement actions implemented upstream of the point of metering may not be reflected in the calculated facility-wide energy performance improvement.

EXAMPLE: A wastewater treatment facility uses sewage to generate biogas, which is used to generate electricity and steam in a CHP system. The facility also purchases grid electricity, and generates on-site electricity with an array of PV panels. As the facility cannot cost-effectively install meters to measure biogas flow and energy content, the facility decides to meter the electricity and steam coming out of the CHP system for energy accounting purposes. In one month, the biogas CHP system produces 60 GWh of electricity and 100 MMBTU of steam. The facility purchases 50 GWh of grid electricity and generates 40 GWh of on-site electricity with the PV panels. The facility consumes 85 GWh of electricity and delivers 65 GWh of electricity away from the M&V boundaries. The facility consumes 80 MMBTU of steam and delivers 20 MMBTU away from the M&V boundaries. See figure below.



Electricity: $\text{ECD(e)} = 50 \text{ GWh} + 60 \text{ GWh} + 40 \text{ GWh} - 50 \text{ GWh} - 15 \text{ GWh} = 85 \text{ GWh}$

Steam: $\text{ECD(st)} = 100 \text{ MMBtu} - 20 \text{ MMBtu} = 80 \text{ MMBtu}$

Feedstock and Resulting Energy Types

In some instances, energy delivered to the M&V boundaries may be used as a feedstock rather than consumed as energy. The portion of an energy type used as a feedstock shall be

subtracted from the delivered energy. The commodity that is being produced from the feedstock shall be considered as a relevant variable in the energy consumption adjustment model.

Any energy types resulting from the processing of feedstock (e.g., process gas produced during the refining process, heat generated by an exothermic reaction, biogas generated from sewage) that are consumed within or delivered away from the M&V boundaries shall be included in the energy accounting.

EXAMPLE: A facility purchases 1000 Therms of natural gas and uses 750 Therms to produce hydrogen, which is sold as a commodity, while consuming the other 250 Therms within the facility boundary in a boiler. The energy accounting shall include 250 Therms. The production quantity of hydrogen shall be considered as a relevant variable in the energy consumption adjustment model.

Annex D – Multicollinearity and Autocorrelation

Multicollinearity

Multicollinearity is present when two or more relevant variables in a regression model are correlated between themselves. When two relevant variables are correlated, including both variables, instead of just one, may not add appreciably to the model's explanatory power.

Keep the following points in mind when validating an adjustment model:

- The presence of correlated variables should serve as a warning that the statistical significance of a variable in a particular regression does not, by itself, indicate how closely that variable is correlated with energy consumption. The modeler should use caution in excluding any variables that may actually be relevant variables, but are masked by correlated variables.
- Multicollinearity has limited influence on the predictive capability of the final model if operating conditions stay relatively consistent. However, if the relationship between the correlated relevant variables changes during the Reporting Period, the model will lose predictive power.
- Multicollinearity can be identified by using XY scatterplots to view the relationship between two relevant variables. Additionally, the coefficients in a model will swing drastically if a variable with multicollinearity is added or removed.
- Perform a general assessment of multicollinearity by regressing each variable against the other hypothesis variables and examine the R^2 of each relationship. As a rule of thumb, any bivariate correlation with $R^2 > 0.7$ is an indication that multicollinearity needs to be carefully considered in the variable selection process.
- Multicollinearity can also be identified by calculating the variance inflation factor (VIF), which describes the increase in standard error compared to the standard error if the variable were uncorrelated with the other predictor variables.
- The simplest solution to addressing multicollinearity is to drop one of the variables from the regression analysis. However, this approach may negatively affect the model's predictive capability. The modeler should use his/her best engineering judgment along with an understanding of how the customer's facility uses energy to include or exclude variables, while considering factors such as data availability and model complexity.

EXAMPLE: At a soft drink bottling facility, energy consumption and production increase in the summer, due to higher seasonal sales. Both energy and production show a strong correlation with ambient, dry bulb temperature. The modeler includes the production variable in the adjustment model, but is unsure whether to include the ambient temperature variable. In this example, plot the production variable against the temperature variable to determine the correlation. If the R^2 is greater than 0.7, consider removing the temperature variable from the model. Justify the decision using engineering knowledge about the temperature dependency of equipment and loads at the facility.

Autocorrelation

Autocorrelation is present when the error term in a time period is related to the error term in a prior time period. In other words, autocorrelation is characterized by a correlation in the residuals.

Calculate the autocorrelation coefficient and plot model residuals over the Baseline Period. If autocorrelation is detected, the number of independent baseline points is effectively reduced. The typical remedy involves increasing the sample size, or selecting a different data interval. For annual models with daily baseline intervals, moderate autocorrelation may not be a concern.

According to ASHRAE Guideline 14:2014, for monthly data an assumption that autocorrelation is 0 so n' is equal to n .

Typically, regression-based energy models exhibit positive autocorrelation. Positive autocorrelation occurs when the sign change of the residuals is infrequent. Conversely, too frequent sign changes in the residual pattern results in negative autocorrelation.

There is no defined threshold for the autocorrelation coefficient in the model development phase. Autocorrelation becomes a factor in the fractional savings uncertainty analysis when it has the mathematical effect of reducing performance period energy data samples.

The Durbin-Watson test can also be used to determine if autocorrelation is statistically significant. For uncorrelated errors, the Durbin-Watson number, d , should be approximately 2. The upper and lower bounds for the Durbin-Watson statistic are a function of sample size, the number of predictor variables and desired confidence level.

Annex E – Example of Energy Savings Annualization and Disaggregation of Energy Savings Types

The below example assumes a monthly energy consumption adjustment model was created for electricity consumption at a facility. For each Reporting Period the Annualization Period is based upon months 10, 11, and 12.

Annualization of Energy Savings											
		Reporting Period 1		Reporting Period 2		Reporting Period 3		Reporting Period 4		Reporting Period 5	
Month	Predicted Energy Consumption	Energy Consumption	Energy Savings	Energy Consumption	Energy Savings	Energy Consumption	Energy Savings	Energy Consumption	Energy Savings	Energy Consumption	Energy Savings
1	1,000,000	1,000,000	-	950,000	50,000	900,000	100,000	870,000	130,000	800,000	200,000
2	1,000,000	1,000,000	-	960,000	40,000	850,000	150,000	860,000	140,000	760,000	240,000
3	1,000,000	900,000	100,000	970,000	30,000	860,000	140,000	880,000	120,000	740,000	260,000
4	1,000,000	1,000,000	-	980,000	20,000	850,000	150,000	900,000	100,000	745,000	255,000
5	1,000,000	1,100,000	(100,000)	970,000	30,000	840,000	160,000	925,000	75,000	740,000	260,000
6	1,000,000	1,150,000	(150,000)	900,000	100,000	870,000	130,000	920,000	80,000	735,000	265,000
7	1,000,000	950,000	50,000	900,000	100,000	880,000	120,000	900,000	100,000	730,000	270,000
8	1,000,000	950,000	50,000	850,000	150,000	890,000	110,000	910,000	90,000	735,000	265,000
9	1,000,000	900,000	100,000	835,000	165,000	900,000	100,000	900,000	100,000	735,000	265,000
10	1,000,000	925,000	75,000	800,000	200,000	850,000	150,000	850,000	150,000	735,000	265,000
11	1,000,000	900,000	100,000	850,000	150,000	900,000	100,000	850,000	150,000	740,000	260,000
12	1,000,000	950,000	50,000	900,000	100,000	875,000	125,000	825,000	175,000	745,000	255,000
Annualized Energy Savings			900,000		1,800,000		1,500,000		1,900,000		3,120,000
Disaggregating of Energy Savings Types											
		Reporting Period 1		Reporting Period 2		Reporting Period 3		Reporting Period 4		Reporting Period 5	
Annualized Energy Savings Calculated Against the Baseline Period (all in kWh)											
Facility-wide Annualized Energy Savings			900,000		1,800,000		1,500,000		1,900,000		3,120,000
Annualized Incremental Energy Savings (all in kWh)											
Facility-wide Annualized Energy Savings			900,000		900,000		(300,000)		400,000		1,220,000
Types of Annualized Energy Savings - Calculations Based on Incremental Annualized Energy Savings (all in kWh)											
Non-SEM Program Energy Savings			600,000		-		-		-		-
SEM Program Energy Savings			300,000		900,000		(300,000)		400,000		1,220,000
SEM Incented Project Energy Savings			-		300,000		600,000		360,000		240,000
SEM BRO Energy Savings			300,000		600,000		(900,000)		40,000		980,000

Annex F – Fractional Savings Uncertainty Scenarios

Daily Model

68% confidence, 365 baseline intervals, 90 reporting intervals

	F (% savings)				
CV	2.5%	5.0%	10.0%	15.0%	20.0%
0.03	23%	12%	6%	4%	3%
0.05	46%	23%	12%	8%	6%
0.10	92%	46%	23%	15%	12%
0.15	139%	69%	35%	23%	17%
0.20	185%	92%	46%	31%	23%
0.30	277%	139%	69%	46%	35%

Weekly Model

68% confidence, 52 baseline intervals, 13 reporting intervals

	F (% savings)				
CV	2.5%	5.0%	10.0%	15.0%	20.0%
0.03	47%	23%	12%	8%	6%
0.05	93%	47%	23%	16%	12%
0.10	187%	93%	47%	31%	23%
0.15	280%	140%	70%	47%	35%
0.20	374%	187%	93%	62%	47%
0.30	561%	280%	140%	93%	70%

Monthly Model

68% confidence, 12 baseline intervals, 3 reporting intervals

	F (% savings)				
CV	2.5%	5.0%	10.0%	15.0%	20.0%
0.03	82%	41%	20%	14%	10%
0.05	164%	82%	41%	27%	20%
0.10	327%	164%	82%	55%	41%
0.15	491%	246%	123%	82%	61%
0.20	655%	327%	164%	109%	82%
0.30	982%	491%	246%	164%	123%

68%	confidence
1.00	T-stat
365	baseline intervals
90	reporting intervals
0.5	autocorrelation coefficient
121.67	n-prime

68%	confidence
1.00	T-stat
52	baseline intervals
13	reporting intervals
0.25	autocorrelation coefficient
31.20	n-prime

68%	confidence
1.04	T-stat
12	baseline intervals
3	reporting intervals
0	autocorrelation coefficient
12.00	n-prime

Notes: ASHRAE guidelines specify 50% uncertainty at 68% confidence.

100% uncertainty means that the savings are not negative.

Uncertainty higher than 100% means there is a chance that savings are negative.

Monthly models will generally not show autocorrelation.

Daily and weekly models will generally show autocorrelation. Usually the addition of production data lowers the autocorrelation.

Annex G – Revision History

The below table documents changes made to this M&V Guide.

Version and Date	Section	Change
2.0, September 12, 2020	Document	Structural and technical update from version 1.0 originally published February 8, 2017.
2.01, September 12, 2020	All tables	Corrected table formatting
2.02, September 28, 2020	11.5.3	Corrected equation to annualize correctly for non 12 month reporting periods. Last term change from $\left(\frac{rp}{n}\right)$ to $\left(\frac{n_{year}}{n}\right)$ where rp = number of intervals in the Reporting Period, n = number of intervals in the Annualization Period, and n_{year} = number of intervals in a year.

Table 6: Revision History.



DRAFT

MCE Board of Directors Meeting
Thursday, March 19, 2026
6:30 p.m.

1125 Tamalpais Avenue, San Rafael, CA 94901
2300 Clayton Road, Suite 1500, Concord, CA 94520

Public comments may be made in person or remotely via the details below.

Remote Public Meeting Participation

Video Conference: <https://t.ly/mlv5w>

Phone: Dial (669) 900-9128, Meeting ID: 890 0487 7785, Passcode: 525690

Materials related to this agenda are available for physical inspection at MCE's offices in San Rafael at 1125 Tamalpais Avenue, San Rafael, CA 94901 and in Concord at 2300 Clayton Road, Suite 1500, Concord, CA 94520.

DISABLED ACCOMMODATION: If you are a person with a disability who requires an accommodation or an alternative format, please contact MCE at (888) 632-3674 or ada-coordinator@mceCleanEnergy.org at least 72 hours before the meeting start time to ensure arrangements are made.

Agenda Page 1 of 2

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
 - C.1. Approval of 2.19.26 Meeting Minutes
6. Fiscal Year 2026/27 Budget Approval Inclusive of Rate Reduction
Effective, April 1, 2026 (Discussion/Action)

Agenda Page 2 of 2

7. RFP Governance Assessment (Discussion/Action)
8. Board & Staff Matters (Discussion)
9. Adjourn

The Board of Directors may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the items are described.



2026 MCE Board Offices and Committee Rosters

BOARD OFFICES

Chair:	Shanelle Scales-Preston, County of Contra Costa
Vice Chair:	Cindy Darling, Walnut Creek
Treasurer:	Maira Strauss, MCE Chief Financial Officer
Secretary:	Dawn Weisz, MCE Chief Executive Officer

BOARD OFFICES SELECTION PROCESS

The Chair and Vice Chair offices are held for 1 year and there are no limits on the number of terms held by either Chair or Vice Chair.¹ The selection of these offices shall take place in or near December of each year.² The office of Treasurer is appointed by the Board via an approved resolution and may be a non-board member. The Treasurer appointment, along with the delegated authority, is held for 1 year and there are no limits on the number of terms held.³ Deputy Treasurers are appointed directly by the Treasurer each year. Once appointed by the Board, the Secretary shall continue to hold the office each year until the Secretary chooses to resign from the role or the Board decides to remove the individual from the Secretary position.⁴ The Secretary does not need to be a member of the Board. All officer appointments/selections by the Board require a majority vote of the full membership of the Board.⁵

EXECUTIVE COMMITTEE *(Updated 2.2.26)*

- | | |
|--|------------------------|
| 1. Barbara Coler, Chair | Town of Fairfax |
| 2. Stephanie Andre | City of Larkspur |
| 3. Kari Birdseye | City of Benicia |
| 4. Cindy Darling, <i>interested Vice Chair</i> | City of Walnut Creek |
| 5. Maika Llorens Gulati | City of San Rafael |
| 6. Devin Murphy | City of Pinole |
| 7. Laura Nakamura | City of Concord |
| 8. Beth Painter | City of Napa |
| 9. Max Perrey | City of Mill Valley |
| 10. Shanelle Scales-Preston | County of Contra Costa |
| 11. Sally Wilkinson | City of Belvedere |

¹ Section 4.13.1 of MCE Joint Powers Agreement.

² Article V, Section 1 of MCE's Operating Rules and Regulations.

³ Article V, Section 1 of MCE's Operating Rules and Regulations; California Government Code § 53607.

⁴ Article IV, Section 1(c) of MCE's Operating Rules and Regulations.

⁵ Article VI, Section 2 of MCE's Operating Rules and Regulations. At MCE's current membership of 38 communities with appointed Directors, the vote needed is 20.

FINANCE COMMITTEE *(Updated 2.9.26)*

- | | |
|-----------------------|--------------------------|
| 1. Liz Alessio, Chair | Napa County ⁶ |
| 2. Stephanie Andre | City of Larkspur |
| 3. John McCormick | City of Lafayette |
| 4. Charles Palmares | City of Vallejo |
| 5. Sally Wilkinson | City of Belvedere |

TECHNICAL COMMITTEE *(Updated 1.15.26)*

- | | |
|--------------------------------|-----------------------|
| 1. Devin Murphy, Chair | City of Pinole |
| 2. Stephanie Andre, Vice Chair | City of Larkspur |
| 3. Dion Bailey | City of Hercules |
| 4. John McCormick | City of Lafayette |
| 5. Charles Palmares | City of Vallejo |
| 6. Amanda Szakats | City of Pleasant Hill |
| 7. Cesar Zepeda | City of Richmond |

2026 AD HOC CONTRACTS COMMITTEE *(Updated 2.19.26)*

- | | |
|------------------|----------------------|
| 1. Barbara Coler | Town of Fairfax |
| 2. Cindy Darling | City of Walnut Creek |
| 3. Devin Murphy | City of Pinole |

2026 AD HOC GOVERNANCE COMMITTEE *(Updated 1.15.26)*

- | | |
|----------------------------|----------------------------------|
| 1. Liz Alessio | Napa County and Four Napa Cities |
| 2. Kari Birdseye | City of Benicia |
| 3. Mary Sackett | County of Marin |
| 4. Shanelle Scales-Preston | Contra Costa County |

⁶ The Board approved a Finance Committee consisting of 5 to 7 Board representatives. If Director Alessio were to participate in her capacity as the delegate for four Napa Cities, the Finance Committee would effectively have 9 Board representatives, more than the 7 approved by the Board, and Director Alessio would constitute a quorum by herself, raising Brown Act compliance challenges. Given the current size of the Finance Committee, we construe the Board to have appointed Director Alessio to the Committee solely in her capacity as the MCE Board representative for Napa County.



March 2, 2026

TO: MCE Executive Committee

FROM: Maira Strauss, Chief Financial Officer and Treasurer
Efren Oxlaj, Manager of Finance

RE: Proposed Fiscal Year 2026/27 Budgets (Agenda Item #07)

ATTACHMENTS: A. Presentation FY 2026/27 Proposed Budgets
B. FY 2026/27 Proposed Operating Fund Budget
C. FY 2026/27 Proposed Program Development Fund Budget
D. FY 2026/27 Proposed Resiliency VPP Fund Budget
E. FY 2026/27 Proposed Energy Efficiency Program Fund Budget

Dear Executive Committee Members:

Summary:

This report presents the Proposed Budget for MCE's Operating Fund, Program Development Fund, Resiliency Virtual Power Plant Fund, and Energy Efficiency Fund for Fiscal Year (FY) 2026/27.

Preliminary budget figures were reviewed in February by the Finance Committee, during Budget Workshop #2, and provided for the monthly Board meeting. The figures here reflect the feedback and direction received through those discussions.

Table 1: Summary of MCE's proposed budget.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Energy Revenue, Net	\$ 813,689,500	\$ 621,291,000	\$ (192,398,500)	(23.6%)
ORF Withdrawal	13,000,000	62,000,000	49,000,000	376.9%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,365,000)	(4,116,000)	8.2%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,120,000)	61,000	(0.7%)
Consolidated Change in Net Position	16,492,500	1,319,000	(15,173,500)	(92.0%)

Consistent with Board direction, the budget is shaped by the 2.05-cent rate reduction, a 0.62-cent rate credit running April-December 2026, and \$10 million for the MCE Cares Credit program. MCE's consolidated change in net position is projected to total \$1.3 million, a 92% decrease year-over-year.

Background:

MCE's fiscal year runs from April 1 through March 31. Currently, MCE prepares four budgets, each reflecting anticipated expenses for the fiscal year. These are prepared on an accrual accounting basis in accordance with Governmental Accounting Standards Board (GASB) guidelines.

Operating Fund Budget

- Covers MCE's core functions including electricity sales, cost of energy, operating expenses, non-operating revenues/expenses, and capital outlay.
- Forecasts for energy revenue and cost of energy are developed with internal experts and external consultants.

Program Development Fund Budget

- Covers MCE's transportation electrification programs that help customers adopt electric vehicles (EVs) and install charging stations at workplaces and multifamily residences. Other electrification programs are also supported.
- Supported by 50% of the Deep Green premium, grants, and additional transfers from the Operating Fund, subject to your Board's approval.

Resiliency Virtual Power Plant Fund Budget

- Covers MCE's virtual power plant efforts and customer energy storage pilots.
- Supported by Board approved transfers from the Operating Fund and grants.

Energy Efficiency Fund Budget

- Covers the installation of energy efficient measures and retrofits for residential, commercial, industrial, and multifamily properties.
- Entirely funded by the California Public Utilities Commission for energy efficiency programs.

Operating Fund Budget

Energy Revenue, net: \$621,291,000 (23.6% decrease from FY 2025/26 Approved Budget)

Energy revenue, net is decreasing by \$192 million or 23.6% year over year as a result of the rate reduction and allocation towards MCE Cares Credit approved by your Board. Energy revenue captures income generated from sales of electricity to customers. Electricity consumption is forecasted based on MCE's customer accounts, historical usage, weather patterns and applicable rates. Actual revenue may vary depending on future weather conditions, customer behavior, and broader economic trends. For FY 2026/27, forecasts reflect the mild summer conditions experienced over the past two years, resulting in a downward adjustment to expected load. Energy revenue is presented net of uncollectible amounts (1.2% of sales), MCE Cares Credit program, and assume stable customer participation.

MCE Cares Credit: \$10 million (100% increase from FY 2025/26 Approved Budget)

MCE offers stable, competitive rates and a variety of discount and assistance programs to support customers. Consistent with the Board's direction at the February meeting and MCE's long-standing commitment to energy affordability and accessibility, the proposed energy revenue figure is presented net of \$10 million allocated to the MCE Cares Credit program. The program provides monthly bill credits to income-qualified residential customers who qualify for the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs, as well as small businesses.

The program provides:

- \$20 monthly bill credits for residential customers enrolled in CARE or FERA
- \$25 monthly bill credits for small commercial customers enrolled in the A-1 or B-1 electric rates

Eligible residential customers with arrears of \$500 or more are automatically enrolled while funds remain available; all other eligible customers may proactively enroll. In the current fiscal year, the MCE Cares Credit program will fully utilize the \$5 million budget and has provided bill relief to more than 30,000 customers. As funding levels declined over the course of the year, customers who had received 12 months or more of credits were phased out to allow additional eligible customers to receive support.

Staff estimates a \$10 million allocation could support approximately 50,000 customers, depending on enrollment duration and participation mix. The estimate assumes reinstating past participants back into the program; continued automatic enrollment of income-qualified residential customers with arrears of \$500 or more; an average residential-to-small-commercial participation mix consistent with current enrollment patterns of 97% residential and 3% small business; and average participation durations of 6-12 months depending on enrollment pathway. Self-enrollment rates are modeled based on historic monthly trends.

ORF Transfer: \$62 million (376.9% increase from FY 2025/26 Approved Budget)

Consistent with the Board's direction at the February meeting, the upcoming FY will utilize \$62 million from the Operating Reserve Fund ("Rate Stabilization Fund"). Your Board approved contributions of deferred revenue into the fund in previous years in accordance with Policy 16. The ORF currently holds \$70 million of deferred income¹. This is income that MCE did not recognize in previous fiscal years and can recognize in future fiscal years where net revenues are projected to be negative. By drawing on deferred revenue in years with

¹ Although the ORF balance is recorded as deferred income on MCE's financial statements, this is strictly an accounting treatment. The underlying \$70 million is actual cash that MCE already collected in prior years. These funds remain available for liquidity needs and can be invested in accordance with MCE's investment policy.

lower energy margins, such as the upcoming fiscal year, MCE can maintain rate stability and mitigate abrupt changes in relative cost competitiveness resulting from PG&E rate changes.

Cost of Energy: \$631,944,000 (17.5% decrease from FY 2025/26 Approved Budget)

The cost of energy represents the largest expense for MCE. This category includes costs for portfolio content category 1 (PCC1) renewable energy, market hedges, and carbon-free energy from large hydroelectric or asset-controlling suppliers. Resource adequacy and net CAISO costs are also included. Energy costs fluctuate based on market conditions, including CAISO electricity prices, hydro availability, renewable generation output, and congestion in CAISO markets. These factors can materially increase or decrease MCE's procurement costs from year to year.

The cost of energy is projected to decline significantly year over year. This decrease is driven by lower forward prices for renewable energy, resource adequacy, and hedge contracts. MCE procures a decreasing share of its energy needs through forward contracts over time, which means that as older, higher-priced contracts expire, new procurement is occurring at the more favorable current market prices. As a result, the average cost of energy is trending downward. This reflects a reversal of the conditions experienced in the current fiscal year when rising market prices contributed to increases in MCE's cost of energy.

Table 2: Cost of energy breakdown

Cost of Energy	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Hedge Contracts	\$ 267,050,000	\$ 225,028,000	\$ (42,022,000)	(15.7%)
Renewable - Long Term PPAs	122,588,000	158,798,000	36,210,000	29.5%
Renewable - Short Term	131,035,000	33,235,000	(97,800,000)	(74.6%)
Resource Adequacy	145,713,000	105,565,000	(40,148,000)	(27.6%)
Net CAISO Costs	85,084,000	88,104,000	3,020,000	3.5%
Carbon Free - Large Hydro/ACS	14,072,000	21,214,000	7,142,000	50.8%
Total	765,542,000	631,944,000	(133,598,000)	(17.5%)

- Hedge contract costs are declining as soft demand and ample supply keep CAISO prices low, which in turn drives down hedge prices.
- Prices for renewable energy have fallen significantly from their 2024 peak resulting in lower total projected costs for this category.
 - Costs associated with long-term PPAs are rising due to more contracts coming online, while short-term contract costs are falling significantly as market prices decline. Additionally, as long-term agreements come online, reliance on short-term purchases declines.
- Resource adequacy costs are declining as increased capacity supply from new battery storage resources over the past two years has driven prices down.

- Net CAISO costs are seeing a modest increase year over year².
- Carbon-free energy costs are rising because some 2026 deliveries were contracted at the higher price levels seen in 2024. Since MCE typically signs contracts one to three years ahead, changes in market prices may take time to show up in the budget.

Operating Expenses: \$54,365,000 (8.2% increase from FY 2025/26 Approved Budget)

This category represents the overhead costs essential to running MCE's operations. Staff has diligently and actively worked to reduce these costs, scrutinizing each budget line, optimizing resources, making thoughtful adjustments, and tightening these categories as much as possible in response to the budgetary environment. A detailed breakdown of the individual line items is provided below.

Personnel:³ \$32.7 million (10.8% increase from FY 2025/26 approved budget on a before-grant reimbursements basis)

These costs would be offset by \$4.1 million in grant funding, reducing the total staffing budget to \$28.7 million, a 12.8% increase from FY 2025/26. MCE currently holds the majority of these grant funds at River City Bank. These funds are not subject to Federal funding freezes. Personnel costs represent approximately 4.2% of MCE's Operating Budget to support MCE's capacity, expertise, and competitive positioning. The increase captures cost-of-living adjustments, benefits cost increases, promotions, the full-year integration of costs for 13 new full-time employees (FTEs) added this current fiscal year and the anticipated addition of 5 new FTEs in the upcoming fiscal year.

Reductions and cost containment measures include:

- 100% decrease in merit for the upcoming fiscal year compared with the current fiscal year budget
- 49.1% decrease in promotions for the upcoming fiscal year compared with the current fiscal year budget
- 16% decrease in employer taxes
- 5.2% decrease in ancillary benefits (e.g., life insurance, short-term disability, retirement health savings)

² There is an inverse relationship between MCE's cost of hedges and its net CAISO costs. MCE pays a fixed price to the hedge supplier and receives a floating price in the CAISO market. The floating price is correlated with the CAISO market price that MCE pays for its load. The floating payments that MCE receives are included in the Net CAISO costs. Therefore, there is an inverse relationship between MCE's cost of market hedges and its net CAISO costs. As MCE closes open positions, net CAISO costs typically decline while hedge costs tend to rise, assuming all other factors remain constant.

³ Figures shown capture the expected expenses MCE would incur in FY 2026/27 and not the full annualized costs of proposed new staff, as MCE's budget is shown on an accrual basis to comply with GASB guidelines.

- 54.1% decrease in certain benefit costs including vacation cashouts, workers compensation, non-voluntary employee departure costs, etc.

Key cost drivers include:

- 4.3% increase in medical, dental, and vision premiums
- 2.7% increase in salaries due to full-year salary impact of the 13 FTEs added in the current fiscal year
- 11.5% increase in salaries due to full-year salary impact of cost-of-living adjustments, performance-based merit of 1-5% and internal retention-supporting promotions
- 2.9% increase in salaries for anticipated 5 new FTEs in the upcoming fiscal year
- 39.5% increase in retirement and retention costs
- 2% increase in Cost-of-Living Adjustments (based on U.S. Labor Bureau guidelines)

Personnel expenses in the FY 2026/27 proposed budget reflect MCE's continued investment in the people who make our mission possible. As a community-driven public agency, our ability to deliver cleaner energy, advance equity, and build healthier, more resilient communities depends on the expertise, dedication, and integrity of our staff.

Growth in personnel costs is primarily driven by targeted staffing in critical functions such as Power Resources, Finance, and Legal. These areas are essential to managing increasing regulatory requirements, navigating complex energy markets, strengthening financial oversight, and ensuring operational reliability. As the clean energy landscape evolves, so does the technical and regulatory complexity of the Agency's work. MCE is strategically aligning staffing resources with our highest priorities to ensure we continue serving our communities responsibly and effectively.

Attracting and retaining talented professionals who are aligned with MCE's values remains a key priority. While turnover increased to 13.5% in 2024, it declined to 7% in 2025 reflecting the positive impact of thoughtful investments in staffing levels (including retention-supporting promotions and performance-based merit increases of 1-5%), benefits, leadership development, and workplace culture. For instance, MCE was recognized for the third consecutive year by the San Francisco Chronicle as a Top Place to Work, with special recognition of MCE's CEO who received their Leader of the Year award.

This acknowledgment, based on anonymous employee feedback collected through an independent third party, reinforces our commitment to fostering an inclusive, mission-driven workplace.

Retaining experienced and mission-aligned staff is essential to MCE's continued operational strength and service for our communities. Vacancies in highly specialized areas such as Power Resources, Finance, and Legal can impact workload distribution, project timelines, and regulatory responsiveness across the agency. As the clean energy landscape evolves, MCE staff continue to manage increasing technical and regulatory complexity, including advanced battery scheduling, layered power contracts, expanded oversight requirements, public

records requests, and growing Board and community engagement. These demands require deep expertise, collaboration, and continuity. Retention supports institutional knowledge, strengthens cross-functional effectiveness, and reduces the financial and productivity costs associated with recruitment, onboarding, and ramp-up time. In alignment with HR best practices, MCE remains focused on thoughtful workforce planning, internal career development pathways, and equitable compensation strategies to sustain the stability and expertise necessary to deliver reliable, affordable, and equitable clean energy to the communities we serve.

MCE continues to evaluate personnel-related expenses with fiscal responsibility in mind. In FY 2025/26, MCE transitioned from Kaiser PPO to Blue Shield PPO, resulting in a 5% saving, with a 4% increase in medical, dental, and vision costs compared to a projected 9% increase if we had stayed with Kaiser PPO. Additional cost containment measures included limiting promotions and scaling back the Board-approved internship program. These decisions were made thoughtfully, balancing financial stewardship with our responsibility to support staff.

Compensation and staffing levels are established through independent benchmarking, internal equity analysis, and a structured internal review and approval process. This ensures MCE remains competitive in recruiting and retaining specialized talent while promoting fairness and transparency. Salaries are adjusted annually based on the U.S. Bureau of Labor Statistics Consumer Price Index for the San Francisco Bay Area, alongside performance-based merit increases ranging from 1-5%. Beginning 2027, merit increases will shift to April 1 to align with the fiscal year, strengthening budget predictability and long-term financial planning.

Regular market reviews and equity analyses support our commitment to competitive compensation, pay equity, and bias mitigation. MCE's approach reflects a balance between fiscal responsibility and recognizing that investing in our staff is fundamental to delivering reliable, affordable, and equitable clean energy to the communities we serve.

The forecasted personnel costs represent a strategic investment in sustaining MCE's expertise, institutional knowledge, employee satisfaction, and long-term organizational health. To support increasing workload, regulatory complexity, and expanding Board and public engagement, the FY 2026/27 proposed budget includes five new positions across Power Resources, Finance, and Legal. These additions include a Power Resources Data Analyst and Power Resources Manager to strengthen portfolio management, contracting, compliance, and market operations; a Manager of Finance and Senior Strategic Finance Analyst to enhance financial analysis, reporting, and Board and Finance Committee support while expanding strategic leadership capacity; and a Grants Manager within Legal and Compliance to oversee a growing portfolio of grant-funded programs and heightened federal compliance requirements. Together, these positions are designed to preserve service,

maintain strong fiscal oversight, and ensure MCE remains responsive, transparent, and well-positioned to meet the evolving needs of the communities we serve.

Data Manager: \$5,434,000 (3.0% increase from FY 2025/26 Approved Budget)

MCE's data manager provides a wide range of billing services, including billing management for MCE's customers, technical support for billing issues, and customer enrollment services. The charges are based on a fixed fee per customer account. The proposed increase for next fiscal year would align the budget with the actual costs incurred this year, which have trended slightly upward following the enrollment of the city of Hercules in April 2025.

Technical and Scheduling Consultants: \$1,588,000 (13.4% increase from FY 2025/26 Approved Budget)

These consultants schedule energy resources into the California Independent System Operator (CAISO) and assist MCE in managing risk more effectively. They also collaborate with staff to create advanced load management strategies and forecast costs related to market and regulatory changes. As battery scheduling and hourly matching of load and supply increase complexity of scheduling, there are increasing demands in this space. Technical services are primarily based on a fixed charge per MWh of electricity usage (load). Scheduling services are based on contracted amounts. Staff is proposing a 13.4% increase to cover the costs of changing the scheduling services provider. This transition would involve a period of vendor overlap late in the fiscal year, along with one-time transition and setup costs.

Service Fees - PG&E: \$3,200,000 (16.9% increase from FY 2025/26 Approved Budget)

PG&E service fees consist of a fixed charge per customer account. The fees cover PG&E's costs for processing customer data and coordinating billing for MCE accounts. All community choice aggregators (CCAs) in PG&E's territory must pay this fee. Fees have increased by 7 cents per account, from 35 cents to 42 cents⁴. The proposed increase reflects the first full year of these higher costs.

Legal and Policy Services: \$1,427,000 (7% decrease from FY 2025/26 Approved Budget)

This line encompasses external legal and policy services that assist MCE in areas such as contract review for energy suppliers, non-energy vendors, regulatory proceedings, employment matters, and other agency functions. The decrease in costs reflects a downward adjustment to align with actual spending trends. Additionally, MCE continues to leverage its

⁴ The California Public Utilities Commission (CPUC) approved the increase on January 1st, 2025. The increase subsequently took effect on January 1st, 2026.

membership with the California Community Choice Association (CalCCA) to participate in joint regulatory proceedings, thus reducing the budget for external policy services.

Communication Services: \$1,876,000 (15.6% decrease from FY 2025/26 Approved Budget)

Communication costs cover a wide range of marketing and community engagement activities including advertising, printing, mailing customer notices, community events and sponsorships. The decrease reflects downward adjustments in large vendor contracts, particularly for marketing, in response to the tight budgetary environment. Similarly, staff has reduced the budget for sponsorship and industry membership, which should result in a smaller footprint at local events and other community-driven initiatives. This year over year decrease is intended to be a temporary reduction.

Other Professional Services: \$4,779,000 (0.5% increase from FY 2025/26 Approved Budget)

Other professional services cover external contractors that support MCE across a range of key business functions. This includes external services such as accounting, auditing, benefits administration, and information technology (IT). This category also includes costs associated with the development and maintenance of MCE's customer relationship management (CRM) software and data analytics infrastructure. The CRM platform organizes and connects the various customer data sets available to MCE and serves as the single source of truth for all customer-facing teams. MCE's data warehouse hosts comprehensive customer data, including hourly interval usage. The data analytics platform leverages the warehouse's data to support critical analyses such as customer segmentation, rate setting, and forecasting. Insights from these analyses help guide strategic decision making for MCE's various customer programs and rate setting process.

Staff kept this line flat. However, the line is seeing a small uptick to account for the planned governance assessment requested by your Board.

General and Administrative: \$5,492,000 (10.6% increase from FY 2025/26 Approved Budget)

This category includes items such as load forecasting tools, software licenses for agency-wide tools, insurance, recruitment for open positions, membership dues for the California Community Choice Association (CalCCA) and other office expenses.

The proposed budget reflects expected annual increases to the CalCCA membership dues, increased prices for data analytics tools, higher recruitment expenses for the technical positions to be filled, and increased premiums for building and cyber insurance.

Occupancy: \$417,000 (7.9% decrease from FY 2025/26 Approved Budget)

This category includes lease payments for the MCE's Concord office. Maintenance costs for both the Concord and San Rafael office locations are also included. The proposed budget reflects a decrease due to the shift to a smaller office in Concord which comes with a lower monthly lease payment. Additionally, in response to the budgetary environment, staff is planning no major maintenance projects in the coming fiscal year.

Contingency: \$1,500,000 (No change from FY 2025/26 Approved Budget)

The proposed budget represents a buffer to cover unexpected costs in the previous operating expenses line items. No change is being proposed at this time.

Non-Operating Revenues and Expenses

Grant Income: \$5,018,000 million (53.1% increase from FY 2025/26 Approved Budget)

MCE receives grants from government and non-profit organizations to support certain activities connected to MCE's mission. Grant income varies year to year as grants can be "one time" or can be provided to MCE under multiple year agreements. Some grants were completed in the current fiscal year, and others are starting or continuing in FY 2026/27. Some grant activities require a ramp-up time that can be hard to predict, and this can cause year-to-year budget variation. The following grants or portions thereof are included in the \$5,018,000 grant income line item in the proposed budget.

- \$3,951,000 - for the Disadvantaged Communities Green Tariff (DAC-GT)⁵ program to provide income-qualified, residential customers in disadvantaged communities with 100% renewable energy and a 20% bill discount. The amount is replenished annually. Funded by the California Public Utilities Commission.
- \$520,000 - for energy efficiency and electrification upgrades in single family homes in the Iron Triangle Neighborhood of Richmond under the Richmond Rising Grant Transformative Climate Communities from the Strategic Growth Council.
- \$435,000 - to support a participatory budgeting process in priority communities to guide the grant investment into EV charging stations and shared mobility options (Charged by Public Power). Funded by the U.S. Department of Energy.
- \$76,000 - for EV charging installations in disadvantaged Contra Costa communities in partnership with the Contra Costa Transportation Authority. Funded by the California Energy Commission.
- \$35,000 - to support the Home Energy Savings program. Funded by Chevron Inc.

⁵ The DAC-GT program reimburses MCE for bill credits it provides to customers. Because bill credits reduce what the customer owes, they reduce incoming sales revenue. As such, a matching expense for this grant would not show up in the grant expense section when reviewing budget reports with actuals. However, for budgeting purposes, grant income matches grant expenses as MCE can only recognize income when there's a matching expense. Grants are not additional income for the agency.

Investment Income: \$13,707,000 (8.6% decrease from FY 2025/26 Approved Budget)

Investment income captures interest and income from MCE's fixed income portfolio. This line is decreasing against last year's budget due to lower interest rates. Potential liquidation of investments throughout the fiscal year for working capital is also likely, in response to the revenue shortfall driven by the rate reduction. Staff is conservatively assuming an average annual yield of 2.5% on all of MCE's holdings. MCE currently has about 43% of its cumulative position in a fixed income portfolio managed by Chandler Asset Management, about 41% in liquid money market funds, about 14% in CDARs issued by River City Bank, and about 3% in collateral at the California ISO. Staff continues to manage MCE's investment resources by adhering to the Board approved Investment Policy.

Banking Fees and Financing Costs: \$250,000 (11.1% increase from FY 2025/26 Approved Budget)

This line captures banking fees associated with MCE's credit facility with Royal Bank of Canada (RBC). Note that the credit facility with RCB is due for renewal in early May. Furthermore, the increase accounts for additional banking costs associated with meeting the CPUC's Financial Security Requirement (FSR)⁶. The final posting amount is still being determined, and actual costs could vary resulting in revisions to this estimate.

Grant Expenses: \$5,018,000 million (53.1% increase from FY 2025/26 Approved Budget)

Grant expenses match grant income, as revenue is recognized only when corresponding expenses are incurred. As a result, these transactions net to zero and do not contribute additional income to MCE's bottom line.

Capital Expenditures

Staff is once again recommending \$10,250,000 to implement a Remedial Action Scheme ([RAS](#)) that would help alleviate some of the curtailment and congestion of certain power supply projects which could result in savings of up to \$20 million per year once implemented. Due to slow negotiations outside of our control, this potential investment has taken longer than expected. Lastly, \$147,000 is proposed to implement building improvements and retrofits, such as improvements to ADA accessibility and computer server upgrades at the San Rafael office.

Please note that per accounting guidelines, investments in long-term assets reduces cash on hand but does not directly impact the change in net position (bottom line) when the purchase takes place. Instead, the cost of the asset is spread over its useful life through depreciation.

⁶ The California Public Utilities Commission (CPUC) Financial Security Requirement (FSR) is a mandatory security posting for Community Choice Aggregators (CCAs) and Electric Service Providers (ESPs), ensuring funds are available to cover costs if customers are involuntarily returned to the incumbent utility service.

Program Development Fund

Total Revenue and Other Sources: \$8,208,000 (198% increase from FY 2025/26 Approved Budget)

Total revenue includes a proposed transfer of \$8 million from the Operating Fund which would cover the projected program spend and would eliminate the forecasted deficit of \$1.15 million in the current fiscal year. The deficit is a result of increased spending on the EV Instant Rebate Program due to a spike in EV sales prior to the Federal Tax Credits expiring and several projects in the EV Charging Program closing out earlier than expected. Approximately \$2.3 million of the transfer is attributable to 50% of the deep green premium. Additionally, \$131,000 in grants from the Marin Community Foundation for electric vehicle (EV) charging at affordable housing are also included.

Transportation Electrification Programs: \$5,984,000 (13% increase from FY 2025/26 Approved Budget)

Transportation electrification programs include:

- o Rebates for newly purchased and leased EVs for income-qualified residents.
- o Rebates for charging ports installed at workplaces and multifamily properties.
- o Outreach and education partnerships to increase access to electric transportation

EV Instant Rebate Program

The EV Instant Rebate Program provides point of sale rebates for owned or leased, new or used electric vehicles for income-qualified customers. A majority (85%) of participating customers surveyed indicated they would not have purchased an EV without MCE's rebate.

The combination of imposed tariffs and end of the Federal EV Tax Credits have resulted in a sharp drop nationally in EV adoption in October and November (reports of 30-40% nationwide), following a large spike from July-September. MCE's EV Instant Rebates program has seen similar trends; however, it is important to mention that even with the drop off, sales in October and November were still higher than those months last year.

To accommodate the spike in EV sales and to avoid closing the program mid-summer, MCE added \$1M to the EV Instant Rebate Program budget, utilizing funds that were otherwise underspent in the operating budget. Due to overwhelming demand, the program paused in late-November as all funds were exhausted.

The proposed budget would allow for 876 vehicle rebates in FY 2026/27 compared to 1,200 in FY 2025/26

EV Charging Program

The EV Charging Program provides funding for workplace or multifamily EV chargers. The proposed budget for the EV rebate program represents a 33% increase over FY 2025/26. The budget increase reflects the close out of a significant number of projects in the current pipeline, an increase in the rebate level for L1 Charging and a higher level of customer project support.

Heat Pump Water Heater Incentives: \$682,000 (26% increase from FY 2025/26 Approved Budget)

These incentives help increase adoption of heat pump water heaters (HPWH). HPWHs can be two to three times more energy efficient than conventional gas water heaters leading to savings on utility bills and reduced carbon emissions.

While the overall Electrification Incentives budget is unchanged year over year, the allocation across sub-programs is shifting. The Emergency Water Heater Loaner program is closing, and the funding previously allocated to it is proposed to be reallocated to the enhanced electrification incentives within the Energy Efficiency programs, hence the 26% increase.

Community Housing Support: \$260,000 (No change from FY 2026/27 Approved Budget)

Community Housing Support provides funding for ancillary expenses (such as wiring, panel upgrades or basic repairs) that are barriers to installing, operating, and/or maintaining all electric equipment. These grants are provided to sites that support community housing, including homeless shelters, farmworker housing, and homes or units occupied by low-income households. There is no change in the year over year proposed budget for these grants.

The transfer from the Operating Fund combined with the expected program spending outlined above would yield an ending fund balance of \$0.

Board Options to Reduce Program Development Fund Transfer

Staff recommends approval of the proposed Program Development Fund transfer to support the portfolio of customer programs included in the FY 2026/27 budget. These programs advance MCE's mission to reduce greenhouse gas emissions and support customers.

However, should the Board wish to reduce the transfer amount, the following options are provided for consideration. These options are structured to generate savings while avoiding impacts to active grant agreements or existing customer commitments.

- Option 1: Approve the Proposed Budget
 - **Proposed Transfer: \$8,208,000**
- Option 2: Reduce Funding for EV Instant Rebate Program

- Savings: \$1,797,000
- **Revised Proposed Transfer: \$6,280,000**
- Program Impact: Approximately 438 fewer income-qualified customers would receive EV rebates in FY 2026/27.
- Option 3: Eliminate Funding for EV Instant Rebate Program
 - Savings: \$3,595,000
 - **Revised Proposed Transfer: \$4,483,000**
 - Program Impact: Up to 876 income-qualified customers would not receive rebates in FY 2026/27. Survey data indicates approximately 85% of participants would not have purchased an EV without MCE's rebate.
- Option 4: Close EV Charging Program to New Applicants
 - Savings: \$800,000
 - **Revised Proposed Transfer: \$7,277,000**
 - Program Impact: No new charging projects would be accepted in FY 2026/27. Existing reservations would be honored and would require multi-year close-out funding.
- Option 5: Eliminate Electrification Incentives (Heat Pump Water Heater Incentives and Community Housing Grants)
 - Savings: \$942,000
 - **Revised Proposed Transfer: \$7,135,000**
 - Program Impact: Approximately 685 electrification measures would not be installed. This option may also impact MCE's ability to fully expend CPUC energy efficiency funding.

Resiliency Virtual Power Plant (VPP) Fund

Your Board approved the creation of the Resiliency VPP Fund in 2019 in response to power outages which significantly impact the safety, health, and welfare of MCE's customers, especially our vulnerable populations. Since then, the fund has expanded its scope to help scale MCE's virtual power plants efforts.

Like the Program Development Fund, this fund is financed by a transfer from the Operating Fund. Your Board has approved and transferred \$9 million from the Operating Fund since its inception. Portions of a \$750,000 grant from the Marin Community Foundation have also been added to this fund over the last four years.

Total Revenue and Other Sources: \$1,570,000 (7% increase from FY 2025/26 Approved Budget)

No transfer from the Operating Fund budget is needed at this time, however, the fund includes the following grants. Grant income is offset by an equivalent amount in expenses.

- \$1,200,000 - for integrating MCE's existing Customer Programs into the virtual power plant (VPP) across MCE's service area. Funded by the California Energy Commission (CEC).
- \$270,000 - for Resiliency at critical facilities in Marin. Funded by the Marin Community Foundation.
- \$100,000 - for solar paired with storage at critical facilities. Funded by a Federal Earmark.

CEC VPP Flex Grant Match: \$1,000,000 (No change from FY 2026/27 Approved Budget)

The \$1.2 million VPP grant from the CEC requires a \$1 million commitment from MCE. This amount would fulfill the requirement and cover the costs of certain consultants and software licenses for the virtual power plant being developed.

MCE Sync: \$927,000 (2.6% decrease from the FY 2026/27 Approved Budget)

MCE Sync helps customers shift their EV charging from peak hours and encourages charging during solar daytime hours through MCE's proprietary app. This program is partially supported by a grant from the California Energy Commission that was awarded to our implementer, EV.Energy, allowing MCE's contributions to remain flat despite enrollment goals increasing.

Energy Storage Program: \$137,000 (55.2% decrease from FY 2026/27 Approved Budget)

MCE's Energy Storage Program facilitates the adoption of customer-owned energy storage systems paired with on-site solar. MCE offers significant financial support including rebates, monthly bill credits, and performance-based payments to reduce upfront and out-of-pocket costs. This program has been closed to new applicants since FY 2024/25 and the costs associated with it will decrease overtime as the remaining projects in the pipeline close out.

Federal Earmark Match Expense: \$100,000 (50.0% decrease from FY 2026/27 Approved Budget)

The Federal Earmark for Energy Storage requires MCE to provide matching funds, and this allocation would fulfill the match requirement for the fiscal year. Although there was funding in the FY 2025/26 budget for this program, it was based on forecasts for a program that had not yet launched. Due to contracting delays, no money was spent. The program has now launched successfully and is working on participation agreements with awardees. This is the budget that we anticipate spending this coming year.

Virtual Power Plant: \$30,000 (82.5% decrease from FY 2026/27 Approved Budget)

The VPP is beginning to transition away from a pilot to deployment across the larger service area through a combination of the CEC VPP Flex grant and MCE's match commitment. This line captures additional VPP expenses not tied to the grant. The recommended budget would

provide incentives for non-battery electric panel upgrades and would cover ad-hoc costs for storing VPP devices.

Change in Net Position

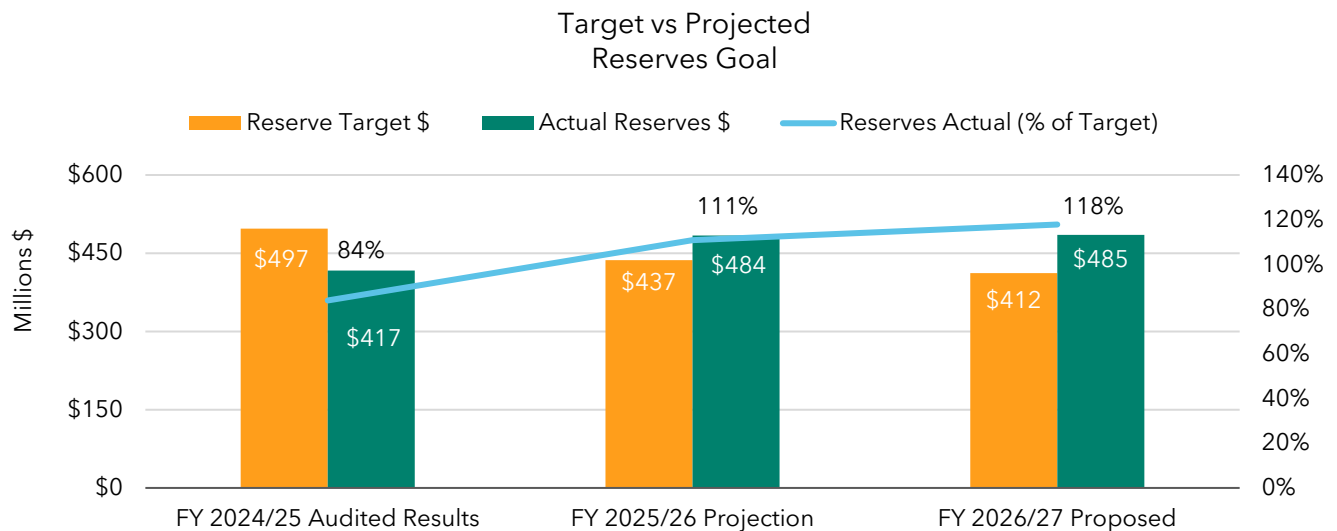
The change in net position is the bottom line and reflects all revenues minus all expenses.

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Energy Revenue, Net	\$ 813,689,500	\$ 621,291,000	\$ (192,398,500)	(23.6%)
ORF Withdrawal	13,000,000	62,000,000	49,000,000	376.9%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,365,000)	(4,116,000)	8.2%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,120,000)	61,000	(0.7%)
Consolidated Change in Net Position	16,492,500	1,319,000	(15,173,500)	(92.0%)

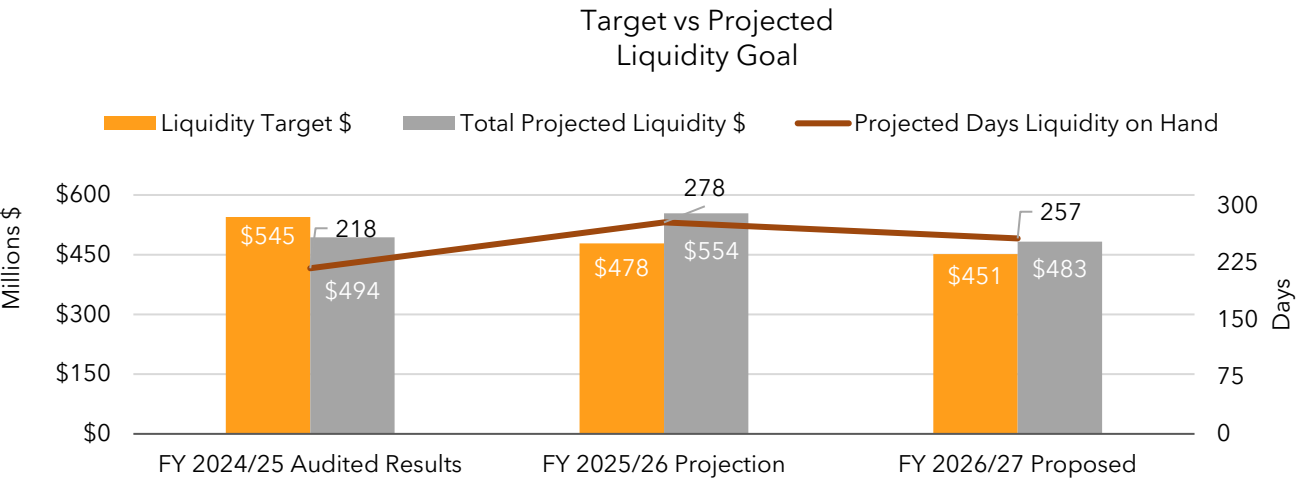
Based on the proposed budgets presented, MCE's consolidated change in net position, inclusive of program spending, would total \$1.3 million, a 92% decrease from the current fiscal year.

Reserves and Liquidity

MCE's reserve target is to have 60% of expected cost of energy and operating expenses. Reserves are accounted for as the Net Position in MCE's financial statements. Based on the projections presented, MCE would end the fiscal year with a reserves level of \$485 million, above the goal by 18 percentage points.



MCE’s liquidity target is to have 240 days of liquidity on hand. From a liquidity⁷ perspective, MCE would have sufficient cash to run the operations despite the revenue shortfall caused by the rate reduction, temporary rate credit, and allocation to the MCE Cares Credit program. Reserves were intentionally built to provide financial stability during periods of volatility and timing related impacts.



Based on the projections presented, MCE would end the fiscal year with 257 days of liquidity on hand, above the goal by 17 days. However, complying with the CPUC’s FSR could reduce liquidity by the amount MCE must allocate to meet the requirement.

Recommendations:

Recommend to the Board of Directors approval of the proposed Fiscal Year 2026/27 budgets, including the proposed \$8,208,000 Program Development Fund transfer to support customer programs (option 1), or an alternative customer program funding option (Options 2-5) as outlined in this report.

⁷ Days cash on hand is based on unrestricted cash and investments x 365/ (operating expenses + cost of energy, each for the current fiscal year). Projections are based on the forecasted net position.



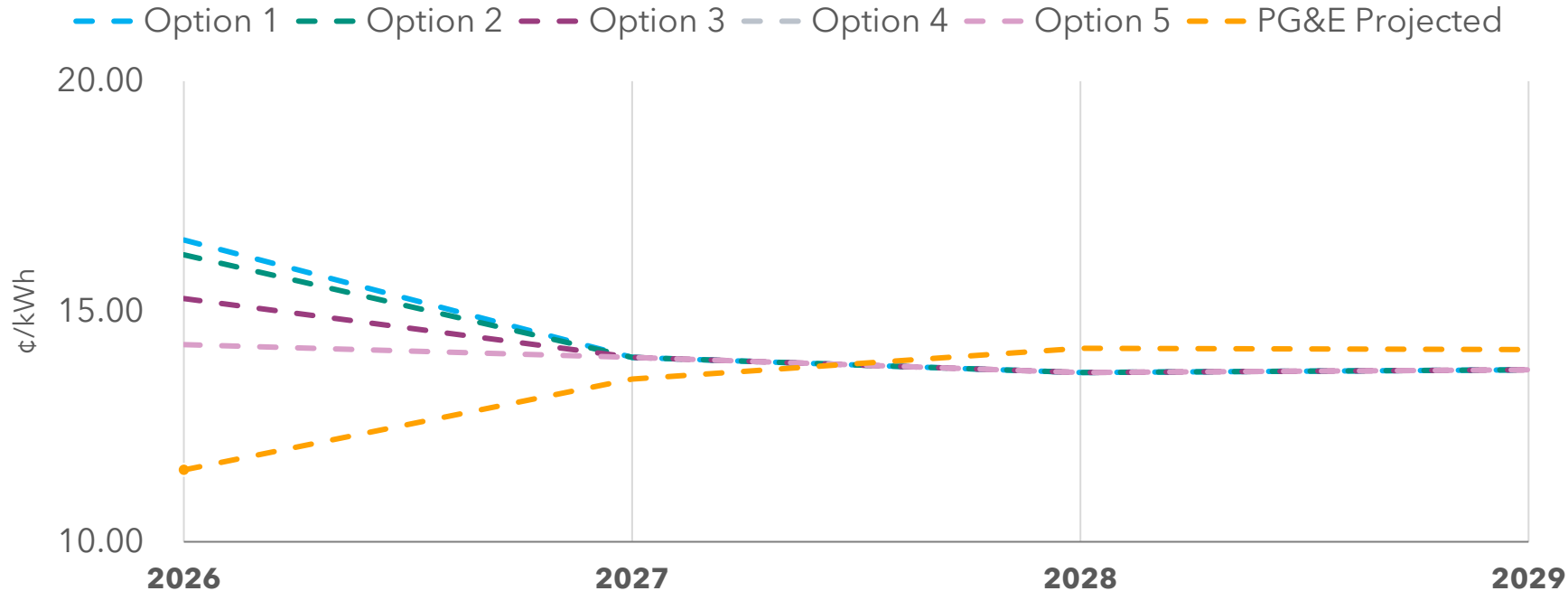
Fiscal Year 2026/27 Proposed Budget

MCE Executive Committee
March 2, 2026



Context for FY 2026/27 Budget Setting

Generation Rate + PCIA Comparison



Based on Residential E-TOU-C and MCE's 2017 PCIA vintage

Future PG&E generation rates are assumed to remain at 2026 levels, while PCIA values for 2027 and beyond rely on industry projections

Looking Ahead (2027+)

- PCIA values expected to converge, eliminating the temporary distortion
- MCE's cost-of-service-based rates are projected to be below PG&E's

FY 2026/27 Proposed Budget Overview

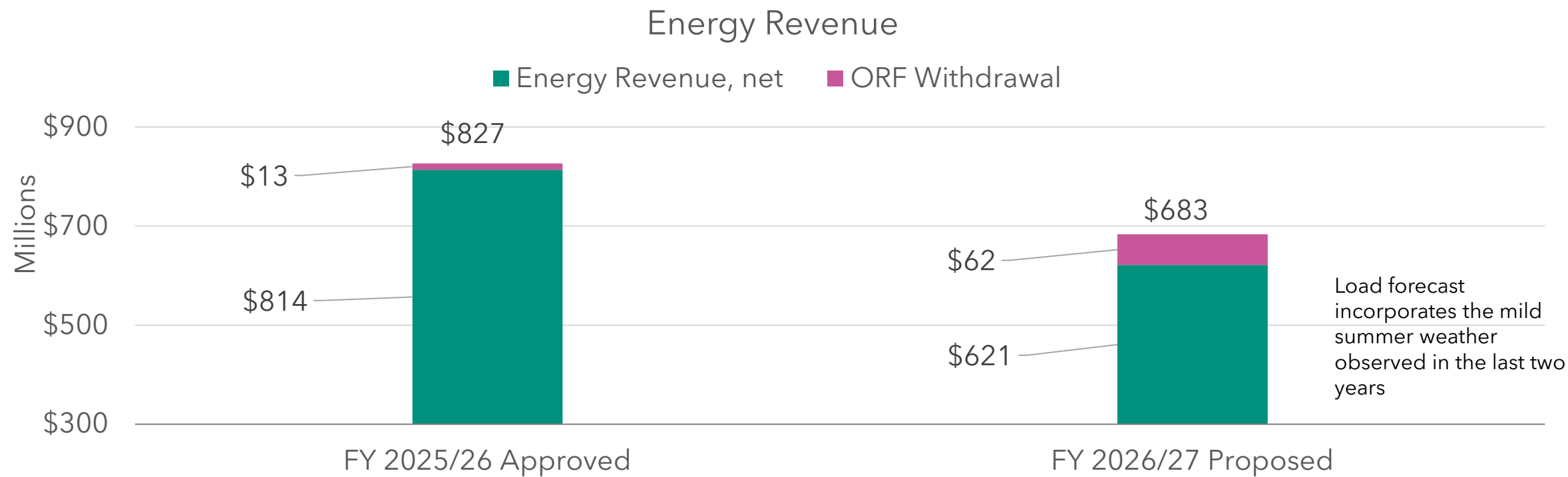
- The budget for FY 2026/27 is shaped by:
 - The **2.05-cent** rate reduction
 - A **0.62-cent** rate credit running April-December 2026
 - A **\$10 million** allocation to the MCE Cares Credit program
- The revenue shortfall is addressed by transferring **\$62 million** from the Operating Reserve Fund
- Cost of energy is decreasing significantly while operating expenses have been optimized to their lowest level possible
- Reserve and Liquidity goals are expected to be met
- The **change in net position** is projected at **\$1.3 million**, a 92% decrease YoY

FY 2025/26 Projected Budget

	FY 2025/26 Approved	FY 2025/26 Projected	Variance \$	Variance %
Energy Revenue, Net	\$ 813,689,500	\$ 768,655,000	\$ (45,035,000)	(5.5%)
ORF Withdrawal	13,000,000	-	(13,000,000)	(100.0%)
Cost of Energy	(765,542,000)	(674,355,000)	91,187,000	(11.9%)
Operating Expenses	(50,249,000)	(46,838,000)	3,411,000	(6.8%)
Non-Operating Revenues, Net	14,775,000	27,977,000	13,202,000	89.4%
Program Expenses	(9,181,000)	(8,360,000)	821,000	(8.9%)
Consolidated Change in Net Position	16,492,500	67,079,000	50,586,000	306.7%

- Forecast for the current FY shows a change in net position of **\$67 million**
- Energy revenue is down but energy costs have dropped even more sharply
 - Recall: \$36.4mm in energy costs was **shifted** to the previous FY due to earlier than anticipated deliveries
 - Other costs are trending below budget
- Creates an **opportunity** to add funds to the **Operating Reserve Fund**

Energy Revenue and ORF Withdrawal

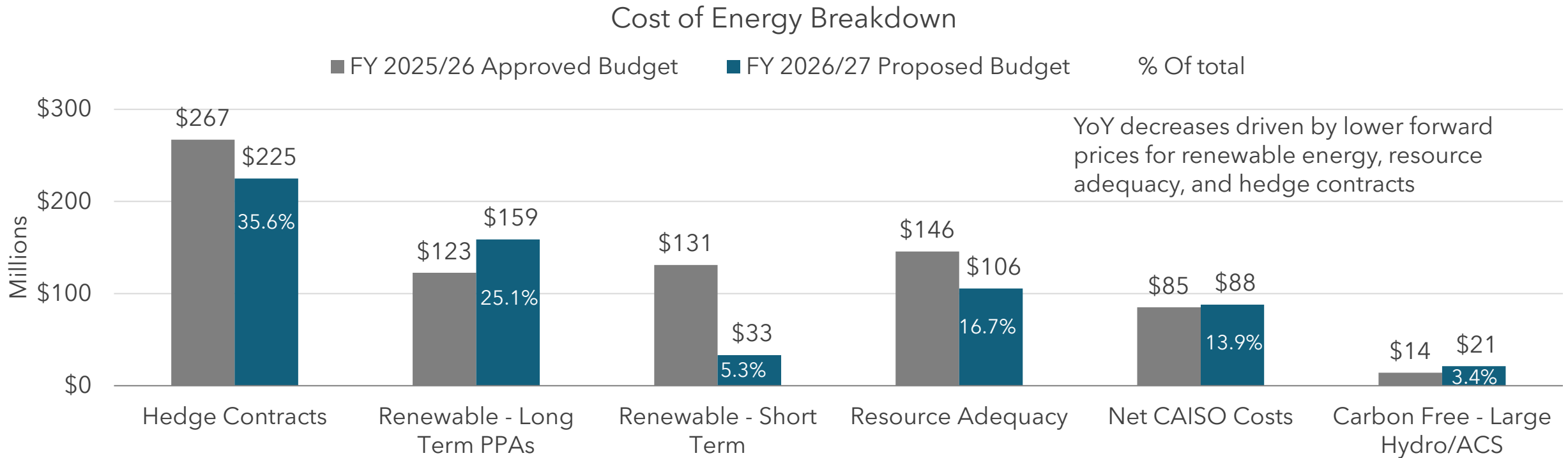


	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Energy Revenue, net	\$813,689,500	\$621,291,000	\$(192,398,500)	(23.6%)
ORF Withdrawal	13,000,000	62,000,000	49,000,000	376.9%
Total	826,689,500	683,291,000	(143,398,500)	(17.3%)

Figures are shown net of uncollectibles and MCE Cares credit program

FY 2026/27 includes **\$10 million** for MCE Cares credit

Cost of Energy



Cost of Energy	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Hedge Contracts	\$ 267,050,000	\$ 225,028,000	\$(42,022,000)	(15.7%)
Renewable - Long Term PPA's	122,588,000	158,798,000	36,210,000	29.5%
Renewable - Short Term	131,035,000	33,235,000	(97,800,000)	(74.6%)
Resource Adequacy	145,713,000	105,565,000	(40,148,000)	(27.6%)
Net CAISO Costs	85,084,000	88,104,000	3,020,000	3.5%
Carbon Free - Large Hydro/ACS	14,072,000	21,214,000	7,142,000	50.8%
Total	765,542,000	631,944,000	(133,598,000)	(17.5%)

Operating Expenses

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
TOTAL OPERATING EXPENSES	50,249,000	54,365,000	4,116,000	8.2%

- Captures overhead expenses MCE incurs to run the operations
- Some expenses are beyond MCE's control (tied to number of customer accounts or load)
- Staff thoroughly reviewed each budget line and optimized resources to reduce costs

Operating Expenses - Increases

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
OPERATING EXPENSES				
Personnel	25,405,000	28,652,000	3,247,000	12.8%
Data Manager	5,276,000	5,434,000	158,000	3.0%
Technical and Scheduling Consultants	1,400,000	1,588,000	188,000	13.4%
Service Fees - PG&E	2,738,000	3,200,000	462,000	16.9%
Legal and Policy Services	1,534,000	1,427,000	(107,000)	(7.0%)
Communication Services	2,223,000	1,876,000	(347,000)	(15.6%)
Other Professional Services	4,754,000	4,779,000	25,000	0.5%
General and Administrative	4,966,000	5,492,000	526,000	10.6%
Occupancy	453,000	417,000	(36,000)	(7.9%)
Contingency	1,500,000	1,500,000	0	0.0%
Total Operating Expenses	50,249,000	54,365,000	4,116,000	8.2%

Data Management:

- Increased billing activity after City of Hercules enrollment

Technical & Scheduling Consultants:

- Potential changes to the services MCE relies on
- Temporary vendor overlap + one-time transition costs

PG&E Service Fees:

- Per-account charge rising from \$0.35 to \$0.42
- FY 2026/27 reflects first full year at new rate

General & Administrative:

- Higher software and data platform costs driven by the growth of AI
- Increased membership dues for CalCCA

Operating Expenses - Decreases

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %	
OPERATING EXPENSES					
Personnel	25,405,000	28,652,000	3,247,000	12.8%	Legal and Policy Services:
Data Manager	5,276,000	5,434,000	158,000	3.0%	
Technical and Scheduling Consultants	1,400,000	1,588,000	188,000	13.4%	Communication Services:
Service Fees - PG&E	2,738,000	3,200,000	462,000	16.9%	
Legal and Policy Services	1,534,000	1,427,000	(107,000)	(7.0%)	Occupancy:
Communication Services	2,223,000	1,876,000	(347,000)	(15.6%)	
Other Professional Services	4,754,000	4,779,000	25,000	0.5%	
General and Administrative	4,966,000	5,492,000	526,000	10.6%	
Occupancy	453,000	417,000	(36,000)	(7.9%)	
Contingency	1,500,000	1,500,000	0	0.0%	
Total Operating Expenses	50,249,000	54,365,000	4,116,000	8.2%	

- Downward adjustment to better align with actual spend

- Downward adjustments in marketing and sponsorship budgets in response to the budgetary environment

- No major maintenance projects expected and reduced rent resulting from our move to a smaller office in Concord

Impact of 5 Proposed New Positions

Power Resources:

Data Analyst
Power Resources Manager

Finance:

Manager of Finance
Senior Strategic Finance Analyst

Legal:

Grants Manager



01

Growth in Scale and Complexity of MCE's Operations

Expansion of grants, procurement contract management, and power resource portfolios requires coordinated oversight



02

Evolving External, Federal, and Regulatory Requirements

New federal funding and increasing regulatory oversight driving more complex compliance and reporting



03

Strengthening In-House Technical and Subject Matter Expertise

Building internal expertise to support complex compliance, financial analysis, and power resource work



04

Positioning MCE for Sustainable and Compliant Growth

Ensuring MCE can absorb new federal earmarks while maintaining operational excellence and accountability

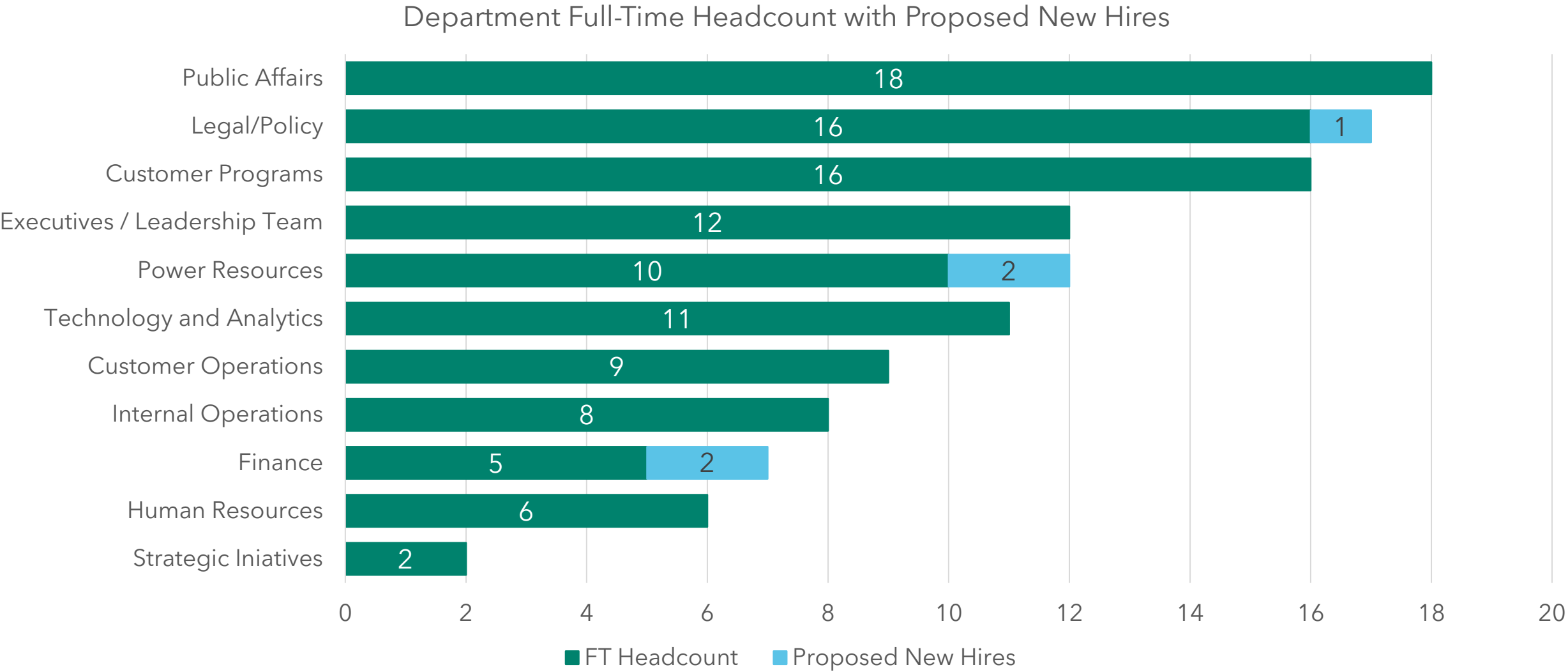


05

Growth of Strategic Finance Function

Establishing dedicated capacity for strategic financial analysis, governance support, Finance Committee support, and long-range planning

Department Headcount



CCA Average Fully Loaded Personnel Cost Comparison

CCA	Fiscal Year	Personnel Cost	Headcount	Average Fully Loaded Personnel Cost
CPA	25/26	\$27,950,00	96	\$291,146
AVA	25/26	\$29,639,000	105	\$282,276
SVCE	25/26	\$18,870,000	67	\$281,642
MCE	Proposed 26/27	\$32,713,694 (pre-grant offset)	118	\$277,235 (pre-grant offset)
		\$28,652,458 (post grant offset)		\$248,817 (post grant offset)
MCE	25/26	\$29,600,000 (pre-grant offset)	113	\$261,947 (pre-grant offset)
		\$25,400,000 (post grant offset)		\$224,779 (post grant offset)
PCE	25/26	\$16,391,740	67	\$244,653
3CE	25/26	\$14,260,774	59	\$241,708
SDCP	25/26	\$21,115,541	94	\$244,633
SCP	25/26	\$12,781,000	60	\$213,017

MCE's personnel costs are shown both pre- and post-grant. Comparative CCA personnel costs are based on adopted FY 25/26 budgets and reflect post-grant amounts, where applicable grant offsets exist.

Personnel – before grant reimbursements

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Salaries	\$ 18,800,000	\$ 21,686,000	\$ 2,887,000	15.4%
Benefits	10,717,000	11,027,000	310,000	2.9%
Total Personnel Costs	29,517,000	32,714,000	3,196,000	10.8%

- Costs include medical, dental, vision benefits; employer taxes; ancillary benefits; retirement and retention; other (workers comp, PTO, etc.)
 - For full-time, part-time, and temporary staff

Key factors contributing to year-over-year increase:

- Full-year impact of the 13 new positions added in FY 2025/26
 - Most of which were hired mid-year and did not incur a full 12 months of cost in the current fiscal year
- Full-year impact of COLA and merit adjustments (1-5%) made in January 2026
- Addition of 5 new full-time roles to meet operational needs

Personnel - after Grant Reimbursement

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Total Staffing Costs	\$ 29,517,000	\$ 32,714,000	\$ 3,197,000	10.8%
Expected Grant Reimbursement	(4,112,000)	(4,061,000)	50,000	(1.2%)
Personnel	25,405,000	28,652,000	3,247,000	12.8%

Information regarding grant reimbursements

- Anticipated modest reduction in grant reimbursements relative to the FY 2025/26 budget
- Number in the budget is the cost after grant reimbursements

Non-Operating Revenues, Net and Capital Outlay

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Non-Operating Revenues, Net	\$ 14,775,000	\$ 13,457,000	\$ (1,318,000)	-8.9%
Total Capital Expenditures, Interfund Transfers & Other	18,391,000	18,474,000	83,000	0.5%

Non-Operating Revenues

- Non-operating revenues come from interest and investment earnings on MCE's cash and fixed-income portfolio
 - Presented net of banking fees, which are subject to change pending updates on the amount MCE must post to meet the CPUC's Financial Security Requirement

Total Capital expenditures, Interfund Transfers and Other

- \$10.25mm for the RAS project
- \$8mm transfer to the Program Development Fund

Program Development Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
Transfer from Operating Fund and Deep Green Premium	\$2,392,000	\$8,077,000	\$5,685,000	238%
Marin Community Foundation Grant	260,000	131,000	(129,000)	(50%)
Community Benefits Funds	100,000	0	(100,000)	(100%)
TOTAL REVENUE AND OTHER SOURCES	2,752,000	\$8,208,000	\$5,456,000	198%
EXPENDITURES				
Transportation Electrification Programs	5,310,000	5,984,000	674,000	13%
Heat Pump Water Heater Incentives	540,000	682,000	142,000	26%
Emergency Water Heater Loaner Program	142,000	0	(142,000)	(100%)
MCF - EV Charging at Affordable Housing	260,000	131,000	(129,000)	(50%)
Community Housing Support	260,000	260,000	0	0
TOTAL EXPENDITURES	6,512,000	7,057,000	545,000	8%
Net Increase (Decrease) in Fund Balance	3,760,000	1,151,000	-	-
Fund Balance at Beginning of Period	3,760,000	(1,151,000)	-	-
Fund Balance at End of Period	0	0	-	-

Resiliency Virtual Power Plant (VPP) Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
CEC VPP Flex Grant	\$1,200,000	\$1,200,000	\$ 0	0.0%
Federal Earmark Funding	200,000	100,000	(100,000)	(50.0%)
Marin Community Foundation Grant	72,000	270,000	198,000	275.0%
TOTAL REVENUE AND OTHER SOURCES	1,472,000	1,570,000	98,000	7%
EXPENDITURES				
CEC VPP Flex Grant Expenses	1,200,000	1,200,000	0	0.0%
Energy Storage Program	306,000	137,000	(169,000)	(55.2%)
CEC VPP Flex Grant Match	1,000,000	1,000,000	0	0.0%
MCE Sync	952,000	927,000	(25,000)	(2.6%)
PeakFLEX	100,000	0	(100,000)	(100.0%)
Federal Earmark - Energy Storage	200,000	100,000	(100,000)	(50.0%)
MCF - Resiliency at Critical Facilities	72,000	270,000	198,000	275.0%
Federal Earmark Match Expense	200,000	100,000	(100,000)	(50.0%)
San Rafael Office Resiliency Buildout	200,000	0	(200,000)	(100.0%)
Virtual Power Plant	171,000	30,000	(141,000)	(82.5%)
TOTAL EXPENDITURES	4,401,000	3,764,000	(637,000)	(14.5%)
Net Increase (Decrease) in Fund Balance	(3,721,000)	(2,194,000)	-	-
Fund Balance at Beginning of Period	4,361,000	2,792,000	-	-
Fund Balance at End of Period	640,000	598,000	-	-

Energy Efficiency Fund

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
Public Purpose Energy Efficiency Program	\$ 18,761,000	\$ 14,380,000	\$ (4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	0	(800,000)	(100.0%)
TOTAL REVENUE AND OTHER SOURCES	19,561,000	14,380,000	(5,181,000)	(26.5%)
EXPENDITURES				
Public Purpose Energy Efficiency Program	18,761,000	14,380,000	(4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	0	(800,000)	(100.0%)
TOTAL EXPENDITURES	19,561,000	14,380,000	(5,181,000)	(26.5%)
BALANCE	0	0		

Customer Program Funding Options

Option	Budget Impact	Program Impact
Close or scale back EV Instant Rebate Program	Savings of up to \$3,594,500	Up to 876 income-qualified customers will not receive a rebate for the purchase of an EV. 85% of participants have indicated via survey that they wouldn't have purchased an EV without MCE's rebate.
Close the EV Charging Program to new applicants	Savings of around \$800,000	Projects with existing reservations will still need to close out. Larger budget impacts in the coming FYs if we stop taking in new project reservations.
Eliminate Electrification Incentives (Heat Pump Water Heater Incentives & Community Housing Support)	Savings of \$942,000	685 electrification measures not installed in customer homes. Will also impact MCE's ability to spend down CPUC EE funds.

Total Potential Savings (all options): Up to \$5,336,500

Program Impacts and Expenditures

Program	FY 2026/27 Proposed	MCE Cumulative Expenditures	Program Impacts (inception to date)
EV Instant Rebate Program	\$3,594,500	\$9,264,000 (Mar. 2023-Dec. 2025)	• 2,381 low-income customers purchased or leased an EV with an MCE rebate • GHG emissions reductions: 7,286 MT CO₂e
EV Charging Program	\$2,289,137	\$7,884,000 (Mar. 2019-Dec. 2025)	• 1,400 new charging ports at 142 locations • GHG emissions reductions not tracked
Electrification Incentives	\$942,000	\$1,177,000 (Apr. 2021-Dec. 2025)	• 700 electrification and electrification readiness measures (heat pump HVAC, water heater, heat pump dryers, induction cooktops) installations completed • GHG emissions reductions: 623 MT CO₂e

Program Budgets

Program	FY 2026/27 Proposed
EV Instant Rebate Program	\$3,595,000
EV Charging Program	\$2,289,000
EV Education and Outreach	\$100,000
Energy Storage Program	\$137,000
MCE Sync	\$927,000
Heat Pump Water Heater Incentives	\$682,000
Community Housing Support	\$260,000
Virtual Power Plant	\$210,000
Matching Funds:	
DOE Storage Grant Match Funds	\$100,000
VPP Flex Match Funds	\$1,000,000

Change in Net Position

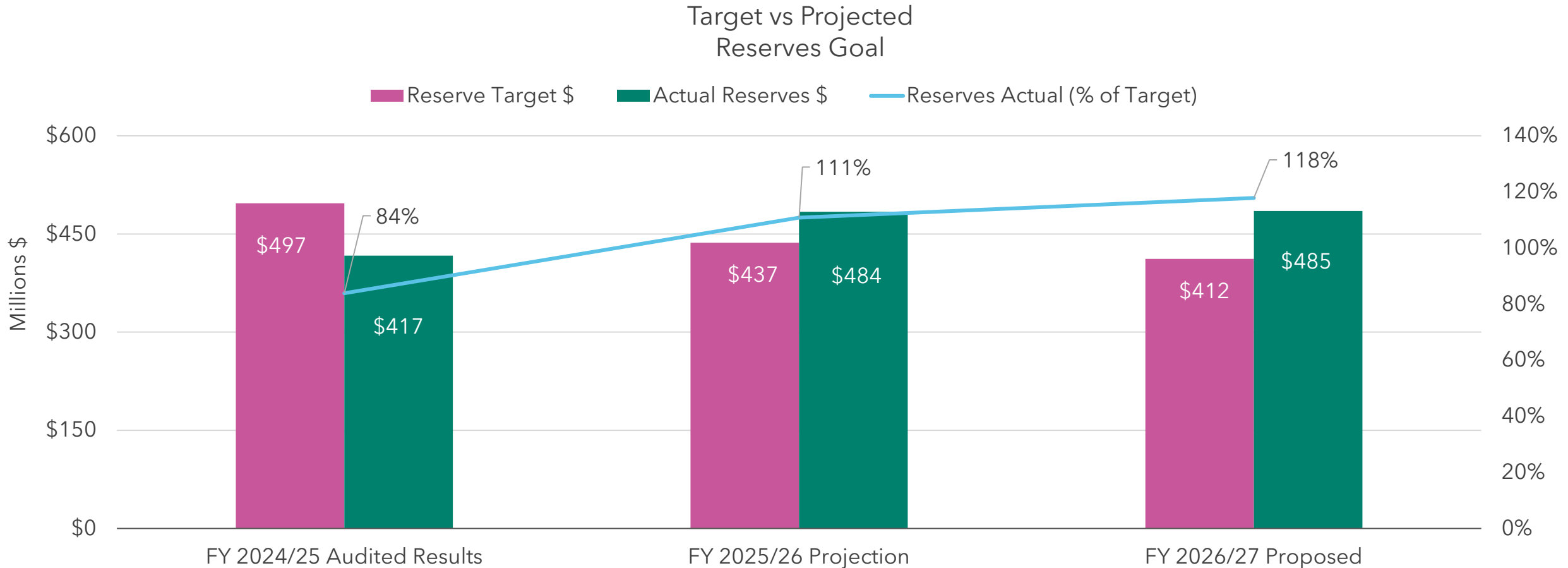
	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
Energy Revenue, Net	\$ 813,689,500	\$ 621,291,000	\$ (192,398,500)	(23.6%)
ORF Withdrawal	13,000,000	62,000,000	49,000,000	376.9%
Cost of Energy	(765,542,000)	(631,944,000)	133,598,000	(17.5%)
Operating Expenses	(50,249,000)	(54,365,000)	(4,116,000)	8.2%
Non-Operating Revenues, Net	14,775,000	13,457,000	(1,318,000)	(8.9%)
Program Expenses	(9,181,000)	(9,120,000)	61,000	(0.7%)
Consolidated Change in Net Position	16,492,500	1,319,000	(15,173,500)	(92.0%)

The consolidated change in net position is projected to total **\$1.3 million**, a 92% decrease year-over-year



**Progress towards
Reserves and
Liquidity Goals**

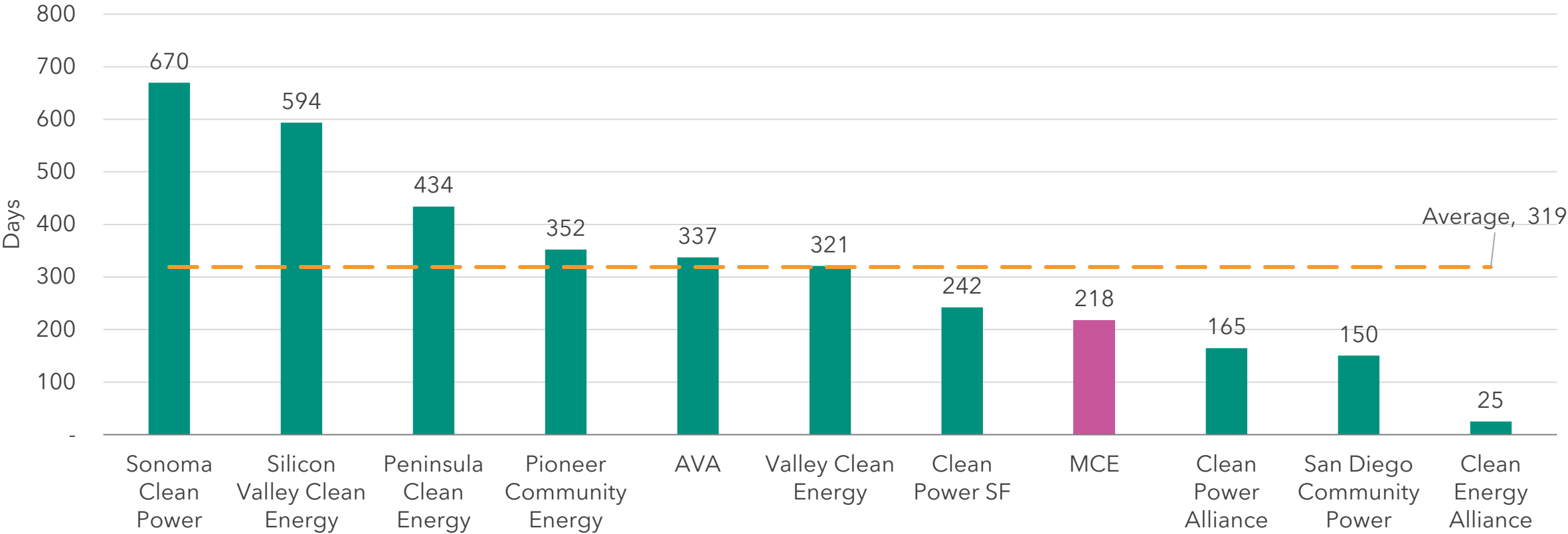
Reserves



- Reserves target is met and surpassed
- Numbers are inclusive of cost of energy reductions and withdrawals from the ORF

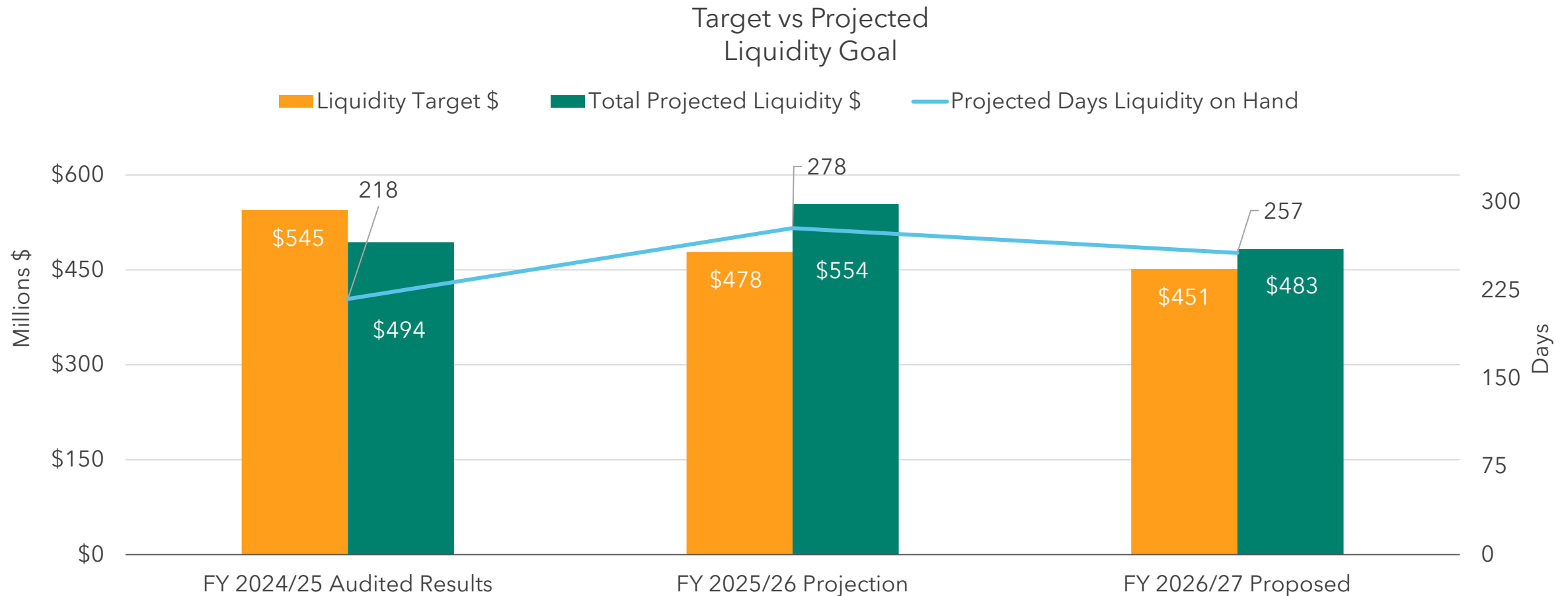
CCA Industry Days Liquidity on Hand

Days Liquidity on Hand
As of FY 2025/26 End



Metrics for peer CCAs based on ending net position and amounts in their rate stabilization fund, when applicable.

Liquidity



- Liquidity target is met and surpassed.
- Actual results may be lower due to the CPUC's Financial Security Requirement (FSR) which will require MCE to post security. Amounts are still being determined.

Recommendation

Provide guidance on proposed transfer from Operating Fund to the Program Development Fund for customer programs.

	Options	Savings	FY 2026/27 Proposed Transfer
1	Fully fund proposed Program Development Fund	NA	\$8,077,000
2	Reduce funding for EV Instant Rebate Program	\$1,797,000	\$6,280,000
3	Eliminate funding for EV Instant Rebate Program	\$3,595,000	\$4,483,000
4	Close the EV Charging Program to new applicants	\$800,000	\$7,277,000
5	Eliminate Electrification Incentives, Heat Pump Water Heater Incentives & Community Housing Support	\$942,000	\$7,135,000

Recommendation

Recommend to the Board of Directors approval of the proposed Fiscal Year 2026/27 budgets, including the proposed \$8,208,000 Program Development Fund transfer to support customer programs (option 1), or an alternative customer program funding option (Options 2-5) as outlined in the staff report.



Thank you!



mceCleanEnergy.org
info@mceCleanEnergy.org



MCE Operating Fund
Approved Budget Fiscal Year 2025/26
From April 1, 2026 through March 31, 2027

	FY 2025/26	FY 2026/27		
	Approved	Proposed	Variance \$	Variance %
ENERGY REVENUE				
Operating Revenues	\$ 831,238,000	\$ 638,933,000	\$ (192,305,000)	(23.1%)
Uncollectible Accounts	(12,469,000)	(7,642,000)	4,827,000	(38.7%)
Cost Relief Program	(5,000,000)	(10,000,000)	(5,000,000)	100.0%
Bi-Directional Vehicle Charging Tariff	(79,500)	-	79,500	(100.0%)
Energy Revenue, net	813,689,500	621,291,000	(192,398,500)	(23.6%)
Transfer from Operating Reserve Fund	13,000,000	62,000,000	49,000,000	376.9%
Total Energy Revenue	826,689,500	683,291,000	(143,398,500)	(17.3%)
ENERGY EXPENSES				
Cost of Energy	765,542,000	631,944,000	(133,598,000)	(17.5%)
Net Electricity Revenue	61,148,000	51,347,000	(9,801,000)	(16.0%)
OPERATING EXPENSES				
Personnel	25,405,000	28,652,000	3,247,000	12.8%
Data Manager	5,276,000	5,434,000	158,000	3.0%
Technical and Scheduling Consultants	1,400,000	1,588,000	188,000	13.4%
Service Fees - PG&E	2,738,000	3,200,000	462,000	16.9%
Legal and Policy Services	1,534,000	1,427,000	(107,000)	(7.0%)
Communication Services	2,223,000	1,876,000	(347,000)	(15.6%)
Other Professional Services	4,754,000	4,779,000	25,000	0.5%
General and Administrative	4,966,000	5,492,000	526,000	10.6%
Occupancy	453,000	417,000	(36,000)	(7.9%)
Contingency	1,500,000	1,500,000	-	0.0%
Total Operating Expenses	50,249,000	54,365,000	4,116,000	8.2%
OPERATING INCOME	10,899,000	(3,018,000)	(13,917,000)	(127.7%)
NONOPERATING REVENUES				
Grant Income	3,278,000	5,018,000	1,740,000	53.1%
Other Income	-	-	-	-
Investment Income	15,000,000	13,707,000	(1,293,000)	(8.6%)
Total Nonoperating Revenues	18,278,000	18,725,000	447,000	2.4%
NONOPERATING EXPENSES				
Banking Fees and Financing Costs	225,000	250,000	25,000	11.1%
Grant Expenses	3,278,000	5,018,000	1,740,000	53.1%
Total Nonoperating Expenses	3,503,000	5,268,000	1,765,000	50.4%
CHANGE IN NET POSITION*	25,674,000	10,439,000	(15,235,000)	(59.3%)
Budgeted Net Position Beginning of Period	416,863,052	484,271,558	67,408,506	16.2%
Change in Net Position	25,674,000	10,439,000	(15,235,000)	(59.3%)
BUDGETED NET POSITION END OF PERIOD	442,537,052	494,710,558	52,173,506	11.8%
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER				
Software Transmission Upgrade	10,250,000	10,250,000	-	0.0%
San Rafael Office Building Purchase	5,400,000	-	(5,400,000)	(100.0%)
Office Improvements and Retrofits	349,000	147,000	(202,000)	(0.58)
Transfer to Resiliency VPP Fund	-	-	-	-
Transfer to Program Development Fund	2,392,000	8,077,000	5,685,000	237.7%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	18,391,000	18,474,000	83,000	0.5%
BUDGETED NET INCREASE IN OPERATING FUND BALANCE	7,283,000	(8,035,000)	(15,318,000)	(210.3%)

*Shows Change in Net Position before programs expenses. See staff report for Consolidated Change in Net Position inclusive of program expenses.



C. Proposed FY 2026/27 Program Development Fund Budget

MCE
Program Development Fund
Proposed Budget Fiscal Year 2026/27
From April 1, 2026 through March 31, 2027

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
Transfer from Operating Fund and Deep Green Premium	\$2,392,000	\$8,077,000	\$5,685,000	238%
Marin Community Foundation Grant	260,000	131,000	(129,000)	-50%
Community Benefits Funds	100,000	-	(100,000)	-100%
TOTAL REVENUE AND OTHER SOURCES	2,752,000	\$8,208,000	\$5,456,000	198%
EXPENDITURES				
Transportation Electrification Programs	5,310,000	5,984,000	674,000	13%
Heat Pump Water Heater Incentives	540,000	682,000	142,000	26%
Emergency Water Heater Loaner Program	142,000	-	(142,000)	-100%
MCF - EV Charging at Affordable Housing	260,000	131,000	(129,000)	-50%
Community Housing Support	260,000	260,000	-	-
TOTAL EXPENDITURES	6,512,000	7,057,000	545,000	8%
Net Increase (Decrease) in Fund Balance	3,760,000	1,151,000	-	-
Fund Balance at Beginning of Period	3,760,000	(1,151,000)	-	-
Fund Balance at End of Period	-	-	-	-



D. Proposed FY 2026/27 Resiliency VPP Fund Budget

MCE
Resiliency VPP Fund
Proposed Budget Fiscal Year 2026/27
From April 1, 2026 through March 31, 2027

	FY 2025/26 Approved	FY 2026/27 Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
CEC VPP Flex Grant	\$1,200,000	\$1,200,000	\$ -	0.0%
Federal Earmark Funding	200,000	100,000	(100,000)	(50.0%)
Marin Community Foundation Grant	72,000	270,000	198,000	275.0%
Transfer from Operating Fund	-	-	-	0.0%
TOTAL REVENUE AND OTHER	1,472,000	1,570,000	98,000	7%
SOURCES				
EXPENDITURES				
CEC VPP Flex Grant Expenses	1,200,000	1,200,000	-	0.0%
Energy Storage Program	306,000	137,000	(169,000)	(55.2%)
CEC VPP Flex Grant Match	1,000,000	1,000,000	-	0.0%
MCE Sync	952,000	927,000	(25,000)	(2.6%)
PeakFLEX	100,000	-	(100,000)	(100.0%)
Federal Earmark - Energy Storage	200,000	100,000	(100,000)	(50.0%)
MCF - Resiliency at Critical Facilities	72,000	270,000	198,000	275.0%
Federal Earmark Match Expense	200,000	100,000	(100,000)	(50.0%)
Home Area Network Device Pilot	-	-	-	0.0%
San Rafael Office Resiliency Buildout	200,000	-	(200,000)	(100.0%)
Virtual Power Plant	171,000	30,000	(141,000)	(82.5%)
TOTAL EXPENDITURES	4,401,000	3,764,000	(637,000)	(14.5%)
Net Increase (Decrease) in Fund Balance	(3,721,000)	(2,194,000)	-	-
Fund Balance at Beginning of Period	4,361,000	2,792,000	-	-
Fund Balance at End of Period	640,000	598,000	-	-



E. Proposed FY 2026/27 Energy Efficiency Fund Budget

MCE
Energy Efficiency Fund
Proposed Budget Fiscal Year 2026/27
From April 1, 2026 through March 31, 2027

	FY 2025/26	FY 2026/27		
	Approved	Proposed	Variance \$	Variance %
REVENUE AND OTHER SOURCES				
Public Purpose Energy Efficiency Program	\$ 18,761,000	\$ 14,380,000	\$ (4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	-	(800,000)	(100.0%)
TOTAL REVENUE AND OTHER SOURCES	19,561,000	14,380,000	(5,181,000)	(26.5%)
EXPENDITURES				
Public Purpose Energy Efficiency Program	18,761,000	14,380,000	(4,381,000)	(23.4%)
Public Purpose Low Income Families and Tenants Pilot Program	800,000	-	(800,000)	(100.0%)
TOTAL EXPENDITURES	19,561,000	14,380,000	(5,181,000)	(26.5%)
BALANCE	-	-		