

**AGREEMENT TO JOINTLY DELIVER THE 2020
SOUTH BAY ENERGY EFFICIENCY PARTNERSHIP PROGRAM**

BY AND AMONG

SOUTHERN CALIFORNIA GAS COMPANY

AND

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

DATED: JANUARY 1, 2020

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

THIS AGREEMENT TO JOINTLY DELIVER THE 2020 SOUTH BAY CITIES PARTNERSHIP PROGRAM (the “Agreement”) is effective as of January 1, 2020 (“Effective

Date”) by and between SOUTHERN CALIFORNIA GAS COMPANY (“SoCalGas”). SoCalGas may be referred to herein individually as the “Utility” and SOUTH BAY CITIES COUNCIL OF GOVERNMENTS (SBCCOG). The Utility and SBCCOG may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties previously executed various Agreements and Amendments during 2006-2019 to jointly deliver the SOUTH BAY CITIES Partnership Program;

WHEREAS, on January 17, 2017, SoCalGas submitted its Business Plan Application (“Application”) for Approval of its 2018-2025 Energy Efficiency Rolling Portfolio Program to the California Public Utilities Commission (the “Commission”) to be delivered to California utility customers for the years 2018 through 2025, which included the SoCalGas Public Sector and SoCalGas Local Government Partnership Programs involving the delivery of energy efficiency Programs to cities, counties, other public agencies and organizations and their communities within SoCalGas’ service territory;

WHEREAS, on June 5, 2018, the Commission in D. 18-05-041 approved SoCalGas’ Application, with modifications, and authorized certain energy efficiency programs and budgets to be delivered to California utility customers for the years 2018 through 2025; including the 2018-2025 Public Sector Program (the “Program”);

WHEREAS, SoCalGas, SBCCOG and each of the Member Agencies (as hereinafter defined) have expressed a commitment to participate jointly in the Program through the Partnership in 2020;

WHEREAS, the Parties desire to enter into an agreement that supersedes any and all previous agreements, and sets forth the terms and conditions under which the Programs shall be implemented with respect to the Parties; and

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS:

All terms used in the singular will be deemed to include the plural, and vice versa. The words “herein,” “hereto,” and “hereunder” and words of similar import refer to this Agreement as a whole, including all exhibits or other attachments to this Agreement, as the same may from time to time be amended or supplemented, and not to any particular subdivision contained in this Agreement, except as the context clearly requires otherwise. “Includes” or “including” when used herein is not intended to be exclusive, or to limit the generality of the preceding words, and means “including without limitation.” The word “or” is not exclusive.

- 1.1. Agreement: This document and all exhibits attached hereto, and as amended from time to time.
- 1.2. Authorized Partnership Budget: The Commission approved maximum budget for funding the performance of Authorized Work by all Parties of the Program, as set forth in the Implementation Plan attached hereto as Exhibit B.
- 1.3. Authorized Work: The work authorized by the Commission for the Program as set forth in this Agreement and as more fully described in the Implementation Plans attached hereto as Exhibit B and as agreed between the Parties to be performed.
- 1.4. Business Day: The measurement period of time for purposes of this Agreement, from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
- 1.5. Calendar Day: The measurement period of time for purposes of this Agreement, from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Agreement are Calendar Days.
- 1.6. Contractor: An entity contracting directly or indirectly with a Party, or any subcontractor thereof subcontracting with such Contractor, to furnish services or materials as part of or directly related to such Party's Authorized Work obligations.
- 1.7. Customers or Eligible Customers: Customers eligible for 2020 Program services, which are SoCalGas customers located within the jurisdiction of a Member Agency, and may include the Member Agency itself.
- 1.8. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.
- 1.9. Energy Efficiency Measure (or Measure): As used in the Commission's Energy Efficiency Policy Manual, Version 5, July 2013, as may be supplemented or updated from time to time.
- 1.10. Gas Surcharge: The funds collected from gas utility ratepayers pursuant to Section 890 et al. of the California Public Utility Code for public purposes programs, including energy efficiency programs approved by the Commission.
- 1.11. Incentive: As used in the Commission's Energy Efficiency Policy Manual, Version 5, July 2013, as may be supplemented or updated from time to time.
- 1.12. Member Agencies: Those agencies that: (i) are located in Utility's service territory; (ii) are either identified as participants in this Program through the Implementation Plan or are mutually selected by the Utility and SBCCOG to participate in this Program; and (iii) have committed to this Program as described in Section 6.2.2 of this Agreement.
- 1.13. Energy Champion: A Member Agency's representative who is a point of contact for the Program and who can represent such Member Agency on a daily basis for all Program activities and energy efficiency projects pertaining to such Member Agency.

1.14. Program Expenditures: Actual (i.e., no mark-up for profit, administrative or other indirect costs), reasonable expenditures of SBCCOG that are pre-approved, directly identifiable to, and required for the Authorized Work in accordance with Section 10.2.

1.15. Implementation Plan (IP): The implementation plan specific to this Partnership, SoCalGas Local Government Master IP, which include the anticipated scope of the Program in SoCalGas's service territory, as approved by the Commission and attached hereto as Exhibit B.

1.16. SBCCOG Budget: That portion of the Authorized Partnership Budget, which excludes Utility's costs, and represents the maximum budget and maximum allocation by Utility and by period for funding the performance of the Program by SBCCOG and as set forth in Exhibit A, subject to amendment by SoCalGas consistent with the terms of this Agreement.

1.17. Planning Document: A Program document that describes Program implementation and/or management processes, procedures and strategies, as may be supplemented or updated from time to time.

1.18. Implementer – The entity, named as the contract party to this Agreement, that is responsible to carry out the Authorized Work consistent with this Agreement and the IP.

2. PURPOSE

The 2020 Program is funded by California utility ratepayers and is administered by the Utility under the auspices of the Commission. The purpose of this Agreement is to set forth the terms and conditions under which the Parties will jointly implement the 2020 Program. The work authorized pursuant to this Agreement is not to be performed for profit.

This Agreement which incorporates the Recital and referenced Exhibits constitutes the complete and exclusive statement of understanding amongst the Parties and supersedes any previous agreements, written or oral, and all communications amongst the Parties relating to the subject matter herein. And further this Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

3. PROGRAM DESCRIPTION

3.1. Overview. The 2020 SBCCOG Energy Efficiency Partnership Program is designed to provide integrated technical and financial assistance for Public Sector members of the Partnership, and to help local governments effectively lead their communities to increase energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, protect air quality and ensure that their communities are more livable and sustainable. The Program provides access to all SoCalGas core programs and incentives for Member Agencies to increase energy efficiency in local government facilities and their communities through energy saving actions, including retrofitting municipal facilities as well as providing opportunities for constituents to take action in their homes and businesses. By implementing measures in their own facilities, Member Agencies will build their local

capacity for sustainability and lead by example as they work with SBCCOG and SoCalGas together to increase community awareness of energy efficiency and position each Member Agency as a leader in energy efficiency and sustainable practices. The Program will provide marketing, outreach, education, training and community sweeps to connect the community with opportunities to save energy, money and help the environment. The Partners will leverage the strengths of each other and the Member Agencies to help efficiently deliver energy and demand savings as well as support for elements of California Long Term Energy Strategic Plan (the “Strategic Plan”). Delivering sustainable energy savings, promoting energy efficiency lifestyles, and achieving an enduring leadership role for the Member Agencies through this Program design is rooted in an effective relationship among the Member Agencies, their constituents, SBCCOG, and SoCalGas.

4. AUTHORIZED WORK

4.1. Scope. The Authorized Work is set forth broadly in the IP (Exhibit B) and shall be performed pursuant to the terms of this Agreement. The Parties shall collaborate and mutually agree upon specific Program implementation consistent with the IP, and the Parties shall document such details in a “Planning Document” which is intended to evolve throughout the term of the Program.

4.2. Objectives. The Program is designed to meet the specific goals and milestones set forth in Exhibit A of this Agreement, while implementing the Program strategies and meeting the general objectives and goals set forth in the IP, attached hereto as Exhibit B.

5. LIMITATION ON SERVICE TERRITORY – The Parties agree that Authorized Work shall only be performed in SoCalGas’s service territory, with energy savings and demand reduction claims applicable solely to SoCalGas’ utility system. No Authorized Work shall be performed for any customers that do not directly receive gas service from SoCalGas. Nothing in this Section 5 is intended to preclude Program coordination with other municipal utilities.

6. OBLIGATIONS OF THE PARTIES

6.1. Obligations of the Utility and SBCCOG

6.1.1. Each Party will be responsible for the overall progress of its Authorized Work, to ensure that the Program remains on target (including but not limited to achieving the Program’s specific energy savings and demand reduction goals as set forth in Exhibit A).

6.1.2. The Parties acknowledge that engineering and/or technical services may be needed on a contract basis to assist Member Agencies in identifying and evaluating potential energy efficiency projects. The Parties (through their designated representatives) will work together, using their respective expertise, to evaluate the contract needs and to solicit, assess and select such contractors (which may include individuals or business entities). SBCCOG shall contract for such work directly and be responsible for

payment to the contractor(s) from the direct implementation category of the Partner's Budget. Contract work may include engineering and technical assistance with energy efficiency projects, performing energy saving calculations using Utility's tools, reporting on project status at the Partnership meetings, helping ensure that the Program meets its goals. All contracts entered into pursuant to this Section must be terminable by SBCCOG without payment penalty upon thirty (30) days' notice and shall not contain front-end loading payment provisions.

- 6.1.3. The Parties shall jointly coordinate and prepare all Program-related documents, including all required reporting pursuant to Section 9, and any such other reporting as may be reasonably requested by the Utility.
- 6.1.4. To the extent practical and with coordination by the Utility, the Parties shall use the Program as a portal for all energy program offerings of SoCalGas, including but not limited to programs targeting low-income customers, demand response, self-generation, and other programs as described in the IPs, and in support of the Strategic Plan adopted by the Commission and investor-owned utilities. This coordinated effort supports the goal to enhance consistency in rebates and other Program details, minimize duplicative administrative costs, and enhance the possibility that programs can be marketed together to avoid duplicative marketing expenditures.
- 6.1.5. Consistent with those contained in Section 4.2, SoCalGas and SBCCOG may work together to identify, develop, and accomplish additional mutually agreeable goals in accordance with Section 7.
- 6.1.6. Each Party shall communicate regularly with the other Parties, and shall advise each other Party immediately of any problems or delays associated with its Authorized Work obligations.

6.2. Obligations of SBCCOG.

- 6.2.1. SBCCOG will appoint a Partnership representative ("SBCCOG Energy Efficiency Representative") who will be the primary contact between the Utility and SBCCOG, and who will be authorized to act on behalf of SBCCOG in carrying out its obligations under this Agreement. Such appointment shall be communicated in writing to SoCalGas within 10 Business Days following execution of this Agreement.
- 6.2.2. As soon as practicable, SBCCOG shall secure from each prospective Member Agency a letter of commitment supporting and endorsing the Program, approving such Member Agency as a Program participant and authorizing SBCCOG to act on its behalf as necessary to further the Partnership's goals and objectives. Each such letter shall commit the Member Agency to participation in the Program and shall designate an "Energy Champion" who will be the Member Agency's primary contact for both SBCCOG and the Utility, and who will act on behalf of such Member

Agency in carrying out the Program. SBCCOG shall use its best efforts to obtain all Member Agency letters by [February 28], 2020 and to deliver a copy of each Member Agency's letter to the Utility within ten (10) Business Days following its adoption. This letter shall be required for participation in the Program by a prospective Member Agency.

- 6.2.3. SBCCOG will manage the day-to-day activities and comprehensive implementation of the Program on behalf of the Parties in accordance with the IPs. This will include intensive interaction with the Member Agencies, Program marketing, education, outreach, technical assistance, and assistance with direct implementation. This includes notifying Customers of the availability of Program services and enrolling Customers in the Program.
- 6.2.4. SBCCOG shall be responsible for achieving the goals and objectives set forth in Section 4.2 hereof.
- 6.2.5. Through execution of this Agreement, SBCCOG acknowledge Commission policy recognizing the importance of collaboration between investor-owned utilities and local governments in order to take advantage of the unique and collective strengths that these parties offer in delivering cost-effective energy efficiency services. As a representative for the Member Agencies, SBCCOG agrees to work jointly with SoCalGas in both fostering new relationships and strengthening the Utility's existing relationships with Member Agencies in order to promote sustainable energy savings and fulfill both the short-term and long-term goals and objectives approved by the Commission and described herein. To this end, SBCCOG shall facilitate joint participation with the Utility and the Member Agencies in meetings, activities and decisions.
- 6.2.6. SBCCOG shall coordinate the semi-annual Energy Champion Meetings described in Section 7.5 of this Agreement.
- 6.2.7. SBCCOG shall perform its Authorized Work obligations within the SBCCOG Budget and in conformance with the schedule associated with such Authorized Work as set forth in this Agreement, and shall furnish the required labor, equipment and material with the degree of skill, care and professionalism that is required by current professional standards.
- 6.2.8. SBCCOG shall be primarily responsible for coordinating the preparation of all 2020 program-related documents pertaining to SBCCOG's portion of Authorized Work as set forth in this Agreement, including all required reporting of SBCCOG pursuant to Section 9, and any such other reporting as may be requested by each Utility.
- 6.2.9. SoCalGas may, from time to time, provide SBCCOG with Utility Program documents or other energy efficiency program documents or materials, including but not limited to forms and applications, for SBCCOG's use in connection with the Program. SBCCOG shall obtain the approval of SoCalGas prior to modifying the content of any such documents or

materials in any manner; provided, however, that SBCCOG may add a Utility-approved Partnership and/or SBCCOG logo to such documents as appropriate, unless otherwise directed by the Utility.

- 6.2.10. SBCCOG shall work together with and obtain the approval of SoCalGas when developing Program marketing materials prior to distribution, publication, circulation, or dissemination in any way to the public. In addition, all advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in anyway related to the Program must contain the respective name and logo of each Utility and, at a minimum, the following language: *“This Program is funded by California utility ratepayers and administered by Southern California Gas Company under the auspices of the California Public Utilities Commission.”*
- 6.2.11. Upon reasonable request, SBCCOG shall submit to SoCalGas all contracts, agreements or other requested documents with SBCCOG’s Contractors (including subcontractors) performing work for the Program.

6.3. Obligations of SoCalGas.

- 6.3.1. SoCalGas will appoint a Partnership representative (“SoCalGas Energy Efficiency Representative”) who will be the primary contact for SBCCOG, and who will be authorized to act on behalf of SoCalGas in carrying out SoCalGas’s obligations under this Agreement. Such appointment shall be communicated in writing to SBCCOG within 10 Business Days following execution of this Agreement.
- 6.3.2. SoCalGas will be actively involved in all aspects of the 2020 Program. SoCalGas will use its best efforts to add value to the 2020 Program by (a) dedicating human resources necessary to implement the 2020 Program successfully and providing and maintaining a Partnership presence in the SBCCOG region, (b) providing support for the 2020 Program’s marketing and outreach activities, and (c) working to enhance communications with SBCCOG to address consumer needs and provide SoCalGas information and services.
- 6.3.3. SoCalGas shall provide informational and educational materials on SoCalGas’s core programs to SBCCOG to enable SBCCOG to implement the 2020 Program’s outreach and education element.
- 6.3.4. SoCalGas shall be responsible for coordinating and ensuring compliance with all SoCalGas reporting and other SoCalGas filing requirements.
- 6.3.5. SoCalGas shall be responsible for tracking performance of SBCCOG in accordance with Section 10.1.2.2, and for verifying all natural gas savings claims of SBCCOG.

- 6.3.6. SoCalGas shall be responsible for administering the PGC and Gas Surcharge funds authorized by the Commission for the 2020 Program and reimbursing Parties for Program Expenditures in accordance with Section 10 below.
- 6.3.7. EM&V. Once the Commission has approved and issued an evaluation, measurement and verification (“EM&V”) plan for the 2020 Program, such EM&V plan shall be attached to this Agreement as Exhibit C and shall be incorporated herein by this reference. Any subsequent changes or modifications to such EM&V plan by the Commission shall be automatically incorporated into Exhibit C. SBCCOG shall provide and comply with all Commission requests regarding activities related to EM&V. SBCCOG and its Contractors shall cooperate fully with Utility Representative and will provide all requested information, if any, to assure the timely completion of all EM&V Plan tasks requiring SBCCOG’s involvement or cooperation.

7. ADMINISTRATION OF PROGRAM

7.1. Decision-making and Approval.

7.1.1. Except as specifically provided in this Agreement, the following actions and tasks require consent of all Parties:

- a. Any material modification to the Authorized Work in connection with the Program.
- b. Any action that materially impacts the agreed-upon schedule for implementing the 2020 Program.
- c. Selection of any Contractor not previously approved by SoCalGas.

7.2. Document Retention. Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, including, without limitation, all actions specified in Section 7.1.1 above, in meeting minutes or if taken outside a meeting, through written communication, which shall be maintained in hard copy form on file by the Parties for a period of no less than five (5) years after the expiration or termination of this Agreement.

7.3. Regular Meetings. During the term of this Agreement, the Parties shall meet monthly, bi-monthly or on a scheduled basis at a location reasonably agreed upon by the Parties. In addition to any other agenda items requested by either Party, the agenda shall include a review the status of 2020 Program performance, deliverables, schedules and budget, toward achievement of the goals set forth in Exhibit A, and the Partnership’s progress towards meeting overall Partnership goals set forth in Exhibit B. Any decision-making shall be reached and documented in accordance with the requirements of Section 7.1 above.

7.4. Regular Communication. Regular communication between Partnership representatives is critical for the long-term success of the Partnership and achievement of Partnership goals and objectives. Notwithstanding Section 7.3, above, the Partnership representatives identified in writing by each Partner pursuant to Sections 6.2.1, including other Program participants, shall communicate regularly with each other to review the status of the Program's goals, deliverables, schedules and budgets, and plan for upcoming Program implementation activities, and to advise the other Party of any problems associated with successful implementation of the Program. Any decision-making during this communication process shall be reached and documented in accordance with the requirements of Section 7.1 above.

7.5. Semi-Annual Joint Meetings. In furtherance of the Commission objectives of strengthening relationships between California utilities, local government and consumers, SBCCOG shall coordinate semi-annual meetings among the Energy Champions for all of the Member Agencies to review 2020 Program progress and otherwise seek input from the Member Agencies on Program related issues as appropriate and necessary. Meeting minutes shall be recorded, retained by SBCCOG and provided to SoCalGas upon request. As a Partner, SoCalGas shall be provided notice and opportunity to attend and participate in the Semi-Annual Joint Meetings.

7.6. Communication with Member Agencies. SoCalGas will be notified of, and will have the right to participate in any meeting that pertains to energy savings project discussion between SBCCOG and one or more Member Agencies. Any failure by SoCalGas to attend such meetings shall not waive any future rights of SoCalGas with respect to such meetings. Nothing in this Agreement shall be construed to preclude SoCalGas from working or communicating directly with a Member Agency at any time. SoCalGas will use its best efforts to keep SBCCOG informed of energy efficiency projects evolved as a result of such Utility's direct working with a Member Agency to avoid duplication of efforts.

7.7. Non-Responsibility for Other Party. Notwithstanding anything contained in this Agreement in the contrary, a Party shall not be responsible for the performance or non-performance hereunder of the other Party, nor be obligated to remedy any other Party's defaults or defective performance.

8. DOUBLE DIPPING PROHIBITED

In performing its respective Authorized Work obligations, SBCCOG shall implement the following mechanism and shall take other practicable steps to minimize double-dipping:

8.1. Prior to providing incentives or services to an Eligible Customer, SBCCOG and its Contractors shall obtain a signed form from such Eligible Customer stating that:

8.1.1. Such Eligible Customer has not received incentives or services for the same measure from any other SoCalGas program or from another utility, state, or local program; and

8.1.2. Such Eligible Customer agrees not to apply for or receive incentives or services for the same measure from any other SoCalGas program or from another utility, state, or local program.

8.1.3. Nothing in this Agreement should be construed to preclude the leveraging of incentives or services from another utility, or local program that are not funded from the same Gas Surcharge Funds.

Each Party shall keep its Customer-signed forms for at least five (5) years after the expiration or termination of this Agreement.

8.2. No Party shall knowingly provide an incentive to an Eligible Customer, or make payment to a Contractor, who is receiving compensation for the same product or service either through another ratepayer funded program, or through any other funding source.

8.3. SBCCOG represents and warrants that it has not received (and that its Contractor(s) has not received), and will not apply for or accept Incentives or services for any measure provided for herein or offered pursuant to this Agreement or the Program from any other Utility program or from any other Utility, state or local program.

8.4. The Parties shall take reasonable steps to avoid the provision of incentives or services for the same measures provided under the Program from another program or other funding source (“double-dipping”).

9. REPORTING

The Parties shall implement those reporting requirements set forth in Exhibit D attached hereto, as the same may be amended from time to time, or until the Commission otherwise requires or issues different or updated reporting requirements for the 2020 Program, in which case and at which time such Commission-approved reporting requirements shall replace the requirements set forth in Exhibit D in their entirety.

10. PAYMENTS

10.1. SBCCOG Budget

10.1.1. Maximum Budget: The SBCCOG Budget and Goal are set forth in Exhibit A to this Agreement and represents SBCCOG’s maximum share of the Program’s 2020 Authorized Partnership Budget. Additionally, Exhibit A set forth the maximum non-incentive budget by SoCalGas on a periodic basis during the Program. SBCCOG shall not be entitled to compensation in excess of the SBCCOG Budget allocated by SoCalGas in Exhibit A (either on a periodic basis or in total), without written authorization by SoCalGas and receipt of a revised Exhibit A. Consistent with Commission directives to maximize cost-effectiveness and energy savings, the SBCCOG Budget set forth in Exhibit A may be reallocated or adjusted by SoCalGas, based upon SoCalGas’s reasonable evaluation of SBCCOG’s commitment to, and progress toward achieving the energy savings goals set forth herein as evidenced by the objective tracking data specified in Section 10.1.2 and

such other information as may be available to the parties to help substantiate commitment and progress towards such goals and objectives.

10.1.2 Tracking. SoCalGas will track SBCCOG's performance against the SoCalGas goals and objectives set forth in Section 4.2 hereof, including tracking (or estimating) achievement towards the specific energy savings goals set forth in Exhibit A and will provide such tracking information to SBCCOG on a regular basis. The tracking will enable SoCalGas, to (i) report SoCalGas Program status and achievement of respective goals and objectives, (ii) confirm or amend SoCalGas portion of the Budget, set forth in Exhibit A hereto, based on the SBCCOG's performance of the SoCalGas goals and objectives set forth in this Agreement;

10.1.3. SBCCOG Budget Adjustment: The Parties acknowledge that this Program is offered in furtherance of the Commission's strategic energy efficiency goals for California and is based on SBCCOG's agreement to help achieve such goals for the Partnership. To this end, in the event that SoCalGas determines in its reasonable discretion based on the objective tracking mechanisms set forth in 10.1.2 and 10.1.3 above, that SBCCOG is not performing in accordance with the goals and objectives set forth in Section 4.2 hereof and SoCalGas reasonably determines that SBCCOG is not demonstrating the commitment and progress necessary to achieve such goals and objectives in a timely manner, then SoCalGas shall consult and review the performance issues with SBCCOG. In the event the parties are unable to reach a mutual resolution, then SoCalGas shall have the unilateral right to reduce, eliminate, or otherwise adjust the SBCCOG Budget for the remaining Program year (other than for Program Expenditures previously committed by SBCCOG and approved by SoCalGas) by amending the applicable Exhibit A and providing the amended Exhibit A to SBCCOG. Pursuant to this Section, any such amended Exhibit A shall automatically be incorporated into this Agreement and take effect immediately upon delivery from SoCalGas to SBCCOG. SBCCOG Budget adjustments, if any, shall not take place more frequently than every six months.

10.1.4. SBCCOG Budget Categories

10.1.5.1 Non-Incentive Budget: The SBCCOG Budget is comprised of a non-incentive portion which includes separate categories for Marketing, Education & Outreach and Direct Implementation, all of which are more fully described in the Implementation Plan.

10.1.5.2. Incentive Budget: SoCalGas Incentive Budget: SoCalGas Incentive in this Program is a part of Incentive Budget from its core programs. The Incentive level is up to \$1.50 per therm for the calculated measures. Other Incentives for deemed measures are in accordance with the prescribed Incentives for SoCalGas core programs.

10.3. Program Expenditures. SBCCOG, with SoCalGas prior approval, shall be entitled to spend Gas Surcharge funds, within the limits of the SBCCOG Budget on Program Expenditures. SBCCOG shall not be entitled to reimbursement of Program

Expenditures for any item (i) not specifically identifiable to the Program, (ii) not previously approved by SoCalGas, (iii) not expended within the term of this Agreement, or (iv) not otherwise reimbursable under this Agreement.

10.4. Payment to SBCCOG. In order for SBCCOG to be entitled to Gas Surcharge funds for Program Expenditures:

10.4.1. SBCCOG shall submit monthly activity reports to SoCalGas in a format acceptable to SoCalGas and containing such information as may be required for the reporting requirements set forth in Section 9 above (“Monthly Reports”), by the tenth (10th) Calendar Day of the calendar month following performance, setting forth all Program Expenditures.

10.4.2. SBCCOG shall submit to SoCalGas, together with any Monthly Report (if required), a monthly invoice for reimbursement of reported Program Expenditures, in a format acceptable to SoCalGas, attaching all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the following:

10.4.2.1. Contractor Costs: Copies of all Contractor invoices. If only a portion of Contractor costs applies to the Program, SBCCOG shall clearly indicate the line items or percentage of the invoice amount that should be applied to the Program as provided in Exhibit D.

10.4.2.2. Marketing, Education & Outreach: A copy of each distinct marketing material produced, with quantity of a given marketing material produced and the method of distribution. All marketing materials produced for distribution will be provided by SoCalGas.

10.4.2.3. Other expenditures: As pre-approved by SoCalGas, with sufficient documentation to support the expenditure.

10.4.2.4. Allowable Costs: Only those costs as listed in the Allowable Cost Table contained in the Reporting Requirements attached as Exhibit D can be submitted for payment. All invoices submitted to SoCalGas must report all costs using the allowable cost elements shown on the Allowable Cost Table.

SBCCOG understands and acknowledges that all of SBCCOG’s non-incentive invoices for the 2020 Program and the Monthly Report shall be submitted to SoCalGas.

10.4.3. SoCalGas reserves the right to reject any SBCCOG invoiced amount for any of the following reasons:

10.4.3.1. The invoiced amount, when aggregated with previous Program Expenditures, exceeds the amount budgeted therefore in the SBCCOG Budget for such Authorized Work (as set forth in Exhibit A).

10.4.3.2. There is a reasonable basis for concluding that such invoiced amount is unreasonable or is not directly identifiable to or required for the Authorized Work, and/or the 2020 Program.

10.4.3.3. The invoiced amount, in such Utility's sole discretion, contains charges for any item not authorized under this Agreement or by the Commission, or is deemed untimely, unsubstantiated or lacking proper documentation.

10.4.4. SBCCOG shall maintain for a period of not less than five (5) years all documentation reasonably necessary to substantiate the Program Expenditures. SBCCOG shall promptly provide, upon the reasonable request by SoCalGas, any documentation, records or information in connection with the Program or its Authorized Work.

10.4.5. SoCalGas shall review and either approve, dispute or reject for payment reported Program Expenditures within twenty (20) Calendar Days of receipt of the Monthly Report and corresponding invoice. SoCalGas shall pay all undisputed amounts after the ten (10) Calendar Day period described in Section 10.3, but within thirty (30) Calendar Days of receiving the Monthly Report and corresponding invoice.

10.5. Payment of Incentives. Payment of incentives shall be made in accordance with the applicable SoCalGas program requirements, including terms and conditions, and only after appropriate program documents have been submitted and approved, and the appropriate inspections of each project have been completed to Utility's satisfaction.

10.6. Shifting Funds. SoCalGas may shift funds within the Authorized Partnership Budget among Program participants, and/or may shift funds within the SBCCOG Budget among budget categories (Marketing, Education & Outreach, Technical Assistance, Direct Implementation and Incentives), which categories and budget amounts are set forth in Exhibit A. Such shifting may be made by SoCalGas to the maximum extent permitted under, and in accordance with, Commission decisions and rulings to which the Program relates; provided however, that prior to shifting of funds hereunder, the Utility will consult with and review the reasons for such fund shifting with SBCCOG.

10.7. Reasonableness of Expenditures. SBCCOG shall bear the burden of ensuring that its Program Expenditures are objectively reasonable. The Commission has the authority to review all Program Expenditures for reasonableness as to any Program Expenditure and require a refund or return of the Gas Surcharge funds paid to SBCCOG in the reimbursement of such Program Expenditure, then SBCCOG shall be solely liable for such refund or return.

11. END DATE FOR PROGRAM AND ADMINISTRATIVE ACTIVITIES

Unless this Agreement is terminated pursuant to Section 25 below, or unless otherwise agreed to by the Parties or so ordered by the Commission, the Parties shall complete all Program Administrative activities (as defined in the IPs) and all reporting requirements by no later than March 31, 2021, and all Direct Implementation and Marketing & Outreach activities by no later than December 31, 2020.

12. FINAL INVOICES

SBCCOG must submit final non-incentive invoices to SoCalGas no later than February 15, 2021.

13. INDEMNITY

13.1. Indemnity by SBCCOG. SBCCOG shall indemnify, defend and hold harmless each other Party, and its respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees) to the extent arising from (a) SBCCOG's negligence or willful misconduct in SBCCOG's activities under the Program or performance of its obligations hereunder, or (b) SBCCOG's breach of this Agreement or of any representation or warranty of SBCCOG contained in this Agreement.

13.2. Indemnity by Utility. SoCalGas shall indemnify, defend and hold harmless each other Party, and its respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees) to the extent arising from (a) such Utility's negligence or willful misconduct in such Utility's activities under the Program or performance of its obligations hereunder or (b) such Utility's breach of this Agreement or any representation or warranty of such Utility contained in this Agreement.

13.3. LIMITATION OF LIABILITY. NO PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS AGREEMENT.

14. OWNERSHIP OF DEVELOPMENTS

The Parties acknowledge and agree that SoCalGas, on behalf of its Customers, shall own all data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") or other written, recorded, photographic or visual materials, or other deliverables produced in the performance of

this Agreement; provided, however, that Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. Although SBCCOG shall retain no ownership, interest, or title in the Developments except as may otherwise be provided in this Agreement, it will have a permanent, royalty free, non-exclusive license to use such Developments.

15. DISPUTE RESOLUTION

15.1. Dispute Resolution. Except as may otherwise be set forth expressly herein, all disputes arising under this Agreement shall be resolved as set forth in this Section 15.

15.2. Negotiation and Mediation. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Parties' authorized representatives. The disputing Party shall give the other Party written notice of any dispute. Within twenty (20) Calendar Days after delivery of such notice, the authorized representatives shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) Calendar Days of the first meeting, any Party may initiate a mediation of the dispute. The mediation shall be facilitated by a mediator that is acceptable to both Parties and shall conclude within sixty (60) Calendar Days of its commencement, unless the Parties agree to extend the mediation process beyond such deadline. Upon agreeing on a mediator, the Parties shall enter into a written agreement for the mediation services with each Party paying a pro rata share of the mediator's fee, if any. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association; provided, however, that no consequential damages shall be awarded in any such proceeding and each Party shall bear its own legal fees and expenses.

15.3. Confidentiality. All negotiations and any mediation conducted pursuant to Section 15.2 shall be confidential and shall be treated as compromise and settlement negotiations, to which Section 1152 of the California Evidence Code shall apply, which Section is incorporated in this Agreement by reference.

15.4. Injunctive Relief. Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo.

15.5. Continuing Obligation. Each Party shall continue to perform its obligations under this Agreement pending final resolution of any dispute arising out of or relating to this Agreement.

15.6. Failure of Mediation. If, after good faith efforts to mediate a dispute under the terms of this Agreement as provided in Section 15.2 above, the Parties cannot agree to a resolution of the dispute, any Party may pursue whatever legal remedies may be available to it at law or in equity, before a court of competent jurisdiction and with venue as provided in Section 35.

16. REPRESENTATIONS AND WARRANTIES

16.1. Representation of both Parties. Each Party represents and warrants, as of the Effective Date and thereafter during the term of this Agreement, that:

- 16.1.1. The Authorized Work performed by a Party and/or its Contractors shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, local and foreign governments, and all agencies thereof.
- 16.1.2. The Authorized Work performed by a Party and/or its Contractors shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any proprietary rights of any person.
- 16.1.3. Each Party shall conform to the applicable employment practices requirements of (Presidential) Executive Order 11246 of September 24, 1965, as amended and applicable regulations promulgated thereunder.
- 16.1.4. Each Party shall contractually require each Contractor it hires to perform the Authorized Work to indemnify each other Party to the same extent such Party has indemnified each other Party under the terms and conditions of this Agreement.
- 16.1.5. Each Party shall retain, and shall cause its Contractors to retain, all records and documents pertaining to its Authorized Work obligations for a period of not less than five (5) years beyond the termination or expiration of this Agreement.
- 16.1.6. Each Party shall contractually require all of its Contractors to provide the other Parties reasonable access to relevant records and staff of Contractors concerning the Authorized Work.
- 16.1.7. Each Party will maintain, and may require its Contractors to maintain, the following insurance coverage or self-insurance coverage, at all times during the term of this Agreement, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:
 - 16.1.7.1 Workers' Compensation: statutory minimum.
 - 16.1.7.2. Employer's Liability coverage: \$1 million minimum.
 - 16.1.7.3. Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate.
 - 16.1.7.4. Commercial or Business Auto (if applicable): \$1 million minimum.
 - 16.1.7.5. Professional Liability (if applicable): \$1 million minimum.
- 16.1.8 Each Party shall take all reasonable measures, and shall require its Contractors to take all reasonable measures, to ensure that the Program funds in its possession are used solely for Authorized Work, which

measures shall include the highest degree of care that such Party uses to control its own funds, but in no event less than a reasonable degree of care.

17. PROOF OF INSURANCE

17.1. Evidence of Insurance. Upon request at any time during the term of this Agreement, a Party shall provide evidence that its insurance policies (and the insurance policies of any Contractor, as provided in Section 16.1.7) are in full force and effect, and provide the coverage and limits of insurance that the Party has represented and warranted herein to maintain at all times during the term of this Agreement.

17.2. Self-Insurance. If a Party is self-insured, such Party shall upon request forward documentation to the other Party that demonstrates to the other Party's satisfaction that such Party self-insures as a matter of normal business practice before commencing the Authorized Work. Each Party will accept reasonable proof of self-insurance comparable to the above requirements.

17.3. Notice of Claims. Each Party shall immediately report to the other Party, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by such Party or its Contractors or such Party's receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim over \$100,000.

18. CUSTOMER CONFIDENTIALITY REQUIREMENTS

18.1. Non-Disclosure. SBCCOG, its employees, agents and Contractors shall not disclose any Confidential Customer Information (defined below) to any third party during the term of this Agreement or after its completion, without SBCCOG having obtained the prior written consent of such Utility, except as provided by law, lawful court order or subpoena and provided SBCCOG gives such Utility advance written notice of such order or subpoena.

18.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, a Utility customer's name, address, telephone number, account number and all billing and usage information, as well as any Utility customer's information that is marked "confidential". If SBCCOG is uncertain whether any information should be considered Confidential Customer Information, SBCCOG shall contact the Utility prior to disclosing the customer information.

18.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, Utility may require SBCCOG to enter into a nondisclosure agreement.

18.4. Commission Proceedings. This provision does not prohibit SBCCOG from disclosing non-confidential information concerning the Authorized Work to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

18.5. Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to SBCCOG by Utility during the

performance of this Agreement and any and all documents and materials containing such Confidential Customer Information, whether provided by Utility or produced by SBCCOG based on such Confidential Customer Information, (including all copies, backups and abstracts thereof), shall be returned to Utility or destroyed by SBCCOG within ten (10) Business Days of the expiration or termination of this Agreement, with SBCCOG to provide written certification to Utility confirming return or destruction of all such information, and at any time otherwise requested in writing by Utility.

18.6. Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section 18 and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section 18 by any Party, the Party whose Confidential Customer Information is implicated in such breach shall be entitled to seek and obtain an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

19. TIME IS OF THE ESSENCE

The Parties hereby acknowledge that time is of the essence in performing their obligations under this Agreement. Failure to comply with milestones and goals stated in this Agreement, including but not limited to those set forth in Exhibit A of this Agreement, may constitute a material breach of this Agreement, resulting in its termination, payments being withheld, SBCCOG Budgets being reduced or adjusted, funding redirected by SoCalGas to other programs or partners, or other Program modifications as determined by SoCalGas or as directed by the Commission.

20. CUSTOMER COMPLAINT RESOLUTION PROCESS

The Parties shall develop and implement a process for the management and resolution of Customer complaints in an expedited manner including, but not limited to: (a) ensuring adequate levels of professional Customer service staff; (b) direct access of Customer complaints to supervisory and/or management personnel; (c) documenting each Customer complaint upon receipt; and (d) directing any Customer complaint that is not resolved within five (5) Calendar Days of receipt by SBCCOG to Utility.

21. RESTRICTIONS ON MARKETING

21.1. Use of Commission's Name. No Party may use the name of the Commission on marketing materials for the Program without prior written approval from the Commission staff. In order to obtain this written approval, SoCalGas must send a copy of the planned materials to the Commission requesting approval to use the Commission name and/or logo. Notwithstanding the foregoing, the Parties shall disclose their source of funding for the Program by stating prominently on marketing materials that the Program is "funded by California ratepayers under the auspices of the California Public Utilities Commission."

21.2. Use of Utility' Name. SBCCOG must receive prior review and written approval from SoCalGas for the use of such Utility's name or logo on any marketing or other Program materials. SBCCOG shall allow five (5) Business Days for such Utility review and

approval. If SBCCOG has not received a response from Utility within the five (5) Business Day period, then it shall be deemed that SoCalGas has disapproved such use.

21.3. Use of SBCCOG's Name. SoCalGas must receive prior review and written approval from SBCCOG for the use of SBCCOG's name or logo on any marketing or other Program materials. The Utility shall allow five (5) Business Days for SBCCOG's review and approval. If the Utility has not received a response from SBCCOG within the five (5) Business Day period, then it shall be deemed that SBCCOG has disapproved such use.

22. RIGHT TO AUDIT

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

23. STOP WORK PROCEDURES

SoCalGas may suspend the Authorized Work being performed in their service territory for good cause, including, without limitation, concerns relating to program funding, implementation or management of the Program, safety concerns, fraud or excessive customer complaints, by notifying SBCCOG in writing to suspend any Authorized Work being performed in SoCalGas's service territory. Any performance of Authorized Work by SBCCOG in SoCalGas's service territory shall stop immediately, and SBCCOG may resume its Authorized Work only upon receiving written notice from such Utility that it may resume its Authorized Work.

24. MODIFICATIONS

Except as otherwise provided in this Agreement, changes to this Agreement shall be only be valid through a written amendment to this Agreement signed by all Parties.

25. TERM AND TERMINATION

25.1. Term. This Agreement shall be effective as of the Effective Date. Subject to Section 37, this Agreement shall continue in effect until December 31, 2020 unless otherwise terminated in accordance with the provisions of Section 25.2 or 30 below.

25.2. Termination for Breach. Any Party may terminate this Agreement in the event of a material breach by the other Party of any of the material terms or conditions of this Agreement, provided such breach is not remedied within sixty (60) days written notice to the breaching Party thereof from the non-breaching Party or otherwise resolved pursuant to the dispute resolution provisions set forth in Section 15 herein.

25.3. Effect of Termination. Any termination by SBCCOG or by SoCalGas shall constitute a termination of this Agreement in its entirety (subject, however, to the survival provisions of Section 37).

25.3.1. Subject to the provisions of this Agreement, SBCCOG shall be entitled to Gas Surcharge Funds for all Program Expenditures incurred or accrued pursuant to contractual or other legal obligations for Authorized Work up to the effective date of termination of this Agreement, provided that any Monthly Reports or other reports, invoices, documents or information required under this Agreement or by the Commission are submitted in accordance with the terms and conditions of this Agreement. The provisions of this Section 25.3.1 shall be SBCCOG's sole compensation resulting from any termination of this Agreement.

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

26. WRITTEN NOTICES

Any written notice, demand or request required or authorized in connection with this Agreement, shall be deemed properly given if delivered in person or sent by email, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

SBCCOG:

South Bay Cities Council of Governments
Jacki Bacharach, Executive Director
2355 Crenshaw Blvd.
Suite 125
Torrance, CA 90501
Tel: (310) 371-7222
Fax:
Email: jacki@southbaycities.org

SoCalGas:

Southern California Gas Company
Ann Teall, Program Manager
555 W. Fifth Street, GT28A4
Los Angeles, CA 90013
Tel: (213) 244-5843
Fax: (213) 244-8252
Email: Ateall@socalgas.com

Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m., or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier, on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery; or (e) if by e-mail, with electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party.

27. CONTRACTS

Each Party shall, at all times, be responsible for its Authorized Work obligations, and acts and omissions of Contractors, subcontractors and persons directly or indirectly employed by such Party for services in connection with the Authorized Work. Each Party shall require its Contractors to be bound by terms and conditions which are the same or similar to those contained in this Agreement, as the same may be applicable to Contractors.

28. RELATIONSHIP OF THE PARTIES

The Parties shall act in an independent capacity and not as officers or employees or agents of each other. This Agreement is not intended to and does not form any "partnership" within the meaning of the California Uniform Partnership Act of 1994 or otherwise.

29. NON-DISCRIMINATION CLAUSE

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

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

30. COMMISSION/UTILITY AUTHORITY TO MODIFY OR TERMINATE

This Agreement and the Program shall at all times be subject to the discretion of the Commission, including, but not limited to, review and modifications, excusing a Party's performance hereunder, or termination as the Commission may direct from time to time in the reasonable exercise of its jurisdiction. In addition, in the event that any ruling, decision or other action by the Commission adversely impacts the Program, the Utility shall have the right to terminate this Agreement in accordance with the provisions of Section 25 above by providing at

least ten (10) days' prior written notice to SBCCOG setting forth the effective date of such termination. Notwithstanding the right to terminate, as partners in the Program, the Parties agree to share in the responsibility and to abide by Commission energy policy supporting this Program. The Parties agree to use all reasonable efforts to minimize the adverse impact to a Party resulting from such Commission actions, including but not limited to modification of the required energy savings goals set forth in Section 4.2 which are fundamental to this Agreement.

In the event that the EM&V plan referred to in Section 6.5, when issued by the Commission, adversely impacts any Party to this Agreement and the issues cannot be resolved through negotiation among the Parties, then any Party shall have the right to terminate this Agreement in accordance with the provisions of Section 25 above by providing at least ten (10) days' prior written notice to the other Parties setting forth the effective date of such termination

31. NON-WAIVER

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

32. ASSIGNMENT

No Party shall assign this Agreement or any part or interest thereof, without the prior written consent of the other Party, and any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, if Utility is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require SBCCOG's consent and such Utility shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

33. FORCE MAJEURE

Failure of a Party to perform its obligations under this Agreement by reason of any of the following shall not constitute an event of default or breach of this Agreement: strikes, picket lines, boycott efforts, earthquakes, fires, floods, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including, without limitation, any agency or department of the United States of America), acts of terrorism, acts of the public enemy, scarcity, or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes which are reasonably beyond the control of such Party.

34. SEVERABILITY

In the event that any of the terms, covenants or conditions of this Agreement, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court, regulatory agency, or other regulatory body having jurisdiction, all other terms, covenants, or conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect, unless a court, regulatory agency, or other regulatory body holds that the provisions are not separable from all other provisions of this Agreement.

35. GOVERNING LAW; VENUE

This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Agreement shall be filed in Los Angeles County, California.

36. SECTION HEADINGS

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

37. SURVIVAL

Notwithstanding completion or termination of this Agreement, the Parties shall continue to be bound by the provisions of this Agreement which by their nature survive such completion or termination. Such provisions shall include, but are not limited to, Sections 9, 10, 13, 14, 15, 18, 22, 35 and 38 of this Agreement.

38. ATTORNEYS' FEES

Except as otherwise provided herein, in the event of any legal action or other proceeding between the Parties arising out of this Agreement or the transactions contemplated herein, each Party in such legal action or proceeding shall bear its own costs and expenses incurred therein, including reasonable attorneys' fees.

39. COOPERATION

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

40. ENTIRE AGREEMENT

This Agreement (including all of the Exhibits and Attachments hereto which are incorporated into this Agreement by this reference) contains the entire agreement and understanding between the Parties and merges and supersedes all prior agreements, representations and discussions pertaining to the subject matter of this Agreement.

41. COUNTERPARTS.

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

[INTENTIONALLY LEFT BLANK]

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

SBCCOG:

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

By: Christian Horvath
Title: Chair of SBCCOG
Date: December 9, 2019

SoCalGas:

SOUTHERN CALIFORNIA GAS COMPANY

By: Dan Rendler
Title: Director, Customer Programs & Assistance
Date:

EXHIBIT A

**SOUTHERN CALIFORNIA GAS COMPANY
2020 GOALS & SBCCOG BUDGET**

2020 Energy Savings (Gross Therm)
10,000

Other non-resource goals are contained in the SoCalGas IP in Exhibit B.

2020 SoCalGas SBCCOG Partnership Budget

SoCalGas 2020 SBCCOG Partnership Total Non-Incentive Budget	\$100,000
SoCalGas Incentive From SoCalGas Core Programs ⁽¹⁾	\$10,000
SoCalGas Authorized Budget	
SoCalGas Administrative Other	
SoCalGas Administrative Overhead	
Total Utility Authorized Budget	
SBCCOG Authorized Budget	\$100,000
2020 Total Non-incentive Program Budget	\$

Projected Allocations for SBCCOG Authorized Budget \$100,000

	2020
Administration	\$15,000
Strategic Plan Support	\$0
Marketing & Outreach	\$15,000
Direct Implementation	\$70,000
Incentive ⁽¹⁾	\$10,000

(1) Incentive is a part of SoCalGas Core Program's Incentive Budget. The incentive level is \$1.50 per therm for calculated measures, and subject to specific program offerings. Incentives for deemed measures are in accordance with the incentive levels for the applicable SoCalGas Core Programs.

EXHIBIT B

SOUTHERN CALIFORNIA GAS COMPANY IMPLEMENTATION PLAN (Commission approved the PIP or interchangeably IP)

Program Name: South Bay Cities Partnership
Program ID: SoCalGas 3747
Program Type: Local Government Partnership

Program Element Description and Implementation Plan

a) List of program elements:

The three core program elements are similar to those identified in the Master PIP: Element A - Government Facilities, Element B - Strategic Plan Activities, and Element C - Core Program coordination.

b) Overview:

The South Bay Energy Efficiency Partnership (the Partnership) consists of the City of Carson, the City of El Segundo, the City of Gardena, the City of Hawthorne, the City of Hermosa Beach, the City of Inglewood, the City of Lawndale, the City of Lomita, the City of Manhattan Beach, the City of Palos Verdes Estates, the City of Rancho Palos Verdes, the City of Redondo Beach, the City of Rolling Hills, the City of Rolling Hills Estates, the City of Torrance, South Bay Cities Council of Governments, Southern California Edison, and the Southern California Gas Company. The Partnership is implemented by the South Bay Cities Council of Governments through the South Bay Environmental Services Center.

Through the participation of Southern California Gas, the West Basin Water District, and the LA County Sanitation District in the Partnership, a comprehensive and integrated approach to energy efficiency, natural gas efficiency, water efficiency as well as wastewater, storm water and potable water capital projects will be identified and developed ensuring that the municipalities are as energy efficient as possible.

This 2020 South Bay Partnership builds upon the already successful South Bay Environmental Services Center partnership. The South Bay's comprehensive portfolio of activities is designed to promote energy efficiency activities while focusing on a larger conservation program which includes water conservation, solid waste, and alternative mobility strategies. Through focused outreach and educational activities, the programs message that "saving energy is good for the environment and saves money too" will be emphasized through the importance of energy efficiency measures and best practices. The program will also provide the tools necessary to take advantage of rebates and financial incentives for all public agencies, their residents and businesses.

Core Program Element A - Government Facilities

This area will deliver energy savings during the next one-year program transition period. Every local government that participates in the Partnership will achieve specified energy

savings and greenhouse gas reductions from the facilities and infrastructure that it manages through technology retrofits, operational improvements and policy changes. Participating local governments will take advantage of Partnership incentives for municipal facilities and, wherever possible, of eligible rebate, incentive and technical assistance programs offered by their serving utilities.

A.1) Retrofit of county and municipal facilities

The 15 cities within the South Bay Cities Council of Governments maintain over 500 municipal buildings. The Partnership intends to continue the retrofit of candidate facilities identified during the 2010 – 2012 timeframe and will continue to identify others through additional assessments for school facilities and special districts. The assessments are intended to be an ongoing process throughout 2020 transition period.

A.2) Retro-Commissioning (of buildings or clusters of buildings)

The commission has specified the conduct of deep retrofits during 2020. The South Bay Cities Council of Governments intends to achieve this via a greater emphasis on Retro-Commissioning. Many chronic building problems and energy waste can be resolved by making low-cost or no-cost adjustments identified by the Retro-commissioning process.

A.3) Integrating Demand Response into the audits

The Partnership plans to continue its concerted efforts identifying and performing successful comprehensive energy efficiency projects with member cities and enrolling service accounts from each city in demand response programs in alignment with Implementation Plan.

A.4) Technical assistance for project management, training, audits, etc.

Each Partnership has a specific budget for each of these elements. Standard programs available include energy efficiency training, energy audits, and technical assistance in alignment with Program Implementation Plan. For 2020, the South Bay Cities Council of Governments will continue to provide an Energy Manager On Call program. Most of the cities cannot afford to have professional energy management personnel on staff, yet we have found that the availability of such support greatly increases the chances the city will fully integrate energy efficiency into its operations. The SBCCOG already has professional technical support under contract ready to provide this support to its 15 member cities. It is intended that this technical support will include the review of Benchmarking reports and Energy Action plans, and the encouragement to act on the findings of these reports.

A.5) On-Bill Financing

Each city in the partnership has indicated a keen interest in using On-Bill Financing. Cities in the partnership will be encouraged to maximize the use of on bill financing to the extent that funding is available by the utility.

Core Program Element B: Strategic Plan Support

B.1) Code Compliance Support

The South Bay Partnership will continue to encourage a culture of energy code compliance improvement and will develop the creation of an energy code compliance improvement program and various strategies across the partnering cities to improve compliance with building energy standards and appliance regulations. The Partnership will promote energy code training targeted to the South Bay region including workshops for municipal planning and building staff, building

professionals, and contractors.

B.2) Reach Code Support

The South Bay Partnership will continue to establish meaningful reach codes as part of its effort to add value to energy efficiency in alignment with the strategies as expressed in the Master Partnership Implementation Plan.

B.3) Guiding Document(s) Support

As well as establishing documentation in alignment with the strategies as expressed in the Implementation Plan, the South Bay Partnership objectives will include assisting with implementation of Energy Action Plans and Climate Action Plans to reduce energy use and emissions.

B.4) Financing for the community

The South Bay Partnership will develop an education and outreach program for the Partnership communities in alignment with the strategies as expressed in the Implementation Plan. It intends to make contacts and develop leads for any and all programs that may be launched as a result of the commission's guidance to the utilities for 2020.

B.5) Peer to Peer Support

The South Bay Partnership will actively participate in and support the peer to peer program in forums for the partnering cities and through the strategies as expressed in the Master Partnership Implementation Plan.

Core Program Element C: Core Program Coordination

C.1) Outreach & Education

The Partnership established a comprehensive Marketing Education & Outreach (ME&O) Plan that will continue to incorporate retrofit strategies among the 15 member cities and their business communities; information and education to assist cities in moving forward with energy savings projects, policies, codes, and ordinances; general awareness events and exhibits to publicize the Partnership and its goals throughout the communities (including environmental fairs and expos); marketing energy efficiency programs through a variety of media channels including e-blasts, press releases, and quarterly e-newsletters.

C.2) Residential and Small Business Direct Install

The Partnership will continue its outreach efforts to support and coordinate with the SoCalGas core programs for South Bay commercial and small businesses customers as well as leverage existing member cities chambers of commerce. These efforts will be accomplished through, for example, e-blasts and municipal cable to distribute information and drive greater participation.

C.3) Third-party program coordination

The Partnership will actively support third party programs through the strategies as expressed in the Implementation Plan.

C.4) Retrofits for just-above Energy Savings Assist Program (ESAP) -qualified customers

The South Bay Partnership will support this program in alignment with the strategies as expressed in the Master Partnership Implementation Plan.

C.5) Technical assistance for program management, training, audits, etc.

The Partnership anticipates continuing to bring technical and financial assistance from SoCalGas offerings including rebates for multi-family and non-residential customers; Retro-Commissioning; Savings by Design; Standard Performance Contracts; etc.

c) Non-Incentive Services:

In addition to the strategies as expressed in the Master Partnership Implementation Plan, the South Bay Partnership will include a Portfolio of partnership ME&O activities to increase community enrollment in energy programs, and other SoCalGas services, resources and assets brought to support the ME&O Plan (e.g., account manager support; training at the Energy Resource Center (ERC); speakers bureau; marketing, design & printing of brochures and other collateral materials; media/press/publicity support, etc.).

d) Target Audience, etc.:

City and county staff, management and policymakers (elected officials).
Residential and business customers in the South Bay region.

e) Implementation

In addition to the strategies and coordination as expressed in the Master Partnership Implementation Plan: The Partnership has developed a comprehensive portfolio of ME&O activities and is proceeding to schedule activities and events. These include advertising in regional and local newspapers, cable and newspaper interviews about energy efficiency opportunities, and workshops as well as community exhibits most with an attendance of 1,500-3,000 people. The Partnership programs strategies include an integrated approach to energy consumption and reduction, increase awareness of energy efficiency, demand response Low-Income Energy Efficiency, California Alternative Rates for Energy Program, and Self-Generation Incentive Program.

3. Program Element Rationale and Expected Outcome

a) Quantitative Baseline and Market Transformation Information

	Baseline Metric		
	Metric A	Metric B	Metric C
Program/Element	N/A	N/A	N/A

Refer to the overarching PIP section

b) Market Transformation Information

	Market Transformation
--	------------------------------

Program/Element	2020
Metric A	N/A
Metric B	N/A
Metric C	N/A
Etc.	N/A

Refer to the overarching PIP section

c) Program Design to Overcome Barriers:

The Cities that form the South Bay Partnership will have barriers consistent with and will employ those strategies as expressed in the Master Partnership Implementation Plan to overcome them.

4. Other Program Element Attributes

a. Best Practices

As well as those strategies as expressed in the Master Partnership Implementation Plan, the South Bay Partnership will embody the following best practices: Leverage the strong member municipal relationships developed by the Partnership over the last several years to further develop and capture energy efficiency opportunities within the county and cities facilities. Expand the existing South Bay Partnership education programs to identify, develop and capture energy efficiency opportunities within the region’s communities.

b. Innovation

The Partnership will collaborate with its municipal participants, including school districts and special districts, to develop strategies to implement integrated and comprehensive projects that will encompass energy efficiency demand response, and renewable elements. The Partnership will promote training workshops and table exhibits over the course of the program timeframe. Promotion activities will focus on energy efficiency practices, whole-building performance to get better space conditioning, coordinate emerging “green” or sustainability standards, and programs that promote sustainability.

c. Interagency Coordination

The South Bay Partnership through its local government and consulting network will encourage coordination with Agencies and Initiatives as noted within the Master Partnership Implementation Plan as well as with the participating IOUs, SCE and SoCalGas, and the South Bay region water agencies and sanitation district.

d. Integration across resource types (energy, water, air quality, etc.)

The Partnership promotes comprehensive sustainability, including water conservation, solid waste management, and alternative mobility.

e. Pilots

The Partnership promotes comprehensive sustainability, including water conservation, sold waste management, and alternative mobility.

f. EM&V

The utilities are proposing to work with the Energy Division to develop and submit a

comprehensive EM&V Plan after the program implementation plans are filed. This plan will include process evaluations and other program-specific studies within the context of broader utility and Energy Division studies. More detailed plans for process evaluation and other program-specific evaluation efforts cannot be developed until after the final program design is approved by the CPUC and in many cases after program implementation has begun, since plans need to be based on identified program design and implementation issues.

Partnership Program Advancement of Strategic Plan Goals and Objectives	
1-1: Develop, adopt and implement model building energy codes (and/or other green codes) more stringent than Title 24's requirements, on both a mandatory and voluntary basis; adopt one or two additional tiers of increasing stringency.	The SBCCOG will continue to promote education to help cities to adopt them on a voluntary but rewarded basis, including excess Title 24 performance activities.
1-2: Establish expedited permitting and entitlement approval processes, fee structures and other incentives for green buildings and other above-code developments.	Local agencies of the SBCCOG, through the Partnership will continue to evaluate and as appropriate adopt expedited permitting and entitlement approval processes, fee structures and other incentives for green buildings and other above- code developments as appropriate.
1-3: Develop, adopt and implement model point-of-sale and other point-of transactions relying on building ratings.	The SBCCOG will continue to promote education regarding point of sale transactions.
1-4: Develop broad education program and peer-to-peer support to local governments to adopt and implement model reach codes	Within the Partnership and through other Partnerships, the SBCCOG, will participate in comprehensive peer to peer educational & outreach forums that emphasize specific actions to take to help achieve the local agencies' reach code goals.
1-6: Link emission reductions from "reach" codes and programs to ARB's AB 32 program	Local agencies of the SBCCOG will continue to evaluate emission reductions achieved through energy reductions in support of AB 32/SB 375.
2-2: Dramatically improve compliance with and enforcement of Title 24 building code, and of permitting and inspection requirements.	The Partnership will support each agency activities to achieve additional T-24 compliance, provided a sustained funding source is provided to support the activities.
2-3: Local inspectors and contractors hired by local governments shall meet the requirements of the energy component of their professional licensing (as such energy components are adopted).	Local agencies of the SBCCOG will evaluate and adopt as appropriate, policies regarding energy components of the professional licensing of local inspectors and contractors hired.
3-1: Adopt specific goals for efficiency of local government buildings	The SBCCOG will help local agencies implement their Climate Action Plan strategies that reduce energy use.

<p>3-2: Require commissioning for new buildings, and re-commissioning and retro-commissioning of existing buildings.</p>	<p>Local agencies of the SBCCOG will evaluate and adopt as appropriate, commissioning, performance measurement, and verification.</p>
<p>3-4: Explore creation of line item in LG budgets or other options that allow EE cost savings to be returned to the department and/or projects that provided the savings to fund additional efficiency.</p>	<p>N/A</p>
<p>3-5: Develop innovation Incubator that competitively selects initiatives for inclusion in LG pilot projects.</p>	<p>N/A</p>
<p>4-1: LGs commit to clean energy/climate change leadership.</p>	<p>Local agencies of the SBCCOG will implement their Energy Action Plans to achieve energy & sustainability objectives in line with the adopted California Long Term Energy Efficiency Strategic Plan.</p>
<p>4-2: Use local governments’ general plan energy and other elements to promote energy efficiency, sustainability and climate change.</p>	<p>Local agencies of the SBCCOG will evaluate and adopt as appropriate, sustainability goals into their General Plan Updates that include green building design & technologies, reduction of GHG emissions, increased use of renewable energy, and conservation of existing sources of energy.</p>
<p>4-4: Develop local projects that integrate EE/DSM/water/wastewater end use</p>	<p>Through the addition of SoCalGas, the West Basin Water District, and the Los Angeles</p>
	<p>County Sanitation District to the Partnership, water efficiency projects, including low flow aerators and shower heads will continue to be promoted.</p>
<p>4-5: Develop EE-related “carrots” and “sticks” using local zoning and development authority</p>	<p>Local agencies of the SBCCOG will evaluate, develop, and adopt as required, zoning and development authority changes in support of AB32/SB375.</p>

EXHIBIT C

EM&V PLAN

(TO BE ATTACHED WHEN COMMISSION APPROVES)

EXHIBIT D

REPORTING REQUIREMENTS

1. Reporting

1.1 SBCCOG shall provide SoCalGas with the requisite information, in accordance with the Agreement, on the prior month's activities, accomplishments and expenditures related to its respective Authorized Work or Approved Project obligations, for purposes of preparing the Annual Reports.

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

2. Measures

2.2 Measure List

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

- a. Operating Budget
- b. Total Expenditures
 - i. Administrative Cost
 - ii. Marketing/Advertising/Outreach Costs
 - iii. Direct Implementation

2.4 **Program Narratives** – For the program, a description of the program activities occurring during the period.

- c. Administrative activities
- d. Marketing activities
- e. Direct Implementation activities
- f. Implementer's assessment of program performance and program status (is the program on target, exceeding expectations, or falling short of expectations, etc.)
- g. For non-resource programs and program elements (programs or program elements that are not claiming direct energy impacts), a discussion of the status of program achievements.
- h. Discussion of changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, , etc.)
- i. Discussion of near term plans for program over the coming months (e.g., marketing and outreach efforts that are expected to significantly increase program participation, etc.)
- j. Changes to staffing and staff responsibilities, if any
- k. Changes to contacts, if any
- l. Changes to subcontractors and subcontractor responsibilities, if any

3. Annual Reports

The format and content of the annual report is developed by the CPUC in 2010. SBCCOG will be required to fulfill these reporting obligations for their program.

4. Reporting Terminology Definitions

Adopted Program Budget – The program budget as it is adopted by the Commission. Inclusive of costs (+/-) recovered from other sources.

Operating Program Budget – The program budget as it is defined by the program administrators for internal program budgeting and management purposes. Inclusive of costs (+/-) recovered from other sources.

Direct Implementation Expenditures – Costs associated with activities that are a direct interface with the customer or program participant or recipient (e.g., contractor receiving training). *(Note: This is still an open issue, the items included in this definition may be changed by the CPUC pending discussion on the application of the State’s Standard Practice Manual.)*

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

5. Allowable Costs

Allowable Costs Table	
The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.	
	3/30/2006
Cost Categories	Allowable Costs
Administrative Cost Category	Managerial and Clerical Labor
	IOU Labor – Clerical
	IOU Labor - Program Design
	IOU Labor - Program Development
	IOU Labor - Program Planning
	IOU Labor - Program/Project Management
	IOU Labor - Staff Management
	IOU Labor - Staff Supervision
	Subcontractor Labor - Clerical
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	Human Resource Support and Development
	IOU Labor - Human Resources
	IOU Labor - Staff Development and Training
	IOU Benefits - Administrative Labor
	IOU Benefits - Direct Implementation Labor
	IOU Benefits - Marketing/Advertising/Outreach Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

3/30/2006

Cost Categories**Allowable Costs**

IOU Payroll Tax - Administrative Labor
IOU Pension - Administrative Labor
IOU Pension - Direct Implementation Labor
IOU Pension - Marketing/Advertising/Outreach Labor
Subcontractor Labor- Human Resources
Subcontractor Labor - Staff Development and Training
Subcontractor Benefits - Administrative Labor
Subcontractor Benefits - Direct Implementation Labor
Subcontractor Benefits - Marketing/Advertising/Outreach Labor
Subcontractor Payroll Tax - Administrative Labor
Subcontractor Payroll Tax - Direct Implementation Labor
Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
Subcontractor Pension - Administrative Labor
Subcontractor Pension - Direct Implementation Labor
Subcontractor Pension - Marketing/Advertising/Outreach Labor
Travel and Conference Fees
IOU Conference Fees
IOU Labor - Conference Attendance
IOU Travel – Airfare
IOU Travel – Lodging
IOU Travel – Meals
IOU Travel – Mileage
IOU Travel – Parking
IOU Travel - Per Diem for Misc. Expenses
Subcontractor - Conference Fees
Subcontractor Labor - Conference Attendance
Subcontractor - Travel - Airfare
Subcontractor - Travel - Lodging
Subcontractor - Travel - Meals
Subcontractor - Travel - Mileage
Subcontractor - Travel - Parking
Subcontractor - Travel - Per Diem for Misc. Expenses
Overhead (General and Administrative) - Labor and Materials
IOU Equipment Communications
IOU Equipment Computing
IOU Equipment Document Reproduction
IOU Equipment General Office
IOU Equipment Transportation
IOU Food Service
IOU Office Supplies
IOU Postage
IOU Labor - Accounting Support

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

3/30/2006

Cost Categories

Allowable Costs

	IOU Labor - Accounts Payable
	IOU Labor - Accounts Receivable
	IOU Labor - Administrative
	IOU Labor - Facilities Maintenance
	IOU Labor - Materials Management
	IOU Labor - Procurement
	IOU Labor - Shop Services
	IOU Labor - Transportation Services
	IOU Labor - Automated Systems
	IOU Labor - Communications
	IOU Labor - Information Technology
	IOU Labor - Telecommunications
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage
	Subcontractor Labor - Accounting Support
	Subcontractor Labor - Accounts Payable
	Subcontractor Labor - Accounts Receivable
	Subcontractor Labor - Facilities Maintenance
	Subcontractor Labor - Materials Management
	Subcontractor Labor - Procurement
	Subcontractor Labor - Shop Services
	Subcontractor Labor - Administrative
	Subcontractor Labor - Transportation Services
	Subcontractor Labor - Automated Systems
	Subcontractor Labor - Communications
	Subcontractor Labor - Information Technology
	Subcontractor Labor - Telecommunications
Marketing/Advertising/Outreach Cost Category	
	IOU - Advertisements / Media Promotions
	IOU - Bill Inserts
	IOU - Brochures
	IOU - Door Hangers
	IOU - Print Advertisements
	IOU - Radio Spots
	IOU - Television Spots
	IOU - Website Development

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

3/30/2006

Cost Categories

Allowable Costs

- IOU Labor - Marketing
- IOU Labor - Media Production
- IOU Labor - Business Outreach
- IOU Labor - Customer Outreach
- IOU Labor - Customer Relations
- Subcontractor - Bill Inserts
- Subcontractor - Brochures
- Subcontractor - Door Hangers
- Subcontractor - Print Advertisements
- Subcontractor - Radio Spots
- Subcontractor - Television Spots
- Subcontractor - Website Development
- Subcontractor Labor - Marketing
- Subcontractor Labor - Media Production
- Subcontractor Labor - Business Outreach
- Subcontractor Labor - Customer Outreach
- Subcontractor Labor - Customer Relations

Direct Implementation Cost Category

Financial Incentives to Customers

Activity - Direct Labor

- IOU Labor - Curriculum Development
- IOU Labor - Customer Education and Training
- IOU Labor - Customer Equipment Testing and Diagnostics
- IOU Labor - Facilities Audits
- Subcontractor Labor - Facilities Audits
- Subcontractor Labor - Curriculum Development
- Subcontractor Labor - Customer Education and Training
- Subcontractor Labor - Customer Equipment Testing and Diagnostics

Installation and Service - Labor

- IOU Labor - Customer Equipment Repair and Servicing
- IOU Labor - Measure Installation
- Subcontractor Labor - Customer Equipment Repair and Servicing
- Subcontractor Labor - Customer Equipment Repair and Servicing

Direct Implementation Hardware and Materials

- IOU Audit Applications and Forms
- IOU Direct Implementation Literature
- IOU Education Materials
- IOU Energy Measurement Tools
- IOU Installation Hardware
- Subcontractor - Direct Implementation Literature
- Subcontractor - Education Materials
- Subcontractor - Energy Measurement Tools

Allowable Costs Table

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer-funded energy efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to the program administrator. If there is a desire to include additional Allowable Cost elements, the program administrator should be contacted in order for the administrator to seek approval from the CPUC.

3/30/2006

Cost Categories

Allowable Costs

	Subcontractor - Installation Hardware
	Subcontractor -Audit Applications and Forms
	Rebate Processing and Inspection - Labor and Materials
	IOU Labor - Field Verification
	IOU Labor - Site Inspections
	IOU Labor - Rebate Processing
	IOU Rebate Applications
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing
	Subcontractor - Rebate Applications