County of Los Angeles
INTERNAL SERVICES DEPARTMENT
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"To enrich lives through effective and caring service"

October 04, 2011

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#20 OCTOBER 4, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVE ENERGY EFFICIENCY PROGRAM
CALIFORNIA PUBLIC UTILITIES COMMISSION
(3 VOTES) (ALL DISTRICTS)

SUBJECT

Authorize the Director of the Internal Services Department (ISD) to enter into an agreement with Southern California Edison (SCE) and accept $1 million in funding to develop a regional energy efficiency resources plan that will benefit the County and other local governments throughout the SCE service territory. The County's objectives under the proposed resource plan are to offer existing energy management resources within ISD's County Office of Sustainability to other local governments and to develop other useful, regional energy management resources. Funding is provided by the California Public Utilities Commission (CPUC) in support of its California Long-Term Energy Efficiency Strategic Plan.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

2. Authorize the Director of ISD or his designee to negotiate and execute an Agreement with SCE to develop a regional, local government energy efficiency resources plan with funding provided by the CPUC and administered by SCE.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The CPUC has authorized SCE to develop and implement activities centered on energy efficiency and address strategies related to local government goals found in the CPUC's California Long-Term Energy Efficiency Strategic Plan. These activities are intended to lead to long-term, sustainable changes in local government programs as opposed to simply supporting staffing resources or short-term initiatives that would cease to exist when external funding has ended. ISD responded to a solicitation by SCE and was awarded $1 million to develop programs under two Local Government California Long-Term Energy Efficiency Strategic Plan categories:

• "Local governments lead by example with their own facilities and energy usage practices" and

• "Local government energy efficiency expertise becomes widespread and typical"

Under its proposal, ISD will expand its existing Enterprise Energy Management Information System (EEMIS) to accommodate other local government utility accounts and facilities. ISD has utilized EEMIS to understand and manage utility billings, understand and improve building operations, and serve as a foundation for acquiring funding for and implementing over $50 million in retrofits and retrocommissioning projects. The EEMIS software license allows ISD to expand the system to other public agencies. ISD will utilize $800,000 of the $1 million award to conduct the following activities:

• Expand the existing EEMIS hardware system to include additional customer information,

• Develop an administrative system to allow other local government staff to utilize EEMIS,

• Conduct outreach and provide training to other local governments for implementing and utilizing EEMIS,

• Implement a business plan under which other local governments will pay ISD for ongoing EEMIS operating costs, technical support and consulting services.

Other local governments have coordinated with ISD under this solicitation and have received approximately $2.5 million under their own successfully-funded proposals to SCE. These other local governments will use their funding to conduct the following activities:

• Procure and install necessary equipment in their facilities to communicate with EEMIS,

• Pay for ISD technical support in implementing EEMIS and conducting system start-up operations,

• Pay for initial years' EEMIS operating costs, technical support and consulting services.

ISD will utilize the remaining $200,000 under the $1 million award to work with other cities to develop a program of standardized, technical resources that can be utilized by all local governments in SCE service territory to increase the number of energy efficiency projects implemented in local government buildings. Local government energy managers in Southern California have networked for a number of years and concluded that, in some cases, leveraging technical and other resources is sensible and cost effective.

Toward this effort, ISD has coordinated with a group of other cities who are contributing a combined

$400,000 from their individual solicitation awards. Much of the work that ISD has conducted in

implementing over $50 million in energy efficiency projects will be central to developing this program. Likewise, other local governments have developed resources from which that ISD and others may benefit. As an example, these resources would include: facility audit support, standardized technical specifications, procurement and contracting support, project financial evaluation and analysis, joint procurement programs, and municipal financing programs.

Implementation of Strategic Plan Goals

The work to be implemented under the County's award under the California Long-Term Energy Efficiency Strategic Plan solicitation supports Goal 1 – Operational Effectiveness: "Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services."

FISCAL IMPACT/FINANCING

ISD has been awarded $1 million in funding under SCE's California Long-Term Energy Efficiency Strategic Plan solicitation. The Utilities' Fiscal Year (FY) 2011-12 Adopted Budget includes $562,000 appropriation related to this funding, which will offset all current fiscal year ISD costs to implement the program, resulting in no impact on net County cost. In addition, ISD will receive revenue from other local governments to pay for ongoing EEMIS annual operating and license fees, technical consultation, EEMIS administrative support and training, and IT support. These revenues are included in the Utilities' FY 2011-12 Adopted Budget to offset ISD costs.

The remaining $438,000 appropriation will be included in the Utilities' FY 2012-13 budget request.

This program should lead to greater numbers of energy efficiency projects being implemented by local governments, including the County, which will lower utility costs. In addition, the program should provide opportunities for ISD to generate additional revenues for its energy management resources.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the Agreement and in conjunction with the CPUC's existing regulatory requirements, SCE will be responsible for overall program administration which includes disbursement of all funding and reporting program status to the CPUC. The Agreement also defines each partner's individual responsibilities and identifies specific implementation plans. Per the CPUC California Long-Term Energy Efficiency Strategic Plan program requirements, this project must be completed by December 2012. However, negotiations are now ongoing at the CPUC to extend the deadline for this program and all other energy efficiency programs by an additional year to the end of 2013.

The Agreement and Scope of Work has been approved as to form by County Counsel and are attached for your reference.

ENVIRONMENTAL DOCUMENTATION

The approval of this Agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

CONTRACTING PROCESS

The Agreement and Scope of Work defines the roles and responsibilities for each of the parties. SCE will provide overall administration and reporting to the CPUC. ISD will provide all reporting required by SCE. ISD will conduct any required sub-contracting using its Energy Support Services Master Agreement (ESSMA). ISD will execute a Memorandum of Understanding (MOU) with other SCE grant recipients to clarify scope of work and to authorize the County to invoice others for work performed by ISD personnel and ESSMA contractors.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

Respectfully submitted,

Tom Tindall

TOM TINDALL
Director

TT:BR:g
Attachment

c: Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel

SOUTHERN CALIFORNIA EDISON

CALIFORNIA ENERGY EFFICIENCY STRATEGIC PLAN IMPLEMENTATION CONTRACT

County of Los Angeles Strategic Plan Activities Program

THIS CONTRACT FOR SERVICES ("Contract") is by and between SOUTHERN CALIFORNIA EDISON ("SCE") and COUNTY OF LOS ANGELES ("Implementer"), which Contract shall be effective as of _____ ("Effective Date"). SCE and Implementer may be referred to herein individually as a "Party" and collectively as the "Parties.

WHEREAS, on October 1, 2009 in Decision 09-09-47, the California Public Utilities Commission ("Commission") authorized certain energy efficiency programs, including the Energy Leader Partnership Program for the 2010-12 program cycle

WHEREAS, in Decision 09-09-047, the Commission further authorized SCE to conduct a solicitation for certain energy efficiency strategic planning activities in connection with, and to support, its approved Energy Leader Partnership Programs and local governments generally;

WHEREAS, SCE has selected the Implementer to implement the County of Los Angeles Strategic Plan Activities Program (referred to hereinafter as the "Program"), promoting long-term energy efficiency and climate action activities;

WHEREAS, the Implementer shall implement the Program for the benefit of certain participating governmental jurisdictions and their constituents;

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 Program 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:

1.0 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 Contract as a whole, including all exhibits or other attachments to this Contract, as the same may from time to time be amended or supplemented, and not to any particular subdivision contained in this Contract, 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. Business Day: The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.

1.2. Calendar Day: The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Contract are Calendar Days.

1.3. Contract: This document issued by SCE to Implementer, as may be amended in writing as provided herein, which authorizes the Work, states the terms and conditions, and incorporates by reference the Statement of Work and any other referenced documents, if applicable, all of which form the agreement (Contract) between the Parties, with the following priority in the event of conflicting provisions: Amendments, from the most recent to the earliest; the Statement of Work; this Contract; and any other referenced documents.

1.4. Energy Efficiency Measure (or Measure): As used in the Commission's Energy Efficiency Policy Manual, Version 4, August 2008.

1.5. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.

1.6. Implementer Budget: The approved maximum budget for funding the performance by Implementer of the Program, as set forth in the Statement of Work attached hereto as Exhibit A.

1.7. Incentive: As used in the Commission's Energy Efficiency Policy Manual, Version 4, August 2008.

1.8. Jobsite: An SCE facility or designated third party property at or for which the Work is performed.

1.9. Participating Municipality: Those jurisdictions or member cities that: (i) are located in SCE's service territory; and (ii) have been selected by SCE and Implementer to participate in the County of Los Angeles Strategic Plan Activities Program as set forth in the Statement of Work.

1.10. Program: The County of Los Angeles Strategic Plan Activities Program.

1.11. Public Goods Charge (PGC): The funds which make up the Implementer Budget and which are collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.

1.12. Statement of Work (SOW): A statement of the tasks to be performed by the Implementer, commercial terms including the Implementer Budget, reporting requirements and other necessary information, as set forth in Exhibit A and

incorporated herein as part of this Contract, as such SOW may be modified from time to time as provided herein.

1.13. Subcontractor: An entity contracting directly or indirectly with a Party, or any Subcontractor thereof, to furnish services or materials as part of or directly related to such Party's Work obligations.

1.14. Work: The work authorized by SCE for the Program as set forth in this Contract and as more fully described in the SOW attached hereto as Exhibit A.

2. PURPOSE

The Program is funded by California utility ratepayers and is administered by SCE under the auspices of the Commission. The purpose of this Contract is to authorize the expenditure of PGC funds to Implementer for services performed pursuant to the terms of this Contract and to set forth the terms and conditions under which the Program will be implemented. The work authorized pursuant to this Contract is not to be performed for profit.

The Program was designed in furtherance of California's Long-Term Energy Efficiency Strategic Plan adopted by the Commission in 2008 ("Strategic Plan"). The Strategic Plan was formulated and developed through a collaborative effort among key stakeholders, including local governments, SCE and other California investor-owned utilities, and the Commission's Energy Division, and provides a strategic menu list of options that local governments can address during the 2010-2012 program cycle. The goal of the strategic plan menu is to present activities centered on energy efficiency and to address the "Big, Bold" strategies found in the Strategic Plan. The strategies are designed to embed and institutionalize energy efficiency in policies, programs, and processes within local governments.

3. AUTHORIZED WORK

3.1. Scope. The Work authorized under this Contract is set forth in the Statement of Work (Exhibit A) and shall be performed pursuant to the terms of this Contract.

3.2. Goals and Objectives. The Program is designed to meet the specific goals, objectives and milestones within the schedule and budget set forth in the Statement of Work (Exhibit A).

4. OBLIGATIONS OF PARTIES

4.1. General Obligations of Implementer.

4.1.1. Implementer will appoint a Program representative ("Implementer Representative") who will be the primary contact between SCE and Implementer, and who will be authorized to act on behalf of Implementer in carrying out its obligations under this Contract. Such

appointment shall be communicated in writing to SCE's designated Contract Program Manager within ten (10) Business Days following execution of this Contract.

4.1.2. Implementer shall be responsible for achieving the goals and objectives and producing the deliverables as set forth in the Statement of Work.

4.1.3. Implementer shall perform its Work obligations within the Implementer Budget and in conformance with the schedule associated with such Work as set forth in the Statement of Work, and shall furnish the required labor, equipment and material with the degree of skill, care and professionalism that is required by current professional standards.

4.1.4. Implementer shall be primarily responsible for coordinating the preparation of all Program-related documents, including all required reporting of Implementer pursuant to Section 9, and any such other reporting as may be requested by SCE. Implementer shall obtain the approval of SCE prior to usage of any SCE Program documents or other energy efficiency program documents or materials offered by SCE.

4.1.5. Upon reasonable request, Implementer shall submit to SCE all contracts, agreements or other requested documents with Implementer's Subcontractors performing Work for the Program.

4.2. General Obligations of SCE.

4.2.1. SCE will appoint a Program representative ("SCE Representative" or "Contract Program Manager" ("CPM")) who will be the primary contact between SCE and Implementer, and who will be authorized to act on behalf of SCE in carrying out SCE's obligations under this Contract.

4.2.2. SCE shall administer the PGC funds authorized by the Commission for the Program in accordance with this Contract.

5. MARKETING

5.1. Marketing Materials. Implementer shall obtain the approval of SCE when developing Program marketing materials and prior to distribution, publication, circulation, or dissemination in any way to the public by Implementer or by a Participating Municipality. In addition, all advertising, marketing or otherwise printed or reproduced material (including website material) used to implement, refer to or is in anyway related to the Program must contain the respective name and logo of SCE and, at a minimum, the following language: *"This Program is funded by California utility ratepayers and administered by Southern California Edison under the auspices of the California Public Utilities Commission."*

5.2. Outreach. Implementer shall obtain the approval of SCE prior to implementation by Implementer or a Participating Municipality, of any public outreach activities or campaigns for the Program (exhibits, displays, public presentations, canvassing, etc.), and any marketing materials used in connection with such outreach activity shall comply with all requirements of Section 6 of this Contract.

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

5.4. 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, SCE must send a copy of the planned materials to the Commission requesting approval to use the Commission's 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."

6. CONTROL OF WORK

6.1 Compliance with Work Schedule: Implementer shall perform the Work in compliance with the Work schedule set forth in the Statement of Work. If performance of the Work (including any task, or achievement of any goals or objectives outlined in the Statement of Work) is delayed beyond the schedule for any reason, or if Implementer is aware that such Work will be delayed for any reason, Implementer shall notify the SCE Representative within thirty (30) Business Days in writing. SCE may, in its sole discretion, accept the delay, reduce the Work and Implementer Budget accordingly, or terminate the Contract, within thirty (30) Business Days following receipt of such written notice of delay from Implementer. Failure of Implementer to notify SCE in writing of such delay in the Work schedule within thirty (30) Business Days shall constitute a breach of this Contract and SCE may exercise any of the remedies set forth in this Section or in Section 23.

6.2 Changes to Work:

6.2.1 Changes. SCE may at any time make changes to the Work including additions, reductions, and changes to any or all of the Work, as directed in writing by the SCE Representative. Such changes may be made with a Change Order. The Implementer Budget and Work schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth in a Change Order.

6.2.2 SCE Authority To Shift Funds Or Modify: SCE, in its sole discretion, may reallocate funds among the programs in its energy efficiency portfolio, or modify in anyway the program, funding or Work. In the

event that SCE elects to change or modify the funding, program or Work, Implementer shall be notified in writing and if applicable by a Change Order to this Contract. Such Change Order will specify any changes to the Implementer's Scope of Work and may increase, decrease, or terminate overall program funding.

6.3 Stop Work Procedures: SCE may suspend Implementer's Work at any time upon notice to Implementer for convenience or for cause, including, without limitation, program funding, program implementation or management, safety concerns, fraud or complaints. Implementer shall stop performing the Work immediately upon receipt of such notice. Implementer shall resume the Work only upon receiving written notice from SCE that it may do so. .

6.4 Key Personnel: Implementer shall deliver to SCE a list of Implementer's key personnel prior to commencing the Work. Any change to Implementer's key personnel shall be pre-approved by SCE; provided, however, that an unplanned personnel change shall be reported to the SCE Representative immediately. The Implementer shall designate a person that shall coordinate all Work and communicate regularly for the Implementer with the SCE Representative. Implementer shall promptly replace any key personnel if requested by the SCE Representative, provided however, that this provision does not in any way require, endorse or approve (expressed or implied) the termination of employment by the Implementer of any employee replaced under the terms of this paragraph.

6.5 Subcontractors: Any Work subcontracted by Implementer shall be identified as such in the Contract and any Work subcontracted to an Implementer's affiliated entity shall be similarly specifically identified. For any subcontracted Work, the prior written approval of the SCE Representative shall be required for each Subcontractor, the activities to be performed, and the related charges. Implementer shall at all times be responsible for the Work, and for the acts and omissions of Subcontractors and persons directly or indirectly employed by them. Implementer shall be solely responsible and liable for ensuring that the terms and conditions of all subcontracts are in accordance with this Contract, including but not limited to all invoicing requirements. Any review or approval by SCE of a Subcontractor or a subcontract shall not relieve Implementer of its obligations hereunder.

6.6 Additional Instructions: If Implementer receives any verbal or written instructions for performance of Work from SCE personnel other than the SCE Representative, Implementer shall promptly reconfirm such instructions with the SCE Representative and request that a corresponding Change Order be issued as necessary.

6.7 Emergencies: In an emergency endangering life or property, Implementer shall: a) perform Work or such other services or work as is necessary to meet the emergency; and b) immediately notify SCE.

6.8 Drafts: Draft copies of required reports shall be submitted to the SCE Representative for review for contractual compliance, satisfaction of SCE needs and good professional practices, comments, and approval, prior to the due date of such reports.

6.9 Inspection: SCE authorized representatives shall have the right of access to and inspection of Implementer's facilities and/or locations at reasonable times during regular business hours regarding performance of the Work.

6.10 Uncontrollable Forces: Implementer shall not be liable for delay in the Work Schedule or inability to perform the Work due to any cause beyond its reasonable control, such as strike, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, or critical material unavailability; provided that Implementer promptly notifies SCE in writing of the nature, cause, date of commencement, and expected impact of the event and has exercised due diligence in proceeding to meet the Work Schedule. SCE shall extend the Work Schedule for an equitable period due to such causes without any change in the Contract price.

7. FITNESS FOR DUTY/JOBSITE ACCESS REQUIREMENTS

7.1 Fitness for Duty:

7.1.1 Implementer and its Subcontractor personnel on a Jobsite:

(i) Shall report for work in a manner fit to do their job;

(ii) Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician for such person so long as the performance or safety of the Work is not affected thereby); and

(iii) Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of SCE.

7.1.2 Inspection: Searches by SCE authorized representatives may be made of lockers, storage areas, vehicles, persons or personal effects on SCE owned, or leased property at various times without prior announcement. Such facility inspections may be conducted using detection dog teams to search work areas and other common areas in order to detect evidence of unlawful drug use or the presence of pyrotechnics, explosives, firearms, weapons, or facsimiles thereof, alcoholic beverages and illegal drugs ("Prohibited Items"). Prohibited Items must not be brought onto, or kept on, SCE property.

7.1.3 Compliance: Implementer shall advise its employees of the requirement of this Section 7.1 ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Implementer shall impose these requirements on its Subcontractors. SCE may cancel the Contract if Implementer violates these Fitness for Duty Requirements.

7.2. JOBSITE ACCESS REQUIREMENTS

7.2.1 Notification of Convictions: During application for Jobsite access, and/or during the Work, Implementer shall immediately notify SCE whenever Implementer becomes aware of evidence that any Implementer's or its

Subcontractors' employee, who has, or will have, Jobsite access, has been convicted of a serious criminal offense.

7.2.2 Visitor Badge Requirement: All visitors to a particular Jobsite must comply with that Jobsite's visitor access requirements.

7.3. Sexual Harassment: SCE supports a diverse work force and prohibits unlawful employment discrimination and harassment of every kind, including sexual harassment, in accordance with state and federal laws. Whenever present on SCE property or facilities, Implementer shall require its employees, Subcontractors, agents to comply with all applicable federal and state statutes, acts, regulations, codes and standards prohibiting conduct that might reasonably be construed as violating state or federal equal opportunity laws, including conduct such as making sexually suggestive jokes or remarks, touching, assaulting, making gestures of a sexual or suggestive nature, and impeding or blocking any SCE employee's, subcontractor's or agent's movement.

8. DOUBLE DIPPING PROHIBITED

If, in performing its respective Work obligations, Implementer engages contractors or vendors who provide incentives or services to SCE customers, Implementer shall take all appropriate steps to minimize double-dipping. As applicable:

8.1. Prior to providing incentives or services to any eligible customer, Implementer shall require its Subcontractors to 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 SCE 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 SCE program or from another utility, state, or local program.

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

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

9. REPORTING/EM&V

9.1. Reporting. The Parties shall implement all reporting requirements set forth in the Statement of Work, including Appendix A and B of the Statement of Work. The reporting requirements set forth in such Appendix B will be amended when

issued by the Commission for the 2010-2012 Program cycle, and may be amended from time to time thereafter at the discretion of the Commission. Upon issuance by the Commission of revised reporting requirements for 2010-12 related to the Program, such Commission-approved reporting requirements shall replace the reporting requirements set forth in Appendix B of the Statement of Work in their entirety upon written notice to the Implementer, which notice shall include a copy of the revised Appendix B.

9.2. EM&V. The evaluators will be asked to prepare a Program logic model based upon the written proposal and on interviews with the Implementer. Research issues will be defined in collaboration with SCE program managers and may include questions such as: How well were program activities documented? How effectively was the proposed plan implemented? What could be done to improve the plan's effectiveness? Who are the decision-makers, and what information did they use to make their decisions?

10. PAYMENTS/COMMERCIAL TERMS

10.1. Implementer Budget. The Implementer Budget is set forth in the Statement of Work. Implementer shall not be entitled to compensation in excess of the Implementer Budget without a Change Order issued and signed by SCE.

10.2. Time and Material Basis. All Work will be performed on a time and material basis and subject to the following general provisions:

10.2.1. General Provisions.

a. All charges shall be directly identifiable to, and required for the Work.

b. Any charges for overtime shall require the prior written approval of the SCE Representative. Overtime rates shall be authorized and charged only for non-exempt personnel.

c. Implementer shall complete the Work within the amount authorized by the Contract and in accordance with the Work Schedule. Implementer shall notify SCE's procurement agent responsible for the Contract and the SCE Representative at such time that it becomes reasonably apparent that the forecasted cumulative charges will exceed any amounts authorized by the Contract (whether by task, total amount of Contract, or both). Implementer shall not proceed with or be reimbursed for any Work performed, either beyond the effective period of the Contract, or exceeding the authorized amounts of the Contract, without a Change Order.

10.2.2 Labor Related Costs Under Time and Material Basis. Implementer shall invoice SCE at the fixed hourly rates for the applicable labor categories stated in the Contract for time spent directly engaged in performance of the Work by Implementer's employees. Such fixed hourly rates shall be inclusive of all of Implementer's overhead costs

(including all taxes and insurance), administrative and general fees, and profit.

10.2.3 Invoices. Implementer shall submit monthly invoices for the costs incurred in the prior month and shall include a cost breakdown for each task identified in the Statement of Work. Each invoice shall include:

10.2.3.1 Status

a. SCE's Contract number.

b. Task Description.

c. Cost incurred to date.

d. Current monthly amount invoiced.

e. Cumulative amount invoiced to date.

f. Current monthly and cumulative amounts authorized, and justification for all variances between amounts authorized and incurred or invoiced.

g. Statement of deliverables for the period.

10.2.3.2 Labor

a. Dates worked.

b. Personnel name, work hours and classification.

c. Personnel Fixed rate.

d. Description of Work performed by task.

e. Completion of Appendix "C" of the Statement of Work.

10.2.3.3 Reimbursable expenses (pre-approved by SCE)

a. Material costs.

b. Subcontract costs.

c. Out-of-Pocket expenses.

d. Travel costs.

10.2.4 Expenses. All reimbursable expenses shall be authorized by SCE in writing prior to the expenditure. Any expenses not so approved by SCE shall not be reimbursed. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.

10.2.4.1 Material Costs. Material costs shall be substantiated with an invoice stating the unit price, quantity, and other information as required to identify the Work.

10.2.4.2 Subcontract Costs. Subcontracted Work shall be charged at the rates actually paid by Implementer, not to exceed the rates set

forth in the Contract for Work by the Implementer. Implementer shall provide Subcontractor invoices for any Implementer invoice that includes Subcontractor costs.

10.2.4.3 Out-of-Pocket expenses. Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, computer time and in-house technical software are deemed to be included in Implementer's overhead costs will not be reimbursed.

10.2.4.4 Travel Costs. Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available. Automobile travel from Implementer's office to the Jobsite and to SCE's general offices shall be paid at the fixed mileage rate stated in the Contract, or if not stated, at SCE's rate for SCE employees.

10.2.5 Final Invoice. The final invoice shall be marked "FINAL" and must be received by SCE within sixty (60) calendar days after completion of the Work. SCE shall not be liable for payment of any late invoices that are received by SCE beyond the 60 days.

10.2.6 Invoice Deficiencies. In the event SCE determines that Implementer's (or any of its subcontractors) invoices do not meet the invoicing requirements of the Contract, SCE will notify Implementer of the deficiencies and Implementer shall correct such deficiencies promptly.

10.2.7 Payment by SCE. SCE shall pay each correct invoice, submitted in accordance with the terms of the Contract, within thirty (30) days of SCE's receipt of the correct invoice in SCE's Accounts Payable Division.

10.2.8 Records. Implementer shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. SCE reserves the right to audit and copy any applicable documents related to the Work hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the number of the Contract covered by such invoice.

11. COMPLIANCE WITH LAW; PERMITS, STATUTES AND CODES

11.1. The Implementer shall comply with, and shall ensure that the Work 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.

11.2. Implementer shall conform to the applicable employment practices requirements of (Presidential) Executive Order 11246 of September 24, 1965, as amended, and applicable regulations promulgated thereunder.

11.3 Implementer Policy for Web Accessibility.
If an Implementer currently hosts and manages a web site, on behalf of SCE, that

contains public, customer-facing pages, content and/or transactions that is not already web accessible and compliant with Web Content Accessibility Guidelines version 2.0, Level AA (WCAG 2.0, Level AA), the Implementer must make updates to the web site pages, content and/or transactions to meet web accessibility compliance, unless Implementer is not required by law to comply.

As such, Implementers who plan to or currently host and maintain web sites that include web pages, content and/or transactions for SCE shall agree to the following terms regarding current and/or planned web sites unless Implementer is not required to do so by law:

11.3.1 All public facing web pages, transactions and content, including multi-media and interactive content and forms targeted for SCE customers, shall be made web accessible and meet the standards defined in WCAG 2.0, Level AA. Multi-media and interactive content within the scope of these terms include, and are not limited to, image files, video files, audio files, Flash movies and applications, Flex applications, Silverlight applications, functionality developed with AJAX and/or any other interactive technology not otherwise specified but utilized to serve up information and/or transactions on the web.

11.3.2 Attachments that are posted on a web page for download must also be made web accessible. Attachments include, and are not limited to, Adobe Acrobat PDF files, Microsoft Office files, or any other type of file intended for a customer to download and review offline. An exception may be allowed only if the content contained within the download is already offered on the web site in a web accessible format, and the downloadable attachment is duplicative to the content or transaction displayed on web pages. Such exceptions must be documented and requested by the Implementer, agreed upon by both Implementer and SCE, and granted by SCE prior to declaring any attachment exempt from web accessibility compliance.

11.3.3 Implementers must include compliance with WCAG 2.0, Level AA guidelines as part of the base system requirements for any work completed for SCE. Implementers are responsible for testing proposed web pages, content and/or transactions, and confirming compliance with WCAG 2.0 Level AA guidelines. Proof of testing may be documented in the form of test plans, test scripts, test results, and/or web accessibility audits (performed by the Implementer itself or an external party). SCE may, at any time, request for such documentation to confirm that testing was completed and that the published web page, content and/or transaction satisfies web accessibility compliance with WCAG 2.0, Level AA.

11.3.4 Upon deployment (i.e. publication for external consumption) of web accessible pages, content and/or transactions, Implementer must, to the best of its abilities, maintain compliance with WCAG 2.0, Level

AA for as long as the web pages, content and/or transactions are made publicly available on the third-party hosted web site:

11.3.4.1 If Implementer must edit, enhance, modify, or update web pages, content and/or transactions, Implementer agrees to (re-)test for web accessibility compliance, and document test results to prove that said content continues to maintain web accessibility compliance. SCE may, at any time, request for such documentation to confirm that testing was completed and that the published web page, content and/or transaction satisfies web accessibility compliance with WCAG 2.0, Level AA.

11.3.4.2 On a periodic basis, SCE may perform audits on the third-party hosted site to assess web accessibility compliance. Audits may be completed by manual evaluation or through the use of an automated testing tool. If SCE identifies any content that was previously communicated as being compliant but is subsequently found to be in violation, 1) SCE will identify, in writing, the specific web page, content or transaction form where the violation is found, the specific WCAG 2.0, Level AA guideline that has been violated, and what the specific violation is determined to be; 2) Implementer agrees to correct the item(s) in violation on its own accord, with no cost impact to SCE, in a timeframe that both SCE and Implementer agree to, not to exceed 30 calendar days.

11.3.4.3 SCE requires an annual web accessibility audit of SCE's web properties by an independent auditor. Any part or all pages of a third-party hosted web site may be included in the annual audit. If the independent auditor identifies any web page, content or transaction that was previously communicated as being compliant but is subsequently found to be in violation, 1) Auditor will identify, in writing, the specific web page content or transaction form where the violation is found, the specific WCAG 2.0, Level AA guideline that has been violated, and what the specific violation is determined to be; 2) SCE shall provide Implementer with audit report, 3) Implementer agrees to correct the item(s) in violation on its own accord, with no cost impact to SCE, in a timeframe that both SCE and Implementer agree to, not to exceed 30 calendar days.

11.3.5 If an existing third-party hosted web site utilizes a commercial off-the-shelf third-party software package to deliver any type of functionality that is customer-facing, the Implementer must work with the software manufacturer to determine whether the software produces web-accessible pages, content and/or transactions.

11.3.5.1 If the software manufacturer is unable to provide a product that produces web pages, content and/or transactions that meet WCAG 2.0, Level AA guidelines, the Implementer shall request the software manufacturer to produce such limitations in writing (i.e. in the form of product specifications, formal response from software manufacturer's technical support) and subsequently provide such documentation to SCE.

11.3.5.2 If the software manufacturer is unable to provide a product that produces web pages, content and/or transactions that meet WCAG 2.0, Level AA guidelines, the Implementer agrees to pursue, in good faith, an alternate product that can provide equivalent functionality and satisfy WCAG 2.0, Level AA web accessibility compliance requirements.

11.3.6 If an Implementer plans to utilize a commercial off-the-shelf third-party software package to deliver any type of functionality that is customer-facing for a future web site, the Implementer agrees to pursue, in good faith, a product that can meet the desired business functionality requirements and WCAG 2.0, Level AA web accessibility compliance requirements.

11.3.6.1 If the Implementer is unable to locate a product that meets both business functionality requirements and web accessibility compliance requirements, the Implementer must communicate such limitations, in writing, and justify the software selection choice. Implementer shall also request the software manufacturer of desired product to produce such limitations in writing (i.e. in the form of product specifications, formal response from software manufacturer's technical support) and subsequently provide such documentation to SCE. SCE shall reserve final decision-making authority to approve the usage of such software to deliver desired business functionality.]

12. INDEMNITY/CONSEQUENTIAL DAMAGES

12.1. Indemnity. Implementer shall indemnify, defend and hold harmless SCE, 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) any act or omission of Implementer, its Subcontractors, or any of their respective employees, officers and agents, relating to this Contract, or (b) Implementer's breach of this Contract or of any representation or warranty of Implementer contained in this Contract.

12.2. NO CONSEQUENTIAL DAMAGES. NEITHER 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 WORK OR TERMINATION OF THIS CONTRACT.

13. DEVELOPMENTS/PROPRIETARY RIGHTS

13.1. Ownership. The Parties acknowledge and agree that SCE, on behalf of its customers, shall own all deliverables, 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, intellectual property, inventions and trade secrets and all deliverables produced in the performance of this Contract, whether proprietary or non-proprietary; provided, however, that Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. Although Implementer shall retain no ownership, interest, or title in the Developments except as may otherwise be provided in this Contract, it will have a permanent, royalty free, non-exclusive license to use such Developments.

13.2. Risk of Loss. Implementer shall have risk of loss of or damage to the undelivered Developments until completion of the Work.

13.3. Infringement.

13.3.1. Implementer represents and warrants that the Work performed by Implementer and/or its Subcontractors 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.

13.3.2. Implementer shall defend, indemnify and hold harmless, SCE, its officers, agents, employees, successors and assigns from and against any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim, demand, or charge that use of the Work or Developments infringe upon any trade secret, trademark, trade name, copyright, patent, or other intellectual property rights.

14. INSURANCE

14.1. Implementer will maintain, and shall require its Subcontractors to maintain, the following insurance coverage or self insurance coverage, at all times during the term of this Contract, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:

14.1.1. Workers' Compensation: statutory minimum.
14.1.2. Employer's Liability coverage: $1 million minimum.
14.1.3. Commercial General Liability: $2 million minimum per occurrence/$4 million minimum aggregate.

Such insurances shall acknowledge SCE, its officers, agents and employees as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against SCE its officers, agents, employees and other contractors or Subcontractors.

14.1.4. Commercial or Business Auto: $1 million minimum.

Such insurance shall acknowledge SCE, its officers, agents and employees as additional insureds and be primary for all purposes.

14.1.5. Professional Liability (if applicable): $1 million minimum.

14.2. Evidence of Insurance. Upon request at any time during the term of this Contract, Implementer shall provide evidence that its insurance policies and the insurance policies of any Subcontractor, as provided in this Section are in full force and effect, and provide the coverage and limits of insurance that Implementer has represented and warranted herein to maintain at all times during the term of this Contract.

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

14.4. Notice of Claims. Implementer shall immediately report to SCE, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Implementer or its Subcontractors or their receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim.

14.5. Insurance Indemnification. If Implementer fails to comply with any of the provisions of this Section, "INSURANCE", or any insurance requirements in the Contract, Implementer shall, at its own cost, defend, indemnify, and hold harmless SCE, its affiliates and their officers, directors, agents, employees, assigns, and

successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of the Work by Implementer or any Subcontractor, or their officers, directors, employees or agents to the extent that SCE would have been protected had Implementer complied with all of the provisions of this Section.

15. CUSTOMER CONFIDENTIALITY REQUIREMENTS

15.1. Non-Disclosure. Implementer, its employees, agents and Subcontractors shall not disclose any Confidential Customer Information (defined below) to any third party during the term of this Contract or after its completion, without Implementer having obtained the prior written consent of SCE, except as provided by law, lawful court order or subpoena and provided Implementer gives SCE advance written notice of such order or subpoena. Notwithstanding any other provisions in the Contract, Implementer's nondisclosure obligations with respect to SCE Confidential Customer Information shall survive any expiration or termination of the Contract in perpetuity.

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

15.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, SCE may require Implementer to enter into a nondisclosure agreement.

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

15.5. Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to Implementer by SCE, and any and all documents and materials containing such Confidential Customer Information or produced by Implementer based on such Confidential Customer Information (including all copies, backups and abstracts thereof), during the performance of this Contract shall be returned upon written request by SCE.

15.6. 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 15 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 15 by Implementer, SCE 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.

16. SECURITY INCIDENT PROVISIONS

16.1. SCE Personal Information.

16.1.1. Definition. SCE Personal Information is defined as any information in the possession or under the control of SCE or any of its affiliates, or that is furnished or made available by SCE or any of its affiliates to Implementer, that identifies, relates to, describes, or is capable of being associated with, any particular individual (whether SCE employee, customer, or otherwise), including, but not limited to, his or her name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, medical information or health insurance information, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information.

16.2. Nondisclosure of SCE Personal Information. Implementer, its employees, agents and Subcontractors shall not disclose any SCE Personal Information (defined above) to any third party during the term of this Contract or after its completion, without Implementer having obtained the prior written consent of SCE, except as provided by law, lawful court order or subpoena and provided Implementer gives SCE advance written notice of such order or subpoena.

16.2.1. Notwithstanding any other provision in the Contract or Contract, Implementer's nondisclosure obligations with respect to SCE Personal Information shall survive any expiration or termination of the Contract in perpetuity. Upon the expiration or termination of the Contract, or at any time upon request of SCE, all SCE Personal Information in any medium, including all copies or parts thereof, shall be returned to SCE or destroyed, except that Implementer may retain one copy of any materials prepared by Implementer containing or reflecting SCE Personal Information if necessary for compliance with its internal record-keeping or quality assurance requirements only. If destroyed, such destruction shall be certified in writing by Implementer.

16.3. Security Incidents. This section shall apply only to the extent Implementer is in possession or control of SCE Personal Information or SCE Confidential Customer Information.

16.2.1 Security Incident Response Plan. Implementer shall develop, implement and maintain a written plan and process for preventing, detecting, identifying, reporting, tracking and remediating Security Incidents ("Security Incident Response Plan" or "SIRP"). A Security Incident

shall mean an event or set of circumstances that results in a reasonable expectation of a compromise of the security, confidentiality or integrity of SCE data or information under the Implementer's control. Examples of Security Incidents include are but not limited to:

(i) Security breaches to Implementer's network perimeter or to internal applications resulting in potential compromise of SCE data or information.
(ii) Loss of physical devices or media, e.g., laptops, portable media, paper files, etc., containing SCE data.
(iii) Lapses in, or degradation of, Implementer's security controls, methods, processes or procedures.
(iv) The unauthorized disclosure of SCE data or information.
(v) Any and all incidents adversely affecting SCE's or its affiliates', as the case may be, information assets.

16.2.2 SIRP General Requirements. Implementer's SIRP will include Security Incident handling and response procedures, specific contacts in an event of a Security Incident, the contacts' roles and responsibilities, and their plans to notify SCE or its affiliates, as the case may be, concerning the Security Incident. The SIRP must be based on and meet all requirements of the following:

16.2.2.1 U.S. federal and applicable state laws, statutes and regulations concerning the custody, care and integrity of data and information. In particular and without limitation, Implementer shall ensure that its SIRP and its business practices in performing work on behalf of SCE comply with California's Information Practices Act of 1977, California Civil Code §§ 1798.80 *et seq.*, which addresses among other things the provision of notice to SCE or its affiliates, as the case may be, of any breach of the security of SCE Personal Information if it is reasonably believed to have been acquired by an unauthorized person.

16.2.2.2 SCE information management and information security policies and procedures as made available to Implementer from time to time ("SCE Policies and Procedures"), including without limitation ITS-445 "Standards for Information Security Response – Third Parties."

16.2.3 Implementer Response to Security Incident. The following will apply in the event of a Security Incident:

16.2.3.1 Implementer will submit a Security Incident Report (SIR) to SCE's or its affiliates', as the case may be, IT Help Desk or IT Operations Center ("ITOC") in accordance with

SCE Policies and Procedures including ITS-445, and applicable law. The SIR shall be given promptly upon discovery of an SI and in any event not more than four (4) hours after discovery of a suspected SI, or sooner if required by law, statute or regulation. If additional time is required under the circumstances of the SI to ascertain the nature or extent of the SI, to stabilize the Computing System or to ensure the integrity of SCE's or its affiliates', as the case may be, data and information, then Implementer shall promptly notify SCE or its affiliates, as the case may be, in writing of the existence of an SI initially, and keep SCE or its affiliates, as the case may be, informed of developments and new information.

16.2.3.2 At SCE's or its affiliates', as the case may be, request, Implementer will meet with SCE or its affiliates, as the case may be, to discuss the cause of the Security Incident, Implementer's response, lessons learned and potential improvements to Implementer's system security processes and procedures.

16.2.4 Compromise of SCE Personal Information.

16.2.4.1 Additional SIRP Requirements for Personal Information. With respect to any SCE Personal Information in the possession or under the control of Implementer, to protect SCE Personal Information from unauthorized access, destruction, use, modification or disclosure, Implementer shall:

(a) Develop, implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect SCE Personal Information from unauthorized access, destruction, use, modification, or disclosure.

(b) Develop, implement and maintain data privacy and security programs with administrative, technical, and physical safeguards appropriate to the size and complexity of the Implementer's business and the nature and scope of Implementer's activities to protect SCE Personal Information from unauthorized access, destruction, use, modification, or disclosure.

16.2.4.2 Notice Requirements for Personal Information. In the event of a Security Incident where SCE Personal Information was, or is reasonably believed to have been, acquired by an unauthorized person, Implementer shall immediately provide the SIR required by Section 16.2.3. Such SIR shall state that SCE Personal Information

may be involved, and shall describe the suspected nature of such SCE Personal Information.

16.2.5 SIRP Review. At SCE's or its affiliates', as the case may be, request, Implementer shall review the SIRP at least annually with SCE's or its affiliates', as the case may be, designated representatives to identify updates, changes or potential improvements; and a process to document these changes within ninety (90) days of any such changes.

16.2.6 Document Retention. Implementer shall maintain all documentation relating to Security Incidents, whether in written or electronic form, including without limitation, their identification, processing and resolution, for two (2) years after final resolution of the Security Incident, including the final resolution of all claims arising out of the Security Incident.

16.2.7 Indemnification for Security Incidents. Implementer shall, at its own cost, defend, indemnify and hold harmless SCE, its affiliates, officers, agents, employees, assigns and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expense, fines or penalties, or any of them, resulting from any Security Incident. Any limitation of liability that may be in the Contract or Contract shall not apply to this Section 16.2.7.

16.3 Implementer shall ensure that its employees, agents and contractors that perform services for Provider in connection with the Contract are informed of and comply with these Security Incident provisions.

17. CONFLICT OF INTEREST

Implementer affirms that, to the best of its knowledge, there is no actual or potential conflict of interest between Implementer, its employees or their families, Subcontractors, or business interests, and SCE. Implementer shall not hire any SCE employee or employee's spouse to perform any part of the Work. Implementer further affirms that it has set forth in its proposal for the Work: (i) all situations in which Implementer or an affiliated entity of Implementer has been or currently is an SCE Implementer, contractor, or employee; (ii) all situations in which Implementer or an affiliated entity of Implementer has been or currently is in a joint venture arrangement or licensing relationship with SCE (other than an Energy Leader Partnership); and (iii) any affiliated entity to which Implementer intends to subcontract any part of the Work. Implementer shall update such affirmations to SCE during performance of the Work within thirty (30) days following any change thereto.

18. TIME IS OF THE ESSENCE

Implementer hereby acknowledges that time is of the essence in performing their obligations under this Contract. Failure to comply with milestones and goals stated in this Contract, including but not limited to those set forth in Exhibit A of this Contract, may constitute a material breach of this Contract, resulting in its termination, payments being

withheld, Implementer Budgets being reduced or adjusted, funding redirected by SCE to other programs or partners, or other Program modifications as determined by SCE or as directed by the Commission. All Work must be performed and completed by October 15, 2012.

19. IMPLEMENTER DISPUTES

Any unresolved disputes between Implementer and SCE shall be referred to an SCE management representative and an officer of Implementer for resolution. Pending resolution, Implementer shall continue to perform the Work as directed by the SCE Representative, and SCE shall continue to make payments for the undisputed items.

20. RIGHT TO AUDIT

SCE and the Commission shall have the right to audit Implementer at any time during the term of this Contract and for five (5) years thereafter. An audit may include, but is not limited to, a review of Implementer's financial records relating to the Work, program implementation procedures, program marketing material, program implementation documents, field audits of Implementer employees or Subcontractors, energy efficiency savings provided by the program, funds spent to date, information relating to the substantiation of program expenditures, incentives paid to date, customers given incentives to date, lists of employees and respective duties, lists of Subcontractors and their respective responsibilities or service provided.

SCE may, in its sole discretion and at anytime, request information or data relating to the program, Work or this Contract, and Implementer shall provide such information in the format and within the time requested by SCE. Nothing in this provision shall limit the type, format or frequency of such requests by SCE.

21. MODIFICATIONS

Except as otherwise provided in this Contract, changes to this Contract shall be only be valid through a written amendment/Change Order to this Contract signed by both Parties.

22. TERM

This Contract shall be effective as of the Effective Date. Unless otherwise terminated in accordance with the provisions of Section 23 below, this Contract shall terminate at midnight November 31, 2012; provided however, that all Work and services shall be completed by the dates specified in the Statement of Work.

23. TERMINATION OR CANCELLATION

23.1. CPUC Authority To Modify: The Work and program under which the Work is authorized herein shall at all times be subject to the discretion of the California Public Utilities Commission (CPUC), including, but not limited to, review and modifications, excusing performance hereunder, or termination as the CPUC may direct from time to time in the reasonable exercise of its jurisdiction.

23.2. Termination for Convenience: Notwithstanding any other provisions of the Contract, SCE shall have the unilateral right to terminate the Work, or any portion thereof, or the Contract by the issuance of a Change Order, which shall not require Implementer's acceptance.

Subject to the provisions of Section 23.3 and 23.4 hereof, SCE shall pay Implementer the termination charges set forth in the Contract pro-rated to the effective date of termination. If termination charges are not set forth in the Contract, SCE shall complete the payments for all Work accepted by SCE. SCE, at its option, may take possession of any Material paid for by SCE. The provisions of this Section 23.2 shall be Implementer's sole remedy resulting from such termination.

23.3. Cancellation for Default. In the event of: (i) the breach of or failure of Implementer to perform any of its material obligations under the Contract including, but not limited to, failure to complete the Work on time or failure to make satisfactory progress or persistent failure to pay labor and material claims; (ii) the failure of Implementer to give SCE adequate assurance of performance within ten working days after written demand by SCE therefore when reasonable grounds for insecurity arise; or (iii) the insolvency, bankruptcy or receivership of Implementer, then SCE may (a) withhold payment of any further monies which may be due Implementer until such condition is cured, and/or (b) declare Implementer to be in default of the Contract and notify Implementer in writing of such declaration and shall be entitled to cancel the Contract in whole or in part effective immediately upon written notice thereof. Any cancellation pursuant to this Section 23.3 shall not be deemed a "termination" for the purposes of Section 23.2 hereof.

In the event of such cancellation, Implementer shall immediately stop Work and surrender to SCE's possession, complete and incomplete Documentation and other Information, Material, control and use of the Jobsite and all Implementer and SCE-owned equipment, facilities, and all other items which SCE may deem necessary or appropriate until the Work is completed. Implementer shall assign to SCE the outstanding subcontracts and Contracts as requested by the SCE Representative for such completion. SCE shall have the right to provide, or contract for, all additional labor, Material, and any other items which it may deem necessary to complete the Work.

If the total of all expenses incurred by SCE to complete the Work is greater than the sum which would have been payable under the Contract if Implementer had completed the Work, the difference shall constitute a claim against Implementer. Such claim shall be due and payable within ten working days after presentation of

the claim. Additionally, SCE shall have the right to pursue other remedies afforded by law.

23.4 Delivery of Materials: Without limiting the effect of the provisions of Sections 15 and 23.3 hereof, upon receipt of notice of termination or cancellation under this Section 23, Implementer shall immediately deliver to SCE all complete and incomplete Documentation, and all Material. If, at the time of termination or cancellation further sums are due Implementer, Implementer shall not be entitled to the sums until all Documentation and all Material required to be delivered to SCE are delivered.

23.5 Cessation of Work: Upon receipt of notice of termination or cancellation for any reason, Implementer shall promptly cease all Work except for additional Work that SCE may, in its discretion, request Implementer to perform. Additional Work shall be performed in compliance with the terms of the Contract.

24. WRITTEN NOTICES

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

Implementer:
[name of Implementer]
[name of Implementer Representative]
[mailing address]

SCE:
Southern California Edison
Michael Schwonke
6042 A Irwindale Blvd
Irwindale, CA
91702

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

25. INDEPENDENT CONTRACTOR

Implementer is and will perform the work as an independent contractor for SCE. Nothing in this Contract shall be construed so as to render Implementer an employee, agent, representative, joint venturer or partner of SCE for purposes of carrying out this Contract. Implementer shall not enter into any contracts, agreements or other obligations with any other parties which bind, or are intended to bind, SCE without first receiving express written authorization from SCE. SCE and Implementer shall each maintain sole and exclusive control over its respective personnel and operations.

26. BENEFIT TO SCE CUSTOMERS

Ratepayer funded programs must directly benefit customers in the service territory from which the funds are collected. The energy efficiency program implemented pursuant to this Purchase Order is funded in whole or in part by funds collected from SCE's customers for public purpose programs, and therefore must directly benefit SCE's customers. PGC Funds are defined as those certain funds collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purpose programs, including energy efficiency programs approved by the CPUC.

27. ENVIRONMENTAL, HEALTH & SAFETY REQUIREMENTS

The "Southern California Edison ENVIRONMENTAL, HEALTH & SAFETY HANDBOOK FOR CONTRACTORS", dated January 10, 2010, is hereby incorporated by reference into this Contract. Implementer shall immediately notify the SCE Representative if Implementer is unable to meet ANY of the requirements set forth therein. SCE may cancel this Contract if Implementer fails to meet the requirements set forth in this Handbook. Such cancellation shall not be deemed a termination under the termination provisions of this Contract.

28. 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 Contract 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 Work obligations.

29. NON-DISCRIMINATION CLAUSE

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

30. ASSIGNMENT

No Party shall assign this Contract 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 SCE 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 Implementer's consent and SCE shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

31. SEVERABILITY

In the event that any of the terms, covenants or conditions of this Contract, 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 Contract 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 Contract.

32. GOVERNING LAW; VENUE

This Contract 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 Contract shall be filed in Los Angeles County, California.

33. SECTION HEADINGS

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

34. SURVIVAL

Notwithstanding completion or termination of this Contract, the Parties shall continue to be bound by the provisions of this Contract which by their nature survive such completion or termination.

35. ATTORNEYS' FEES

Except as otherwise provided herein, in the event of any legal action or other proceeding between the Parties arising out of this Contract 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.

36. PRIOR WORK.

In the event that Implementer performs any Work authorized by SCE but prior to the execution of this Contract, then such prior Work shall be considered performed subject to the provisions of this Contract.

37. ENTIRE AGREEMENT

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

38. COUNTERPARTS.

This Contract 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.

[SIGNATURE PAGE FOLLOWS]:

SIGNATURE PAGE

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

IMPLEMENTER:

[INSERT NAME OF IMPLEMENTER]

_____

By:
Title:

SCE:

SOUTHERN CALIFORNIA EDISON

_____

By: Lynda Ziegler
Title: Senior Vice President,
Customer Service

EXHIBIT A

STATEMENT OF WORK (with Appendices A-C)

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Statement of Work

PROGRAM IMPLEMENTER: COUNTY OF LOS ANGELES ("L.A. COUNTY") OFFICE OF SUSTAINABILITY

PROGRAM NAME: LA COUNTY STRATEGIC PLAN STRATEGY ("PROGRAM")

PROGRAM BUDGET: $1,000,000

SECTION 1: PROGRAM DESCRIPTION

A. Program Background: Pursuant to Decision 09-09-047, the CPUC authorized Southern California Edison ("SCE") to conduct strategic plan activities centered on energy efficiency and addressing the "Big, Bold" strategies and related local government goals found in the CPUC's California's Long-Term Energy Efficiency Strategic Plan ("CEESP")[1]. Based on this authorization, SCE conducted a solicitation seeking to fund activities that would lead to long-term, sustainable changes as opposed to supporting staffing resources or short-term initiatives that would cease to exist once the funding had ended.

One of the selected activities in this solicitation is Implementer's expansion of the Enterprise Energy Management System ("EEMIS"), which is owned and operated by the Implementer. The Program focuses on using the Implementer's EEMIS and expertise to assist other local governments in enhancing their energy management capabilities. The Implementer will also assist local governments in adding their facilities to a regional EEMIS, and training local governments' staff to use EEMIS.

Under this Program, Implementer will expand EEMIS to accommodate other local government facilities. The Initial EEMIS Participants ("Initial EEMIS Participants") will only include government facilities located in the City of Santa Monica and other Orange County cities, the San Gabriel Valley Council of Governments, and the South Bay Cities Council of Governments. EEMIS may be expanded to additional municipalities, if feasible.

Another selected activity is for the Implementer to provide support for local governments in developing and implementing energy efficiency programs by developing a local government energy efficiency resources plan and energy efficiency program documents. Implementer will also work with local governments in using the energy efficiency documents to implement energy efficiency pilot projects.

[1] Please go to www.californiaenergyefficiency.com for a copy of the CEESP.

The Implementer will perform the Program tasks required, meeting the objectives of the CEESP by achieving the following CEESP Goals:

- **Strategic Plan Goal 3:** Local governments lead by example with their own facilities and energy usage practices; and[2]
- **Strategic Plan Goal 5:** Local government energy efficiency expertise becomes widespread and typical.

Strategic Plan Task 3.1.x: Facilitate the establishment of "utility manager" computer system or EEMIS for other local governments; and

Strategic Plan Task 5.x: Develop a local government energy efficiency resources plan and energy efficiency program documents that can be used by all local governments in developing and implementing energy efficiency projects.

B. Defined Terms: Capitalized terms not otherwise defined in this Statement of Work ("SOW") will have the meaning ascribed to them in the Contract, which is attached to the SOW and incorporated herein by reference.

1. **Business Day:** The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
2. **Calendar Day:** The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays.
3. **Calendar Month:** A term ending on the last Calendar Day of each month.
4. **Change Order:** Document SCE issues to Implementer and, unless otherwise provided in the Contract, Implementer accepts, and which changes or modifies the terms of the Contract.
5. **Contract:** Document issued by SCE to Implementer, as may be amended in writing as provided therein, which authorizes the Work, states the terms and conditions and incorporates by reference the Statement of Work and any other referenced documents, if applicable, all of which form the agreement (Contract) between SCE and the Implementer, with the following priority in the event of conflicting provisions: Change Orders, from the most recent to the earliest; the Statement of Work; the Contract; and any other referenced documents, and which facilitates payment to the Implementer for the Work described herein.

[2] From CPUC's California's Long-Term Energy Efficiency Strategic Plan

6. **Contract Program Manager or CPM:** The SCE Representative who will manage the Program.

7. **CPUC:** The California Public Utilities Commission.

8. **Implementer:** L.A. County Office of Sustainability.

9. **Participating Municipalities:** Any municipality, county or local government agency in SCE's service territory, who is considering the purchase of access to Implementer's EEMIS, or who has purchased access to Implementer's EEMIS. Participating Municipalities also include any municipality, county or local government agency in SCE's service territory, who receives energy efficiency services to implement pilot programs from the Implementer.

10. **Performance Indicators:** Specific, measureable, actionable, realistic and time-specific requirements that will directly and measurably contribute to SCE's business goals for the Contract.

11. **SCE Representative**: The CPM or such other representative authorized by SCE to manage this Program.

12. **Subcontractor**: An entity contracting directly or indirectly with Implementer to furnish services or materials as part of or directly related to Implementer's Work. Subcontractor may also include any Participating Municipality.

13. **Title 24:** California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code (composed of 12 parts). Title 24, Part 6 sets forth California's energy efficiency standards for residential and nonresidential buildings and was established in 1978 in response to a legislative mandate to reduce California's energy consumption. The standards are updated periodically to allow consideration and possible incorporation of new energy efficiency technologies and methods. Title 24, Part 6 is the focus of the Work under this Contract.

14. **Work:** Any and all obligations of Implementer to be performed during the term of this Contract, any revision to this Contract, or a subsequent Contract or Contract Addendum incorporating this Statement of Work. The Work will include, but may not be limited to, the tasks described in Section 5 of this Statement of Work.

SECTION 2: OBJECTIVES

Through the Program, the Implementer will provide a cost-effective means for Participating Municipalities in the region to monitor, analyze, and benchmark facility energy usage using a single, existing energy management software tool currently managed by the Implementer.

The Implementer will upgrade its existing EEMIS to accommodate Participating Municipalities' facilities, develop a business case to demonstrate how Participating Municipalities may implement EEMIS and effectively utilize its features, and facilitate the installation of EEMIS by Participating Municipalities

LA County's existing EEMIS application is fully scalable and is capable of accommodating an unlimited number of Participating Municipalities, and an infinite number of buildings with time of use meters in each Participating Municipality. Implementer may add additional Participating Municipalities, which are not included in the Initial EEMIS Participants, if feasible. The data expected to be added to the Implementer's EEMIS system through October 15, 2012 by the Initial EEMIS Participants including the data for 140 buildings with time of use meters is about 5% of the current Implementer's server capacity. Implementer's existing data server has the capacity to process data for an unlimited amount of time of use meters, and all of the data from the utility accounts for the Initial EEMIS Participants. Implementer will procure additional EEMIS data servers, if needed, for the EEMIS data needs of the additional Participating Municipalities.

The primary objective is to add all the utility accounts for the Initial EEMIS Participants into EEMIS. Another objective is to add all buildings with time of use meters for the Initial EEMIS Participants, which is estimated to be 140 buildings, into EEMIS by October 15, 2012.

Implementer will also assist Participating Municipalities in program implementation by developing and disseminating energy efficiency program procurement, financing and implementation documents. Implementer will also develop a sustainability plan that can provide energy efficiency services to Participating Municipalities beyond October 15, 2012. The objective is to help Participating Municipalities implement more comprehensive energy efficiency projects.

SECTION 3: GENERAL REQUIREMENTS

A. Notice to Proceed ("NTP"): Implementer may start Work only upon the occurrence of each of the following:

1. Implementer receives the Contract;
2. Implementer provides to the CPM a signed acknowledgement form of the Contract; and
3. CPM provides to Implementer written approval to proceed.

B. Goals: The primary goal of the Program is to achieve the objectives and Performance Indicators set forth herein, in the time frame herein. SCE will regularly review the implementation schedule (milestones, delivery dates, etc.) contained herein against actual Work performed by Implementer to assess the Program's progress.

SECTION 4: SCHEDULE OR TASKS DELAYS

If the schedule or a task (including achievement of goals as outlined herein) is delayed for any reason, Implementer has the responsibility to notify the CPM in writing within thirty (30) Business Days. SCE may accept the delay, allow time for the remedy of the delay, reduce both the budget and the Work, or terminate the Contract within thirty (30) Business Days following receipt of any written notice of delay from Implementer.

SECTION 5: STATEMENT OF WORK

The Work for each of the CEESP Goals and associated tasks are described herein:

Task 1 - Program Ramp-up

A. **Attend Program Kick-off Meeting:** Implementer's representative(s) will attend a half-day Program kick-off meeting with the CPM to discuss Program logistics, marketing coordination, evaluation, monitoring and verification coordination, invoicing requirements, scope of Work, and any remaining Contract issues at an SCE -designated location. To avoid duplication and unnecessary expenditures, CPM will provide information and guidance regarding currently available resources (for example: available training programs, EEMIS resource guide, templates, reach building codes etc.) to be used by the Implementer in assessing pre-existing resources. This will enable the Implementer to focus efforts in each task where any gaps exist.

   Implementer's representative will attend the Program kick-off meeting at a time and place to be determined by SCE after the issuance of the NTP.

B. **Program Data, Invoicing, and Reporting Tool Training:** The Implementer will attend a half-day workshop (Webcast) that provides training on the use of SCE invoicing and reporting tool ("IR Tool"). The Implementer will attend IR Tool training at a time and place to be determined by SCE after the issuance of the NTP.

Deliverable(s)	Due Date(s)
1. Attend a half-day Program Kick-off Meeting	Determined by SCE after the issuance of the NTP.
2. Attend a half-day IR Tool training session and ongoing IR Tool update training.	Determined by SCE after the issuance of the NTP or notification of IR Tool program changes.
3. Delivery flat files (first draft) to CPM for review and approval.	IR Tool training plus 5 Calendar Days.
4. Delivery of flat files (final draft) to CPM for review and approval.	IR Tool training plus 10 Calendar Days.

Task 2 - Strategic Plan Goal 3

The Program supports Strategic Plan Goal 3:
Strategic Plan Goal 3: Local governments lead by example with their own facilities and energy use practices.

Task 2. (Strategic Plan Task 3.1.x): 'Facilitate the establishment of "utility manager" computer system or EEMIS for other local governments'.

Task 2: Facilitate the Establishment of EEMIS for Participating Municipalities:
Implementer will facilitate the establishment of EEMIS for Participating Municipalities by modifying and hosting EEMIS, helping Participating Municipalities to obtain EEMIS access, facilitating the installation of EEMIS, and providing post-EEMIS installation consulting support. Implementer will provide all materials developed under this task to CPM for review and comment.

1. Report on Status of Implementer or Subcontractor to Support the Task: Implementer will submit monthly reports to the CPM on the status of hiring expertise to modify Implementer's EEMIS.

2. EEMIS Planning Report: Implementer will develop an EEMIS planning report that will include the following sections:
    - Assessment of the current capability of EEMIS, detailed description and rationale of the EEMIS enhancements needed to add all utility accounts for the Initial EEMIS Participants and all buildings with time-of-use meters for each Initial EEMIS Participant ;
    - Detailed description, rationale, budget and timeline for Implementer's EEMIS modifications including: the transfer of the hosting of the EEMIS application to the Subcontractor's remote infrastructure, ongoing hosting of the EEMIS application, implementation of EEMIS hardware and software upgrades, the development of a regional system hierarchy, that accommodates Participating Municipalities , and any other required modifications;
    - Minimum system requirements for the Participating Municipalities to effectively use the EEMIS software and a list of the most likely expenses to be incurred by the Participating Municipalities to effectively run EEMIS;[3]
    - Detailed description of EEMIS data storage and maintenance responsibilities for Implementer, Subcontractor and Participating Municipalities ;
    - Description, frequency and timeline of Implementer's assistance to Participating Municipalities who install EEMIS to include at a minimum: system training, data configurations, inputting data for test case facility(s), validating the test case

[3] Implementer is not responsible for funding the costs of sub-metering the facilities of Participating Municipalities.

EEMIS data, EEMIS webcasts and technical forums, and any other assistance; and

- Implementer will also develop detailed cost specifications and published rates for the procurement of the right to use EEMIS for Participating Municipalities. The Implementer will also develop EEMIS Access Agreement(s) "EEMIS Access Agreement") to be executed by the Implementer and each Participating Municipality. The EEMIS Access Agreement will specify the pricing terms and other conditions for purchasing the rights to use EEMIS, transferring data into EEMIS, storing EEMIS data, and maintaining EEMIS. The EEMIS Access Agreement will also include a complete description of the rights and responsibilities for all parties.

3. Report on Implementer's EEMIS Modifications and Ongoing EEMIS Hosting: Implementer will implement the upgrades to the EEMIS application based on the EEMIS planning report provided by the Implementer. Implementer will notify CPM, if there are any changes to the upgrades and ongoing EEMIS hosting in the EEMIS planning report. Implementer will also provide documentation that all upgrades have been completed and the cost of monthly ongoing EEMIS hosting to CPM.

4. Report on Implementer's Activities to Enable Participating Municipalities to Procure Access to EEMIS: Implementer will report on the following activities to enable Participating Municipalities to procure access to EEMIS.
    - Implementer will conduct regional workshops to promote EEMIS by describing the EEMIS benefits, and demonstrating both the reporting and analysis capabilities and also the specific functionality related to retrocommissioning, and monitoring based commissioning. Implementer will provide copies of all workshop materials and contact information for all workshop attendees to the CPM.
    - Implementer will meet with Participating Municipalities and provide sufficient information that would allow the Participating Municipalities to make an informed decision on whether to install EEMIS. The outreach to the Participating Municipalities will include the following: an EEMIS business case, scope of work template including minimum EEMIS system requirements, and EEMIS Access Agreement. Implementer will develop an EEMIS business case to demonstrate how Participating Municipalities may implement EEMIS and effectively use its features. Implementer will provide the business case to the CPM for review. Implementer will also provide the CPM with information on all meetings with Participating Municipalities including a summary of the meeting minutes, meeting date, location and contact information for all attendees.
    - The Implementer will also provide a scope of work template to Participating Municipalities' energy management staff, building management staff, and other representatives to help them develop an action plan, that identifies the steps necessary to prepare their facilities to be added to EEMIS. These steps will include: acquiring meter data from utilities, identifying and implementing sub-metering, storing meter and sub-meter data, transferring data to the Implementers'

EEMIS, acquiring bill data from utilities, and acquiring other building system information. The scope of work template will also include the minimum EEMIS system requirements and a list of the most likely expenses to be incurred by Participating Municipalities to effectively run EEMIS. Implementer will provide scope of work template for CPM review; and

- The Implementer will execute the EEMIS Access Agreement(s) with Participating Municipalities. The Participating Municipality must sign the EEMIS Access Agreement(s), before receiving any additional Program services. The EEMIS Access Agreement(s) may be executed at any time prior to June 1, 2012. Implementer will provide copies of executed EEMIS Access Agreements to CPM.

5. Report on Facilitation of Participating Municipalities' EEMIS Installations by the Implementer: After the EEMIS Access Agreement has been executed, the Implementer will provide staff to work with Participating Municipalities on data gathering, data configurations, and verification of data formats. Implementer will input the data for all billing accounts, and selected utility meters into EEMIS. Implementer will run the EEMIS software for all facilities with EEMIS data, and validate the EEMIS results. Implementer will also customize the scope of work to reflect any unique data, and/or operations considerations. Implementer will provide the CPM all EEMIS reports and a list of all Participating Municipalities with functional EEMIS systems. Implementer will also provide the CPM with a description of installation facilitation assistance, dates of installation facilitation assistance, and contact information for the Participating Municipality receiving the assistance.

6. Report on Post-EEMIS Installation Consulting Support: Implementer will provide consulting support including preparing web-based benchmarking screens, and tools to facilitate development of regional data reporting. Implementer will also provide EEMIS training workshops, webcasts and/or EEMIS user groups to strengthen the use of EEMIS by Participating Municipalities. Implementer will provide the CPM copies of all workshop materials, workshop dates, locations and a list of attendees. Implementer will also provide CPM with a description of consulting support, dates of consulting support, and contact information for the Participating Municipality receiving the consulting support.

7. Documentation of EEMIS Use by Participating Municipalities: Implementer will also document the use of EEMIS by Participating Municipalities including the number of buildings for each Participating Municipality on EEMIS, and whether EEMIS has been used to benchmark results.

8. Monthly Status Report: Implementer will provide to the CPM a monthly report of all on-going activities including a list of monthly achievements and outstanding issues.

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Task 2 - Deliverable(s)	Due Date(s)
1. Report on status of Implementer or Subcontractor to support the Task	Within NTP + 30 Calendar Days
2. EEMIS planning report	Within NTP +120 Calendar Days
3. Report on Implementer's EEMIS modifications and ongoing EEMIS hosting	Within 60 Calendar Days of receipt of CPM comments on EEMIS planning report
4. Report on Implementer's activities to enable Participating Municipalities to procure access to EEMIS	Monthly with Invoicing Requirements (see Task 4)
5. Report on facilitation of Participating Municipalities' EEMIS installations by Implementer	Monthly with Invoicing Requirements (see Task 4)
6. Report on Post-EEMIS installation consulting support	Monthly with Invoicing Requirements (see Task 4)
7. Documentation of EEMIS use by Participating Municipalities	Monthly with Invoicing Requirements (see Task 4)
8. Monthly status report	Monthly with Invoicing Requirements (see Task 4)

Task 3 - Strategic Plan Goal 5

The Program supports Strategic Plan Goal 5:

Strategic Plan Goal 5: Local government energy efficiency expertise becomes widespread and typical.

Task 3. (Strategic Plan Task 5.x): Develop energy efficiency services management plan and program documents that can be used by Participating Municipalities in developing and implementing energy efficiency projects.

Task 3A: Develop and Administer Local Government Energy Efficiency Resources Plan: Implementer will develop a coordination plan for all local government energy efficiency resource activities conducted by both the Implementer and Huntington Beach, and develop an energy efficiency resources plan for Participating Municipalities. Implementer will provide all materials developed under this task to CPM for review and comment.

1. Report on Status of Implementer or Subcontractor to Support the Task: Implementer will submit monthly reports to the CPM on the status of hiring expertise to develop and administer the local government energy efficiency resources plan.

2. Draft and Final Coordination of Efforts Plan: Implementer shall coordinate and integrate its efforts with the local government energy efficiency resources program implemented by Huntington Beach. The coordination plan will include a detailed description of all activities undertaken by the Implementer for Task 3, and a detailed description of all activities in the local government energy efficiency resources program implemented by Huntington Beach. The coordination plan will identify overlapping responsibilities for both the Implementer and Huntington Beach and clearly delineate the responsibilities for the overlapping activities. Implementer understands, acknowledges and agrees that the purpose of such coordination and integration is to enhance consistency in program offerings, and to minimize duplicative administrative, direct implementation and marketing costs. Implementer will develop and distribute the draft coordination plan to Huntington Beach, and the CPM for review and comments. Implementer will develop the final coordination plan incorporating comments from Huntington Beach and the CPM. Implementer shall describe in each monthly report all coordination and integration activities with the local government energy efficiency resources program, implemented by Huntington Beach.

3. Draft and Final Local Government Energy Efficiency Resources Plan: The objectives of the plan are to develop sustainable technical resources, which can be used in the implementation of energy efficiency projects for municipal buildings. These resources will be used to help implement energy efficiency pilot programs for Participating Municipalities. The plan will guide the implementation for all activities identified for Task 3. The plan will also include the following components:
   - Description and timeline for all activities to complete Tasks 3A, 3B, and 3C;
   - Description of the eligibility requirements for the energy efficiency pilot programs implemented in Task 3C;
   - A comprehensive list of all existing technical resources from the Participating Municipalities, Implementer, SCE, CPUC, and other non-governmental organizations; and
   - Detailed discussion of how the existing resources will be used in implementing Task 3C.

Implementer will distribute the draft local government energy efficiency resources plan to the Participating Municipalities and the CPM for review and comments. Implementer will develop the final local government energy efficiency resources plan incorporating comments from the Participating Municipalities and the CPM.

4. Monthly Status Report: Implementer will provide to the CPM a monthly report of all on-going activities including a list of monthly achievements and outstanding issues.

Task 3A - Deliverable(s)	Due Date(s)
1. Report on status of Implementer or Subcontractor to support the Task	Within NTP + 30 Calendar Days
2. Draft and final coordination of efforts plan including description of all activities for Task 3 and the local government energy efficiency resources program implemented by Huntington Beach, identification of overlapping activities, and delineation of the responsibilities for the overlapping activities	Draft plan - Within NTP +30 Calendar Days Final plan - Within 30 Calendar Days of receipt of CPM comments on draft plan Monthly with Invoicing Requirements (see Task 4)
3. Draft and final local government energy efficiency resources plan including: description and timeline for all activities, description of eligibility requirements for Task 3C, list of existing technical resources, and detailed discussion of how existing resources will be used in implementing Task 3C	Draft plan - Within NTP +100 Calendar Days Final plan - Within 60 Calendar Days of receipt of CPM comments on draft plan
4. Monthly status report	Monthly with Invoicing Requirements (see Task 4)

Task 3B: Prepare Draft and Final Local Government Energy Efficiency Resources Sustainability Plan: Implementer will develop recommendations for an organizational structure that can provide energy efficiency services to Participating Municipalities beyond October 15, 2012. Implementer will submit monthly reports to the CPM on the status of developing the plan to ensure program sustainability. Implementer will also submit the draft and final sustainability plan for CPM review and approval. In developing the sustainability plan, Implementer will undertake the following activities:

- Research and propose methodologies for providing energy efficiency services sustainability including: fee based membership, fees for service, and other revenue generation;
- Develop and obtain input from Participating Municipalities on specific recommendations to generate sufficient revenues to ensure energy efficiency services sustainability;
- Develop and distribute draft local government energy efficiency resources sustainability plan to Participating Municipalities and CPM; and
- Develop final local government energy efficiency resources sustainability plan incorporating comments from Participating Municipalities and CPM.

Task 3B - Deliverable(s)	Due Date(s)
1. Draft and final local government energy efficiency resources sustainability plan Draft plan includes the research and proposed methodologies for providing sustainability, a description and discussion of recommendations obtained from the Participating Municipalities on revenue generation, and the draft sustainability plan. Final local government energy efficiency resources sustainability plan	Draft plan – by June 1, 2012 Final plan - Within 60 Calendar Days of receipt of CPM comments on draft plan
2. Monthly status report	Monthly with Invoicing Requirements (see Task 4)

Task 3C: Provide Energy Efficiency Services for Energy Efficiency Pilot Projects: Implementer will provide program documents and energy efficiency assessments and / or audits to Participating Municipalities for energy efficiency pilot projects. Implementer will provide all materials developed under this task to CPM for review and comment.

1. Develop Draft and Final List of Energy Efficiency Pilot Projects and Budgets: Implementer will develop an initial list of municipal buildings and energy efficiency pilot projects using existing analyses, audits, or other previous work, and a preliminary budget. Implementer will obtain feedback from Participating Municipalities and the CPM on the initial list of energy efficiency pilot projects, including a description of the energy assessment and/or audit to be undertaken, and incorporate comments in developing the final list of energy efficiency pilot projects and final budgets. Implementer will obtain SCE approval of the final list of energy efficiency pilot projects, description of the methods to conduct the energy assessment and/ or energy audit, and budgets.
2. Develop Draft and Final Program Documents for Energy Efficiency Pilot Projects: Implementer will develop procurement, financing and implementation documents for each project on the final SCE approved list of energy efficiency pilot projects. Implementer will submit monthly reports to the CPM on the status of developing the program documents. Implementer will also submit the draft and final program documents for CPM review and approval. Implementer will also provide the CPM a checklist list for all the following program documents including the submission date to the CPM, and the document title:
    - Project scope, schedule, budget, and financial requirements specifications;
    - Provide generic strategies to build support for projects;

- Develop detailed estimates of installation cost, and energy savings estimate, using the SCE approved method for implementing energy assessments and/or audits;
- Identify generic cash resources;
- Identify generic debt resources;
- Determine final mix of funding sources and projects including funding for project management;
- Project solicitation and procurement agreements and processes;
- Project reporting requirements and templates;
- Project management, implementation and inspection guidelines;
- Project financing implementation guidelines;
- Project verification protocols and measurement protocols for all projects with utility cost-effectiveness requirements and/or investment return requirements for all projects with debt financing ; and
- Project close-out activity guidelines.

3. Report on the Dissemination of Program Documents and Case Studies on Lessons Learned: Implementer will disseminate program documents and lessons learned in implementing the pilot programs. Implementer will provide CPM a monthly report listing the accomplishments of the following activities, and copies of all newsletters ,case studies, and status report:

   - Develop a public website that will be used to disseminate program results. Implementer will send out an introductory e-mail introducing the website and explaining the website's mission to all Participating Municipalities and CPM;
   - Post all SCE approved program documents on Implementer's website within 5 Calendar Days of SCE approval, and distribute program documents by e-mail to Participating Municipalities and CPM, prior to completion of public website. Implementer will also notify by e-mail all Participating Municipalities and the CPM, when there are additional documents posted on the website;
   - Implementer will also disseminate a quarterly electronic newsletter educating the Participating Municipalities on the use of the program documents and lessons learned in implementing the pilot programs to the Participating Municipalities and the CPM by the last Business Day of each quarter. Implementer will also post the newsletters on the website by the last Business Day of each quarter; and
   - Prior to September 30, 2012, Implementer will also hold a conference or webinar to discuss the results of the entire program, and to provide a forum to discuss lessons learned during the implementation of the pilot programs. Implementer will present a status report on the implementation of all pilot

programs. Implementer will also present case studies for a minimum of two of the pilot programs on the use of program documents in implementing pilot programs, including lessons learned in implementing the pilot programs. Implementer will provide CPM with all materials presented and a copy of the attendance list. Implementer will also post the case studies and status report on Implementer's website within 5 Calendar Days of holding the conference and/or webinar and notify by e-mail all Participating Municipalities and CPM, when the materials are posted on the website.

4. Monthly Status Report: Implementer will provide to the CPM a monthly report of all on-going activities including a list of monthly achievements and outstanding issues.

Task 3C - Deliverable(s)	Due Date(s)
1. Draft and final list of energy efficiency pilot projects and budgets including description of the methods to conduct the energy audit and/or assessment	Draft list - Within NTP +100 Calendar Days Final list - Within 60 Calendar Days of receipt of CPM comments on draft list
2. Draft and final program documents and checklist including project scope, generic strategies to build project support, detailed estimates of installation costs and savings, generic mix of cash and debt resources, final mix of funding sources, solicitation and procurement agreements, reporting requirements and templates, management, inspection and implementation guidelines, financing implementation guidelines, verification and measurement protocols, and project close-out guidelines	Draft program documents to be completed within 120 Calendar Days of submitting final project list Final program documents to be completed by September 30, 2012 Monthly with Invoicing Requirements (see Task 4)
3. Report on the dissemination of program documents and case studies of lessons learned : • Public website • Program documents • Quarterly newsletter • Conference materials	Monthly with Invoicing Requirements (see Task 4) To be completed within NTP plus: 90 Calendar Days Disseminated within 5 Calendar Days of receiving SCE approval Disseminated by the last Business Day of each quarter Disseminated within 5 Calendar Days of holding the conference and/or webinar
4. Monthly status report	Monthly with Invoicing Requirements (see Task 4)

Task 4 – Invoicing and Reporting

A. **IR Tool:** After SCE provides Implementer training on the IR Tool, the Implementer will utilize the IR Tool, which serves three primary purposes:

1. Enables Implementer to provide SCE with required Program information;
2. Provides CPM the capability to access Implementer's Program information and create reports; and
3. Provides miscellaneous reporting support for SCE's internal and CPUC reporting requirements.

B. **Submission of Information into IR Tool:** Implementer will update the IR Tool on a monthly basis in accordance with requirements delineated in Appendix A (Monthly Invoicing and Reporting Requirements). Implementer will work collaboratively with the CPM in tailoring the flat files for the Program.

C. **Monthly Invoicing and Reporting:** All required monthly invoice reports can be generated via the IR Tool. Implementer will be responsible for implementing, adhering to, and the submission of, the items as described in Appendix A (Monthly Invoicing and Reporting Requirements) of this Statement of Work. The invoice reporting requirements may be amended from time to time, at which time SCE will notify Implementer of the changes and issue a new Appendix A. Implementer will implement these modifications in a timely manner and they will be reflected in future invoice documentation.

D. **SCE's Regulatory Reporting:** Implementer will implement, adhere to, and submit the items as described in Appendix B (Regulatory Reporting Requirements), as SCE requests. The CPUC reporting requirements may be amended from time to time, at which time SCE will notify Implementer of the changes and issue a new Appendix B. Implementer will implement these modifications in a timely manner and they will be reflected in future invoice documentation.

Implementer acknowledges that SCE may, in its sole discretion, require Implementer to provide such other reports or documentation that SCE deems appropriate or necessary ("Ad Hoc Reports"). Implementer will comply with any request for such Ad Hoc Report(s) within a reasonable time or, if applicable, within the time requested by SCE.

Deliverable(s)	Due Date(s)
1. Prepare and submit monthly invoices and supporting documentation to SCE.	Monthly, by the 15th Calendar Day for Work completed the preceding month

2. Prepare and submit monthly regulatory report, including flat files and monthly deliverable work sheet.	Monthly, by the 15th Calendar Day for Work completed the preceding month
3. Prepare and submit Quarterly regulatory reports (Appendix B) to SCE	Quarterly, by the 30th Calendar Day for Work completed the preceding quarter, through October 31, 2012
4. Prepare and submit Ad Hoc Reports	As SCE requests and/or requires
5. Prepare and submit final invoice and Program Report to SCE	By November 15, 2012 for final invoice and by October 31, 2012 for final Program Report

Task 5 - Ramp-Down and Shut-Down Program

A. Program Ramp-Down: Implementer will provide SCE with a ramp-down plan for the Program. To ensure complete Program shutdown, the Program ramp-down period will commence no later than September 1, 2012. Implementer's plan for Program ramp-down will take into consideration that all services described in tasks 1, 2, and 4 must be completed by October 15, 2012.

Implementer will resolve all outstanding Program and Partnership issues and begin preparation of the Final Report beginning September 1, 2012.

B. Program Shutdown: Implementer will provide to the CPM a plan with procedures on shutting down the Program.

All Program operations will be completely shut down after the last day of the Contract effective period.

Deliverable(s)	**Due Date(s)**
1. Submit detailed ramp-down and shutdown plans and schedules to CPM for review and approval	No later than September 1 , 2012
2. Resolve outstanding Program and Partnership issues and begin preparation of Final Report	No later than September 1 , 2012
3. Begin Program ramp-down	No later than September 1, 2012
4. Complete all services- Tasks 1, 2, and 4	No later than October15, 2012

Task 6 - Submit Final Program Report

After Program shutdown and follow-up issues have been completed and resolved, the Implementer will submit a final report that reviews the Program's progress and accomplishment (the "Final Report"). At a minimum, the Final Report will cover:

A. **Goal Attainment:** Documentation that substantiates the Implementer's achievement of the objectives, Program Performance Indicators, and deliverables for the Contract.

B. **Program Achievement Discussion:** Were the goals/objectives met? Were the Program Performance Indicators achieved? Complete Program achievement for each Program Performance Indicator and deliverable indicating the measureable Program accomplishments.

C. **Program Challenges:** What were the significant obstacles that were overcome?

D. **Lessons Learned:** Could a Program of this scale have accomplished more?

E. **Program Improvement Recommendations:** What improvements could have been made to help the Program be even more successful?

F. **Program Next Step:** Should the Program a) be mainstreamed, b) continued to be developed or, c) ended.

Deliverable(s)	Due Date(s)
1. Submit draft Final Report for SCE review and approval	No later than October 15, 2012
2. Submit revised Final Report for SCE review and approval	The earlier of October 31, 2012 or within 2 weeks of receipt of SCE comments

SECTION 6: PAYMENT

A. **Payment Terms:** The Implementer Budget will utilize 100% time and material based payments ("T&M payments"). Payment of the Implementer's budget will be based on receipt by SCE of the deliverables set forth herein. T&M payments will be in accordance with the Billing Rates set forth in Table 1, below and Appendix C (Billing Schedule). All payments will be subject to the Contract and consistent with the budget breakdown set forth herein. Payment will be based on meeting deliverables and due dates set forth in Section 5 of this Statement of Work.

B. **Implementer Budget Limit:** Under no event will Implementer exceed the total amount budgeted by SCE for this Contract of **$1, 000,000.**

Table 1: Implementer T&M Fully Burdened Hourly Rate

Implementer Job Function	Fully Burdened Hourly Rate 2010-2012[1] ($/Hour)	% of Total Hours
Subcontractor – Administrative Support	$80	N/A
Subcontractor – Resource Manager	$81	N/A
Subcontractor – Project Manager	$125	N/A
Subcontractor – Technical Support	$150	N/A
Subcontractor – Senior Project Manager	$152	N/A
Subcontractor – Product Manager	$218	N/A
Subcontractor – Senior Consultant	$234	N/A
Subcontractor – Financial Consultant	$250	N/A
Subcontractor – Principal	$250	N/A
Subcontractor – Bond Counsel	$260	N/A
Facilities Project Manager I	$108	40%
Facilities Project Manager II	$121	3%
Building Crafts Superintendent I	$127	24%
Electrician – Energy Division	$102	9%
Refrigeration Mechanic – Energy Division	$103	3%
Senior Application Programmer	$121	3%
IT Specialist	$156	3%
Principal Application Developer	$156	3%
Application Developer II	$102	1%
Senior Information Technology Aide	$64	9%
Staff Assistant I	$57	1%
Intermediate Typist Clerk	$44	1%
Average rate for all Implementer's Staff	**$110**	**100%**

Notes:

1. Please refer to Contract Section 10.2.2 for more information on T&M Fully Burdened Hourly Billing Rates
2. Subcontracted Work shall be charged at the hourly rates actually paid by Implementer, not to exceed the hourly rates set forth in the Contract for Work performed by the Implementer. Implementer shall provide Subcontractor invoices for any Implementer's invoice that includes Subcontractor costs.

Table 2: Implementer's Budget Breakdown –

Allowable Cost Item[1]	%	$
1) Administration	8	80,000
2) Marketing/Outreach Costs	16	160,000

3) Direct Program Costs	76	760,000
Total Implementer Budget: 1) + 2) + 3)	**100%**	**$1,000,000**

Notes:

1. Please refer to Appendix B for more information on Allowable Cost categories.

SECTION 7: PERFORMANCE INDICATORS

SCE will, at a minimum, monitor the Work based on the following Program Performance Indicators:

A. Progress made against the goals, deliverables, and due dates above; and

B. Actual performance versus predicted performance as outlined herein.

Appendix A: Monthly Invoicing and Reporting Requirements

A. Requirements

Monthly hard copy invoices are required at the 15th Calendar Day of each month for Work completed the preceding month with invoicing supporting files described herein. These invoices and supporting documents are for Work performed by the Implementer and all Subcontractors.

On November 15, 2012 or sooner, Implementer will submit a final invoice associated with Program services that are tied directly to delivery of the Program deliverables. No Work except that associated with preparing the Final Report (Task 6) and final invoice will be performed after October 15, 2012. Subsequent invoices will only contain expenses associated with closing out the Program (i.e., administration expenses, etc.) that are not directly tied to delivery of the Program goals.

B. Procedures

1. Implementer uploads their Customer flat files into the IR Tool. The IR Tool creates a draft invoice for Implementer's review.

2. CPM reviews the draft invoice and advises the Implementer to re-submit their invoice if requested. Implementer is required to submit the following files to SCE by the 15th Calendar Day of each month with each of their invoice submission:
   - Invoice – Hard Copy and electronic copy uploaded into the IR Tool;
   - Program Tracking Flat File – Uploaded electronically into the IR Tool;
   - Financial Flat File – Uploaded electronically into the IR Tool;
   - Monthly Narrative - Hard Copy with invoice submission;
   - Deliverable Table – Uploaded electronically.
   - Allowable Cost Table (see Appendix B) – Hard Copy with invoice submission; and
   - Supporting documentation – Uploaded electronically into the IR Tool.

3. Upon approval by CPM, the invoice is paid.

C. Monthly Narrative

The monthly narrative will include a discussion on the following Program activities occurring during the month:

- Administrative activities;
- Marketing activities;
- Direct Implementation activities;
- Implementer's assessment of Program performance and Program status (is the Program on target, exceeding expectations, or falling short of expectations, etc.);
- Discussion of changes in Program emphasis (new Program elements, less or more emphasis on a particular delivery strategy, Program elements discontinued, Measure discontinued, etc.);
- Discussion of near term plans for Program over the coming months (i.e., marketing and outreach efforts that are expected to significantly increase Program participation, etc.);
- Changes to staffing and staff responsibilities, if any;
- Changes to contacts, if any;
- Changes to Subcontractors and Subcontractor responsibilities, if any; and
- Number of Program complaints received.

Appendix B: Regulatory Reporting Requirements

1. Program Reporting

Implementer will provide SCE with the requisite information on the prior month's activities, accomplishments and expenditures related to its respective Work obligations, for purposes of preparing any reports required of SCE by the CPUC including Quarterly and Annual Reports. Requirements for these reports may change per the direction of the CPUC or the CPUC's Energy Division. The current reporting requirements are as follows:

2. Quarterly Report

Implementer will provide SCE with the requisite information to be compiled for the quarterly portfolio reporting.

2.1. Expenditures for the Program per cost; Section 4, below contains a list of allowable costs.

a. CPUC authorized budget
b. Operating Budget
c. Total Expenditures
   - Administrative Cost
   - Marketing/Advertising/Outreach Costs
   - Direct Implementation Cost

2.2. Program Narratives – For the Program, a description of the Program activities occurring during the quarter.

a. Administrative activities
b. Marketing activities
c. Direct Implementation activities
d. Implementer's assessment of Program performance and Program status (is the Program on target, exceeding expectations, or falling short of expectations, etc.)
e. Discussion of changes in Program emphasis (new Program elements, less or more emphasis on a particular delivery strategy, Program elements discontinued, Measure discontinued, etc.)
f. Discussion of near term plans for Program over the coming months (i.e., marketing and outreach efforts that are expected to significantly increase Program participation, etc.)
g. Changes to staffing and staff responsibilities, if any
h. Changes to contacts, if any
i. Changes to Subcontractors and Subcontractor responsibilities, if any
j. Number of Partnership complaints received

2.3. Implementer will provide additional data or information as required by the CPUC.

3. Annual Reports

Implementer will provide SCE with the requisite information to be compiled for the annually portfolio reporting.

3.1. Expenditures for the Program per cost; Section 4, below contains a list of allowable costs.

a. CPUC authorized budget
b. Operating Budget
c. Total Expenditures
   - Administrative Cost
   - Marketing/Advertising/Outreach Costs
   - Direct Implementation Cost

3.2. Program Narratives – For the Program, a description of the Program activities occurring during the year.

a. Administrative activities
b. Marketing activities
c. Direct Implementation activities
d. Implementer's assessment of Program performance and Program status (is the Program on target, exceeding expectations, or falling short of expectations, etc.)
e. Discussion of changes in Program emphasis (new Program elements, less or more emphasis on a particular delivery strategy, Program elements discontinued, etc.)
f. Discussion of near term plans for Program over the coming months (i.e., marketing and outreach efforts that are expected to significantly increase Program participation, etc.)
g. Changes to staffing and staff responsibilities, if any
h. Changes to contacts, if any
i. Changes to Subcontractors and Subcontractor responsibilities, if any
j. Number of Partnership complaints received

3.3. Implementer will provide additional data or information as required by the CPUC.

4. 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 CPM. If there is a desire to include additional Allowable Cost elements, the CPM should be contacted in order to seek approval from the CPUC.	
	3/30/2006
Cost Categories	**Allowable Costs**
Administrative Cost Category	
	Managerial and Clerical Labor
	Implementer Labor – Clerical
Note: *These allowable costs are to be allocated towards the direct implementation category.	*Implementer Labor - Program Design
	*Implementer Labor - Program Development
	*Implementer Labor - Program Planning
	*Implementer Labor - Program/Project Management
	Implementer Labor - Staff Management
	Implementer Labor - Staff Supervision
	Human Resource Support and Development
	Implementer Labor- Human Resources
	Implementer Labor - Staff Development and Training
	Implementer Benefits - Administrative Labor
	Implementer Benefits - Direct Implementation Labor
	Implementer Benefits - Marketing/Advertising/Outreach Labor
	Implementer Payroll Tax - Administrative Labor
	Implementer Payroll Tax - Direct Implementation Labor
	Implementer Payroll Tax - Marketing/Advertising/Outreach Labor
	Implementer Pension - Administrative Labor
	Implementer Pension - Direct Implementation Labor
	Implementer Pension - Marketing/Advertising/Outreach Labor
Note: **Travel and Conference Fees associated with Implementer Labor (e.g., Program Design, Program Development, Program Planning, and Program/Project Management) are to be allocated towards the direct implementation category.	****Travel and Conference Fees**
	Implementer - Conference Fees
	Implementer Labor - Conference Attendance
	Implementer - Travel – Airfare
	Implementer - Travel – Lodging
	Implementer - Travel – Meals
	Implementer - Travel – Mileage
	Implementer - Travel – Parking
	Implementer - Travel - Per Diem for Misc. Expenses
	Overhead (General and Administrative) - Labor and Materials
	Implementer Equipment Communications
	Implementer Equipment Computing
	Implementer Equipment Document Reproduction

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 CPM. If there is a desire to include additional Allowable Cost elements, the CPM should be contacted in order to seek approval from the CPUC.	
	3/30/2006
Cost Categories	**Allowable Costs**
	Implementer Equipment General Office
	Implementer Equipment Transportation
	Implementer Food Service
	Implementer Office Supplies
	Implementer Postage
	Implementer Labor - Accounting Support
	Implementer Labor - Accounts Payable
	Implementer Labor - Accounts Receivable
	Implementer Labor - Facilities Maintenance
	Implementer Labor - Materials Management
	Implementer Labor – Procurement
	Implementer Labor - Shop Services
	Implementer Labor – Administrative
	Implementer Labor - Transportation Services
	Implementer Labor – Automated Systems
	Implementer Labor – Communications
	Implementer Labor - Information Technology
	Implementer Labor – Telecommunications
Marketing/Advertising/Outreach Cost Category	
	Implementer - Bill Inserts
	Implementer – Brochures
	Implementer - Door Hangers
	Implementer - Print Advertisements
	Implementer - Radio Spots
	Implementer - Television Spots
	Implementer - Website Development
	Implementer Labor – Marketing
	Implementer Labor - Media Production
	Implementer Labor - Business Outreach
	Implementer Labor - Customer Outreach
	Implementer Labor - Customer Relations
Direct Implementation Cost Category	
	Financial Incentives to Customers
	Activity - Direct Labor
	Implementer Labor - Facilities Audits
	Implementer Labor – Curriculum Development
	Implementer Labor - Customer Education and Training
	Implementer Labor - Customer Equipment Testing and Diagnostics
	Installation and Service – 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 CPM. If there is a desire to include additional Allowable Cost elements, the CPM should be contacted in order to seek approval from the CPUC.	
	3/30/2006
Cost Categories	**Allowable Costs**
	Implementer Labor - Customer Equipment Repair and Servicing
	Implementer Labor - Customer Equipment Repair and Servicing
	Direct Implementation Hardware and Materials
	Implementer - Direct Implementation Literature
	Implementer - Education Materials
	Implementer - Energy Measurement Tools
	Implementer - Installation Hardware
	Implementer -Audit Applications and Forms
	Rebate Processing and Inspection - Labor and Materials
	Implementer Labor - Field Verification
	Implementer Labor - Rebate Processing
	Implementer - Rebate Applications

Appendix C: Billing Schedule --

LA County
--Appendix C.xls

	Sub-Task	Implementer Costs		Subcontractor Costs[2]	Total Program Cost
		Labor[1]	Expenses[2]	Labor & Expenses	
Task 1 - Program Ramp-up	**Included in Task 2 and Task 3**				
Task 1 (Not-to-Exceed Budget)					
Task 2 - Strategic Plan Goal 3					
Facilitate the establishment of EEMIS for Participating Municipalities	3.1.x				
1. Report on status of Implementer or Subcontractor to support the TASK		$15,000	$0	$5,000	$20,000
2. EEMIS planning report		$25,000	$0	$5,000	$30,000
3. Report on Implementer's EEMIS modifications		$105,000	$40,000	$145,000	$290,000
4. Report on Implementer's activities to enable Participating Municipalities to procure access to EEMIs		$195,000	$10,000	$45,000	$250,000
5. Report on facilitation of Participating Implementers' EEMIS installations by Implementer		$75,000	$0	$0	$75,000
6. Report on Post-EEMIS consulting support		$50,000	$5,000	$40,000	$95,000
7. Documentation of EEMIS use by Participating Municipalities		$15,000	$0	$5,000	$20,000
8. Monthly status report		$20,000	$0	$0	$20,000
Task 2 (Not-to-Exceed Budget)		**$500,000**	**$55,000**	**$245,000**	**$800,000**
Task 3 - Strategic Plan Goal 5					
Develop local government energy efficiency resources plan and program documents	5.x	$0	$0	$0	$0
3A. Develop and administer energy efficiency services management plan		$0	$0	$20,000	$20,000
3B. Prepare draft and final local government energy efficiency resources sustainability plan		$0	$0	$50,000	$50,000
3C. Provide energy efficiency services for energy efficiency pilot programs		$0	$0	$130,000	$130,000
Task 3 (Not-to-Exceed Budget)		**$0**	**$0**	**$200,000**	**$ 200,000**
Task 4 - Invoicing and Reporting	**Included in Task 2 and Task 3**				
Task 4 (Not-to-Exceed Budget)					
Task 5 - Ramp-Down and Shut-Down Program	**Included in Task 2 and Task 3**				
Task 5 (Not-to-Exceed Budget)					
Task 6 - Submit Final Program Report	**Included in Task 2 and Task 3**				
Task 6 (Not-to-Exceed Budget)					
Grand Total All Tasks -	**All**	**$500,000**	**$55,000**	**$445,000**	**$1,000,000**

Notes:

1) **Labor: Implementer shall invoice SCE at the fixed hourly rates for the applicable labor categories stated in the Contract for time spent directly engaged in performance of the Work by Implementer's employees. Such fixed hourly rates shall be inclusive of all of Implementer's overhead costs (including all taxes and insurance), administrative and general fees, and profit.**
2) **Expenses: All reimbursable expenses shall be authorized by SCE in writing prior to the expenditure. Any expenses not so approved by SCE shall not be reimbursed. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.**

   a) Material Costs: Material costs shall be substantiated with an invoice stating the unit price, quantity, and other information as required to

   b) Subcontract Labor Costs: Subcontracted Work shall be charged at the hourly rates actually paid by Implementer, not to exceed the hourly rates set forth in the Contract for Work performed by the Implementer. Implementer shall provide Subcontractor invoices for any Implementer's invoice
   c) Out-of Pocket expenses: Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, computer time
   d) Travel Costs: Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available. Automobile travel from Implementer's office to the Jobsite and to SCE's general offices shall be paid at the fixed mileage rate stated in the Contract, or if not stated, at SCE's rate for SCE employees.
3) **Changes in the Not to Exceed Budget for Tasks highlighted in grey require a change order. All other changes in the budget require written authorization from the CPM.**