



**Marin Energy Authority  
Board of Directors Meeting  
Thursday, September 5, 2013  
7:00 P.M.**

**Dawn Weisz**  
Executive Officer

**Damon Connolly**  
Chair  
City of San Rafael

**Kathrin Sears**  
Vice Chair  
County of Marin

**Bob McCaskill**  
City of Belvedere

**Sloan C. Bailey**  
Town of Corte Madera

**Larry Bragman**  
Town of Fairfax

**Len Rifkind**  
City of Larkspur

**Ken Wachtel**  
City of Mill Valley

**Denise Athas**  
City of Novato

**Tom Butt**  
City of Richmond

**Carla Small**  
Town of Ross

**Ford Greene**  
Town of San Anselmo

**Ray Withy**  
City of Sausalito

**Emmett O'Donnell**  
Town of Tiburon

781 Lincoln Avenue  
Suite 320  
San Rafael, CA 94901

1 (888) 632-3674  
[mceCleanEnergy.com](http://mceCleanEnergy.com)

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

**Agenda – Page 1 of 2**

- 1. Board Announcements (Discussion)**
- 2. Public Open Time (Discussion)**
- 3. Report from Executive Officer (Discussion)**
- 4. Consent Calendar**
  - C.1 7.11.13 Board Meeting Minutes**
  - C.2 Monthly Budget Report**
  - C.3 Approved Contract Update**
  - C.4 Update to MCE Electric Vehicle Rate**
  - C.5 Administrative Updates to JPA Agreement**
- 5. Charles F. McGlashan Advocacy Award (Discussion/Action)**
- 6. MEA Audited Financials 2012-2013 (Discussion)**
- 7. Energy Efficiency Single Family OBR Program Operating Agreement (Discussion/Action)**
- 8. Energy Efficiency Update (Discussion)**



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



**Marin Energy Authority  
Board of Directors Meeting  
Thursday, September 5, 2013  
7:00 P.M.**

**Dawn Weisz**  
Executive Officer

**Damon Connolly**  
Chair  
City of San Rafael

**Kathrin Sears**  
Vice Chair  
County of Marin

**Bob McCaskill**  
City of Belvedere

**Sloan C. Bailey**  
Town of Corte Madera

**Larry Bragman**  
Town of Fairfax

**Len Rifkind**  
City of Larkspur

**Ken Wachtel**  
City of Mill Valley

**Denise Athas**  
City of Novato

**Tom Butt**  
City of Richmond

**Carla Small**  
Town of Ross

**Ford Greene**  
Town of San Anselmo

**Ray Withy**  
City of Sausalito

**Emmett O'Donnell**  
Town of Tiburon

781 Lincoln Avenue  
Suite 320  
San Rafael, CA 94901

1 (888) 632-3674  
[mceCleanEnergy.com](http://mceCleanEnergy.com)

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

**Agenda – Page 2 of 2**

**9. MCE Power Content Label and Attestation  
(Discussion/Action)**

**10. PG&E Bill Redesign (Discussion)**

**11. Appointment of Chair, Vice Chair, Treasurer, Auditor  
and Secretary Positions (Discussion/Action)**

**12. Changes to Membership on Executive Committee  
(Discussion/Action)**

**13. Regulatory Update (Discussion)**

**14. Board Member and Staff Matters (Discussion)**

**15. Adjourn**



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

**- UPCOMING RECOMMENDED EVENTS -**

**ENERGY STORAGE NORTH AMERICA: September 10-12 – San Jose, CA**

ESNA is the first energy storage conference and expo in the U.S. to focus exclusively on applications, customers and deal making. It is a first-class networking event to drive energy storage market expansion in profitable applications – highlighting the synergies, inter-relationships and new business opportunities for transmission, distribution, customer-sited, microgrids/campuses and mobility (electric vehicle charging) applications. Details & Agenda posted here: <http://www.esnaexpo.com/>

*PANC Members receive **30% off** the Conference Registration rate by using the discount code: **PANC***  
[Details / RSVP](#)

**RENEWABLE ENERGY FINANCE FORUM: September 16-17 – San Francisco, CA**

Covering a range of renewable and clean energy technologies, with a particular focus on developments in the Western US, topics covered at REFF-West include project financing, venture capital, renewable power generation, emerging commercial technologies, financing smaller projects, equity financing and established technologies. The conference also offers an unparalleled networking opportunity, allowing you to meet senior representatives from both the energy and financial sectors who are focusing on renewables and clean technologies. <http://www.reffwest.com/>

*PANC Members receive **20% off** the Conference Registration rates by using the discount code: **SPT20PAN***  
[Details / RSVP](#)

**MARIN ENERGY AUTHORITY  
BOARD MEETING  
THURSDAY, July 11, 2013  
7:00 P.M.  
SAN RAFAEL CORPORATE CENTER, TAMALPAIS ROOM  
750 LINDARO STREET, SAN RAFAEL, CA 94901**

**Roll Call**

**Present:** Damon Connolly, City of San Rafael, Chair  
Kathrin Sears, County of Marin  
Bob McCaskill, City of Belvedere  
Sloan Bailey, Town of Corte Madera  
Larry Bragman, Town of Fairfax  
Len Rifkind, City of Larkspur  
Denise Athas, City of Novato  
Tom Butt, City of Richmond  
Ford Greene, Town of San Anselmo  
Ray Withy, City of Sausalito  
Emmett O'Donnell, Town of Tiburon

**Absent:** Ken Wachtel, City of Mill Valley  
Carla Small, Town of Ross

**Staff:** Dawn Weisz, Executive Officer  
Elizabeth Kelly, Legal Director  
Beckie Menten, Energy Efficiency Coordinator  
Jamie Tuckey, Communications Director  
John Dalessi, Technical Consultant  
Greg Brehm, Resource Coordinator  
Shalini Swaroop, Regulatory Counsel  
Emily Goodwin, Internal Operations Coordinator  
Darlene Jackson, Clerk

**Public Session: 7:09PM**

**Agenda Item #1- Board Announcements (Discussion)**

None

**Agenda Item #2 – Public Open Time (Discussion)**

Woody (William) Hastings, owner of Climate Protection Campaign, a non-profit organization in Sonoma County offered words of gratitude to MEA for being trailblazers in the CCA arena, paving the way and providing support to other CCAs in development. His organization has been around since 2005 and is working to support the Sonoma

Clean Power CCA effort. If everything goes according to plan, Sonoma Clean Power will launch in January 2014.

**Agenda Item #5 – Resolution 2013-07 Honoring Board Member Alexandra Cock (Discussion/Action)**

**Item moved up.**

Agenda Item #5, reading of Resolution for Alexandra Cock was moved up. The Resolution was read by Chair Damon Connolly. Ms. Cock responded by saying that her commitment to MEA would continue and her hope is that there will be opportunities for her to continue to support the wellbeing of MEA, and she looks forward to staying engaged with MEA. She stated that she is very proud of her MEA participation as values of the organization align with her value system. She is also proud of the fact that she was the first Corte Madera councilmember in 2009 who favored joining MEA.

**M/s Sears/Greene (passed 11-0-0) approved Resolution 2013-07 Honoring Board Member Alexandra Cock. Directors Small and Wachtel were absent.**

**Oath of Office**

Executive Officer, Dawn Weisz administered Oath of Office for new Board member, Sloan Bailey. Dir. Bailey was welcomed by the Board.

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

Executive Officer Dawn Weisz reported on the following:

- Audit – The 2012 annual fiscal audit is close to finalization and will be presented to the Board at the September Board meeting since there is no meeting scheduled for August.
- PG&E bill redesign – PG&E is in the final stages of implementing the redesign of the monthly bill. They've been working on it for about a year and a half and there will be more information provided at the August Technical Committee and Executive Committee meetings.
- Upcoming meetings – Reminder that there will be no Board meeting in August but Technical Committee and Executive Committee meetings will move forward as scheduled for August.
- There will be a Board meeting on September 5th and the Board Retreat is scheduled for Wednesday, September 25<sup>th</sup>. The Board Retreats gives MEA an opportunity to discuss long-term vision and beneficial opportunities.
- Marin County Fair Update – Success at the County Fair; she thanked the Board for their recommendations and expressed appreciation to everyone who stopped by.

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

- C.1 Minutes from 5.2.13 Board Meeting
- C.2 Monthly Budget Report
- C.3 MEA Community Affairs Staff Position
- C.4 First Addendum to Fourth Agreement with Green Ideals
- C.5 Response to Grand Jury Report
- C.6 Amended Power Purchase and Sale Agreement with RE Kansas, LLC
- C.7 Policy 007: Mileage and Toll Reimbursement
- C.8 First Addendum with Ellison, Schneider & Harris

**M/s Sears/Athas (passed 11-0-0) approved all items on the consent calendar. Directors Small and Wachtel were absent.**

**Agenda Item #6 Five Agreements with Calpine Energy Services L.P. for Power Supply Including Renewable Energy and Resource Adequacy (Discussion/Action)**

Greg Brehm, Resource Coordinator provided:

- Overview of MEA's Open Season procurement process and how Calpine's Renewable Energy proposal became the highest ranked among all Open Season proposals.
- History on the project itself which included: Location & Viability, Portfolio Fit, Counterparty Strength (indicating that natural gas generation is not part of this contract), Contract terms, and Contract overview.

Mr. Brehm and Mr. Dalessi responded to questions from the Board, specifically those surrounding costs. Chair Connolly commended the team on their foresight in terms of securing power supply for the future.

**M/s Sears/Bragman (passed 11-0-0) authorize approval of Five Agreements with Calpine Energy Services L.P. for Power Supply Including Renewable Energy and Resource Adequacy. Directors Small and Wachtel were absent.**

**Agenda Item #7 Communications Update (Discussion)**

Communications Director, Jamie Tuckey, discussed the following:

- Green-e Energy Marketing Compliance – Identified the Center for Resource Solutions (CRS) as a national non-profit that administers Green-e Energy as being an independent certification and verification program for renewable energy. In March 2012 MCE's Deep Green 100% renewable energy product was certified by Green-e Energy.
- Provided an overview of Green-e requirements for organizations offering a Green-e Energy Certified product. Chair Connolly asked if there are any plans to further promote the deep green program. Ms. Tuckey explained that the approval of the Community Affairs position will afford an opportunity to focus more on promoting the deep green program, especially at the commercial level.
- MCE Energy Efficiency Program Marketing – Energy Efficiency program in Marin County and the City of Richmond currently being offered by MCE. To drive participation, awareness and support, MCE sponsored the 'Make Your World Pavilion' at the 2013 Marin County Fair. In addition to providing numerous Do-It-Yourself activities focused on sustainability and innovation, the Pavilion showcased MCE's My Energy Tool, a web-based energy assessment tool. A representative from PlanetEcosystems, the company that designed MCE's 'My Energy Tool', was present at the MCE booth and available for demonstrations. There was an increase in web participation rate from 150 to over 400 during the course of the Fair.
- Extensive marketing and communications efforts include: paid media, earned media and social media. Chair Connolly asked how many persons actually participated at the County Fair. Per Ms. Tuckey, not a huge number but there were several incentives provided to persons who signed up and participated in the demonstration at the Fair. The City of Novato included MCE's EE program in one of their advertisements which was beneficial to MCE. Board members Connolly and Greene commended the communications team and suggested they continue the momentum that they have.
- Joint Cost Comparison Mailer - Every MCE and PG&E customer in our service area received a mailer. This information is posted on PG&E's website as well as MCE's website. Director O'Donnell thinks the mailer is great and wanted to know if there were any ideas being considered as how MCE might use the mailer to possibly reach customers who had opted out? Per Ms. Tuckey, MEA Account Managers have been reaching out to those opted out customers who are eligible for MCE re-enrollment in addition to having a supply on hand in the office when customers drop in.

- Revised PG&E Energy Statement – This will be discussed at the August Technical Committee and Executive Committee meetings.

Ms. Tuckey and Ms. Weisz responded to additional questions from the Board.

**Agenda Item #8 – Regulatory Update (Discussion)**

Legal Director, Elizabeth Kelly provided update on:

- Petition for Rulemaking on Exit Fees and Non-Bypassable Charges (NBCs) – Director O'Donnell asked about next steps if we do not receive a favorable ruling. Ms. Kelly explained the alternative venues, including PG&E's Energy Resource Recovery Account (ERRA).
- PG&E CCA Marketing – PG&E's advice letter regarding CCA Marketing was denied by the Commission.
- Cap & Trade – PG&E will continue to exclude GHG costs in rates until 2014.
- Flexible Capacity – explained the "duck graph."
- Energy Storage – Discussed the Commission's proposal regarding Energy Storage procurement targets and laid out MEA's proposed alternative.

Ms. Kelly responded to questions from the Board.

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

None

**Agenda Item #10 – Adjourn**

8:41PM

ATTEST:

\_\_\_\_\_  
Damon Connolly, Chair, Marin Energy Authority

\_\_\_\_\_  
Dawn Weisz, Executive Officer



September 5, 2013

TO: Marin Energy Authority Board  
FROM: Emily Goodwin, Internal Operations Coordinator  
RE: Monthly FY 14 Budget Report (Agenda Item #4 - C.2)  
ATTACHMENT: July 2013 Budget Update (Unaudited)

Dear Board Members:

---

**SUMMARY:**

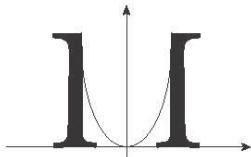
The attached budget update compares the recently adopted FY 2014 budget to the unaudited revenue and expenses of MEA for the month ending July 2013.

Ongoing communications expenses are associated with the annual Marin County Fair exhibit and Richmond expansion. Communications expenditures were directly related to remaining advertising, in addition to the design, print and postage fees of Richmond communications and outreach. Other Services line item expenditures included the annual financial audit.

MEA observed significant decrease in expenses for various other line items including Legal Services. Overall, MEA maintains an expenditure pace that aligns with year to date projections.

**Recommendation:** No action needed. Informational only.





**MAHER ACCOUNTANCY**

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

Financial Plumbline

## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Marin Energy Authority

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

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

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

We are not independent with respect to Marin Energy Authority.

*Maher Accountancy*

August 20, 2013



**MARIN ENERGY AUTHORITY**  
**OPERATING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**April 1, 2013 through July 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Revenue - Electricity (net of allowance)	\$ 86,865,000	\$ 23,505,734	\$ 63,359,266	27.06%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Cost of energy	76,427,000	21,695,211	54,731,789	28.39%
Staffing	1,562,000	426,963	1,135,037	27.33%
Technical consultants	594,000	184,311	409,689	31.03%
Legal counsel	335,000	50,947	284,053	15.21%
Communications consultants and related expenses	650,000	417,949	232,051	64.30%
Data manager	2,534,000	728,263	1,805,737	28.74%
Service fees- PG&E	603,000	164,365	438,635	27.26%
Other services	333,000	75,458	257,542	22.66%
General and administration	297,000	91,927	205,073	30.95%
Marin County green business program	15,000	-	15,000	0.00%
Solar rebates	10,000	-	10,000	0.00%
Total current expenditures	<u>83,360,000</u>	<u>23,835,394</u>	<u>59,524,606</u>	<u>28.59%</u>
CAPITAL OUTLAY	20,000	378	19,622	1.89%
DEBT SERVICE	1,195,000	443,175	751,825	37.09%
INTERFUND TRANSFER TO:				
Local Renewable Energy Development Fund	<u>51,536</u>	<u>51,536</u>	<u>-</u>	<u>100.00%</u>
Total expenditures	<u>84,626,536</u>	<u>24,330,483</u>	<u>\$ 60,296,053</u>	<u>28.75%</u>
Net increase (decrease) in available fund balance	<u>\$ 2,238,464</u>	<u>\$ (824,749)</u>		

**MARIN ENERGY AUTHORITY  
ENERGY EFFICIENCY PROGRAM FUND  
BUDGETARY COMPARISON SCHEDULE  
April 1, 2013 through July 31, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
<b>REVENUE AND OTHER SOURCES:</b>				
Public purpose energy efficiency program	\$ 2,100,000	\$ 280,123	\$ 1,819,877	13.34%
<b>EXPENDITURES AND OTHER USES:</b>				
<b>CURRENT EXPENDITURES</b>				
Public purpose energy efficiency program	<u>2,100,000</u>	<u>280,123</u>	<u>1,819,877</u>	<u>13.34%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>		

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

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



September 5, 2013

TO: Marin Energy Authority Board  
 FROM: Sarah Gardner, Administrative Associate  
 RE: Report on Approved Contracts (Agenda Item #4 - C.3)

Dear Board Members:

---

**SUMMARY:**

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

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

Month	Purpose	Contractor	Maximum Contract Amount	Term of Contract
June	Green-E Verification	Singer Lewak LLP	\$7,000	6 Months
July	Technical Support for CRM on the MCE website	CivicActions, Inc.	\$9,800	1 Year
July	Creation of rate calculator for MCE website	Kenneth Mathew Fleisch	\$2,000	1 Year
July	Assistance with MEA Credit Rating Plan	PFM Group	\$10,000	9 Months
August	IT Security Compliance & Audit Services	Trust CC	\$11,100	4 Months
August	Annual Financial Audit	Vavrinek, Trine & Day	\$16,000	7 Months

**Recommendation:** Information only. No action required.



September 5, 2013

TO: Marin Energy Authority Board  
FROM: John Dalessi, Operations and Development  
RE: Update to MCE Electric Vehicle Rate (Agenda Item #4 - C.4))

Dear Board Members:

---

**SUMMARY:**

On July 8<sup>th</sup>, 2013, Pacific Gas and Electric Company filed Advice Letter 4231-E, which establishes a new rate schedule for residential customers with electric vehicles. PG&E Schedule EV became effective on August 1, 2013, and will eventually replace the current rate schedule for electric vehicle charging, Schedule E-9. Schedule E-9 is now closed to new customers and will be eliminated on the later of the date of a decision in Phase 2 of PG&E's 2014 General Rate Case, or December 31, 2014. At that time, all Schedule E-9 customers will be migrated to an otherwise available rate schedule.

MCE's current rate schedule for electric vehicle charging is RES-9. In consideration of the changes to the PG&E electric vehicle rate schedules, and in order to ensure that MCE customers have a similar rate option available to them, MCE rate schedule RES-EV has been developed for MCE customers taking service on the PG&E EV rate schedule.

Schedule RES-EV is a time-of-use rate that provides pricing incentives to charge electric vehicles during off-peak hours, when demands on the electric system are low. Schedule RES-EV will be available to residential customers who have a currently registered Motor Vehicle, as defined by the California Motor Vehicle Code, which is a battery electric vehicle (BEV) or plug-in hybrid electric vehicle (PHEV) recharged via a recharging outlet at the customer's premises.

**Proposed RES-EV Rates:**

Summer Season (May 1 through October 31)

Hours	Rate (\$/kWh)
Peak	0.180
Partial Peak	0.080
Off Peak	0.045

Winter Season (November 1 through April 30)

Hours	Rate (\$/kWh)
Peak	0.065
Partial Peak	0.045
Off Peak	0.045

TIME PERIODS: Times of the year and times of the day are defined as follows:

All Year:

Peak: 2:00 p.m. to 9:00 p.m. Monday through Friday. 3:00 p.m. to 7:00 p.m. Saturday, Sunday and Holidays.

Partial-Peak: 7:00 a.m. to 2:00 p.m. and 9:00 p.m. to 11:00 p.m. Monday through Friday.

Off-Peak: All other hours

**Effective Date**

Schedule RES-EV is proposed to become effective upon Board approval.

**Recommendation:** Adopt the proposed Schedule EV with an effective date of September 6<sup>th</sup>, 2013.



September 5, 2013

TO: Marin Energy Authority Board

FROM: Emily Goodwin, Internal Operations Coordinator

RE: Administrative Updates to JPA Agreement (Agenda Item #4 - C.5)

ATTACHMENT: A. Amendment 6 to the MEA Joint Powers Agreement  
B. Exhibit C: Annual Energy Use

Dear Board Members:

---

**SUMMARY:**

Effective December 19, 2008, and in consideration of certain amendments thereafter, the Marin Energy Authority ("Authority" or "MEA"), was formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) in order to collectively study, promote, develop, conduct, operate, and manage energy programs. The enabling accord, a Joint Powers Agreement ("JPA") entered into by these jurisdictions, describes the Authority's organization, governance, powers and authorities, charter goals and objectives. The JPA has been updated from time to time to add new member jurisdictions, adjust annual energy use for each jurisdiction and to adjust the voting shares.

The most recent update to the JPA Agreement occurred on July 5, 2012 to add the City of Richmond as a member agency and to update Exhibit B, C and D. At this time it is necessary to update Exhibit C (Annual Energy Use) based on the past year of historical usage information.

In addition, an incomplete definition was identified in the JPA and as such, a new definition for "Initial Participants" needs to be added as follows:

"Initial Participants" means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including: City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin.

**Recommendation:** No action needed. Informational only.

**AMENDMENT NO. 6 TO MARIN ENERGY AUTHORITY  
JOINT POWERS AUTHORITY AGREEMENT**

1. Section 4.9.2.2 of the Marin Energy Authority Joint Powers Authority Agreement (“Agreement”) referring to the definition of “Initial Participants” is hereby amended to read:

“Initial Participants” means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin

2. Exhibit C to the Agreement, which specifies “Annual Energy Use” for each party to the Agreement, is hereby amended to reflect annual energy use within each member’s jurisdiction as of September 5, 2013.

3. This Amendment No. 6 does not limit the authority of the Board to update Exhibits C and D in the future without further amending the Agreement as provided by Sections 1.3 and 4.9.2.3 of the Agreement.

This Amendment No. 6 to the Marin Energy Authority Joint Powers Authority Agreement was duly adopted by the Board of Directors in accordance with Article 8.4 of this Agreement on September 5, 2013.



**Exhibit C  
To the  
Joint Powers Authority  
Marin Energy Authority**

**Annual Energy Use**

This Exhibit C is effective as of September 5, 2013.

<b>Member Agency</b>	<b>Annual kWh</b>
City of Belvedere	9,994,582
Town of Corte Madera	62,434,038
Town of Fairfax	25,243,755
City of Larkspur	64,305,616
City of Mill Valley	69,799,730
City of Novato	287,916,733
City of Richmond	592,422,483
Town of Ross	13,130,391
Town of San Anselmo	47,399,387
City of San Rafael	343,628,078
City of Sausalito	48,773,652
Town of Tiburon	41,631,066
County of Marin	330,875,250
<b>Total</b>	<b>1,937,554,761</b>



September 5, 2013

TO: Marin Energy Authority Board

FROM: Rafael Silberblatt, Project Coordinator

RE: Charles F. McGlashan Advocacy Appreciation Award (Agenda Item #5)

Dear Board Members:

---

**SUMMARY:**

On June 2, 2011, your Board established the Charles F. McGlashan Advocacy Award to recognize individuals and organizations who have demonstrated passion, dedication and leadership to promote MCE, as exemplified by the late Charles McGlashan, former Chair of the Marin Energy Authority.

To date, the Charles F. McGlashan Advocacy Award has been awarded to Barbara George in 2011 and The Mainstreet Moms in 2012.

On August 21, 2013, the MEA Executive Committee voted to nominate and recommend Lea Dutton of the San Anselmo Quality of Life Commission as the third recipient of the Charles F. McGlashan Advocacy Award.

The San Anselmo Quality of Life Commission was established in April 2003 by Town Council Resolution #3639. The commission is charged with promoting the sustainability of the community by defining and enhancing opportunities for sustainable practices in San Anselmo, as well as securing a high quality of life for San Anselmo residents by simultaneously meeting environmental, economic and community needs.

Ms. Dutton has led the Commission to make the reduction of greenhouse gas emissions through enrollment in MCE's Deep Green a high priority. As a result, Ms. Dutton and her fellow Quality of Life colleagues have actively promoted Deep Green through canvassing businesses, tabling at events, hosting speaker series, marching in the San Anselmo Day Parade, developing co-branded collateral and providing links on their website. Ms. Dutton has dedicated countless hours to volunteering, strategizing, educating, and promoting MCE's Deep Green program.

**Recommendation:** Honor Lea Dutton as the third recipient of the Charles. F. McGlashan Advocacy Appreciation Award.



September 5, 2013

TO: Marin Energy Authority Board

FROM: Emily Goodwin, Internal Operations Coordinator

RE: Audited Financial Statements for Fiscal Year 2012-13 (Agenda Item #6)

ATTACHMENT: A. Summary of Findings Letter  
B. Financial Statements and Auditors' Report

Dear Board Members:

---

**SUMMARY:**

On August 9, 2013, the audited annual financial statements for MEA were completed for the period ended March 31, 2013. The attached audited financials were prepared by independent auditors Vavrinek, Trine, Day & Company, LLP.

Detailed in Attachment A, Summary of Findings Letter, you'll notice a positive assessment from the auditors. This overall summary of the assessment discusses the qualitative aspects of accounting practices conducted during the audit, with a closing statement at the end of each practice, all of which showcased MEA as having strong internal controls, sound policies and effective procedures in place.

**Recommendation:** No action needed. Informational only.



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

To the Board of Directors  
Marin Energy Authority

We have audited the financial statements of Marin Energy Authority for the year ended March 31, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you in our engagement letter dated May 9, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marin Energy Authority are described in Note 1 to the financial statements. Governmental Accounting Standards Board (GASB) Statement 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* were implemented as required for the fiscal year ended March 31, 2013 with no significant impact on the financial statements. The application of existing policies was not changed during the fiscal year ended March 31, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting Marin Energy Authority's financial statements include estimated useful lives of the capital assets and related depreciation expense. We evaluate the key factors and assumptions used to develop the above listed estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The more sensitive disclosures in Marin Energy Authority's financial statements are included in footnote 8 as commitments and contingencies.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have no misstatements to report.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated August 6, 2013.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Marin Energy Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

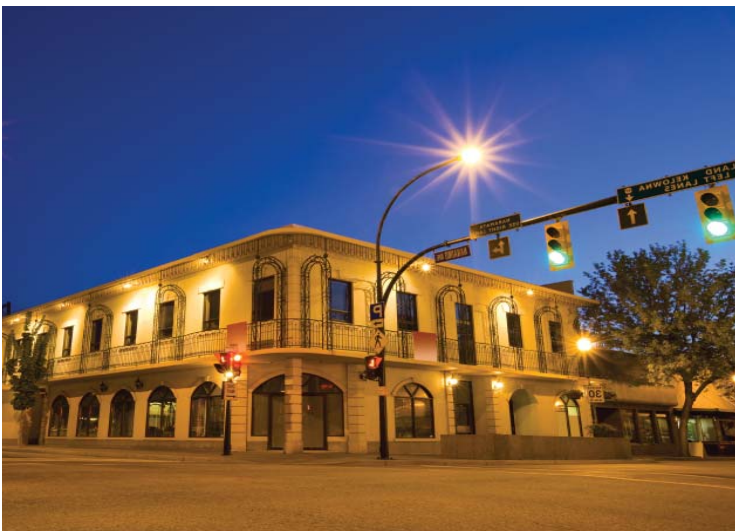
*Varrinck, Trine, Day & Co., LLP.*

Pleasanton, California  
August 6, 2013



# Financial Statements

Years Ended March 31, 2013 and 2012  
with Report of Independent Auditors



**MARIN ENERGY AUTHORITY**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

**TABLE OF CONTENTS**

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Fund Net Position	7
Statements of Cash Flows	8
Notes to the Financial Statements	10



VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Marin Energy Authority  
San Rafael, California

We have audited the accompanying financial statements of the Marin Energy Authority ("MEA"), as of and for the years ended March 31, 2013 and 2012, which collectively comprise MEA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Marin Energy Authority, as of March 31, 2013 and 2012, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Varrinck, Trine, Day & Co., LLP.*

Pleasanton, California  
August 6, 2013

# **MARIN ENERGY AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis provides an overview of Marin Energy Authority (MEA) financial activities for the fiscal years ended March 31, 2013 and 2012. The information presented here should be considered in conjunction with the audited financial statements.

### **FINANCIAL HIGHLIGHTS**

MEA began providing electrical power to customers in May 2010 and continues to experience increases in its number of customers. Its efficient use of financial resources and growing customer base allowed MEA to see a significant jump in net position from the prior year. During the 2012-13 fiscal year, revenues exceeded expenses by approximately \$3,995,000, causing net position to increase from approximately \$3,918,000 to \$7,913,000.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to MEA's basic financial statements. MEA's basic financial statements comprise two components: (1) government-wide financial statements and (2) notes to the financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of MEA's finances, similar to a private-sector business.

The Statement of Net Position presents information on all of MEA's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MEA is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how MEA's net position changed during the fiscal period. All changes in net position are recognized at the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows presents information about MEA's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. This statement shows the sources and uses of cash, as well as the change in the cash balances during the fiscal years.

MEA is a single-purpose entity that has elected to account for its activity as a governmental enterprise fund under governmental accounting standards. Accordingly, MEA presents only government-wide financial statements.

**MARIN ENERGY AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)

The following table is a summary of MEA's assets, liabilities, and net position.

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 18,007,926	\$ 7,549,498	\$ 3,706,432
Capital assets	68,679	32,566	32,890
Total assets	<u>18,076,605</u>	<u>7,582,064</u>	<u>3,739,322</u>
Current liabilities	7,079,985	2,283,437	1,599,794
Noncurrent liabilities	3,083,746	1,380,702	1,820,690
Total liabilities	<u>10,163,731</u>	<u>3,664,139</u>	<u>3,420,484</u>
Net position:			
Net investment in capital assets	68,679	32,566	32,890
Restricted	598,200	263,200	263,200
Unrestricted	7,245,995	3,622,159	22,748
Total net position	<u>\$ 7,912,874</u>	<u>\$ 3,917,925</u>	<u>\$ 318,838</u>

MEA began serving customers in May 2010 and completed fiscal 2011-12 with approximately 14,000 customers. During 2012-2013, with expansion throughout Marin County, the number of active customer accounts increased to approximately 90,000. This increase in activity resulted in an increase in cash and receivables as well as trade liabilities. MEA obtained an additional loan during the year and we continue to make payments on our debt.

Our results of operations are summarized as follows:

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Operating revenues	\$ 52,579,310	\$ 22,918,843	\$ 14,323,650
Contributions received	20,000	-	22,260
Interest income	900	-	-
Total income	<u>52,600,210</u>	<u>22,918,843</u>	<u>14,345,910</u>
Operating expenses	48,429,076	19,210,349	12,892,000
Interest expense	176,185	109,407	173,821
Total expenses	<u>48,605,261</u>	<u>19,319,756</u>	<u>13,065,821</u>
Increase (decrease) in net position	<u>\$ 3,994,949</u>	<u>\$ 3,599,087</u>	<u>\$ 1,280,089</u>

MEA's expansion throughout Marin County resulted in a dramatic increase in electricity sales, which was accompanied by corresponding increases in costs directly related to acquiring energy and servicing customer accounts. Despite the growing customer base, significant general and administrative expenses held fairly steady and led to an increase in net position. In addition to providing renewable energy, MEA began its Energy Efficiency Program during 2012-13 to encourage energy efficiency improvements in both commercial and residential properties in our coverage areas.

**MARIN ENERGY AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)**

**DEBT AND CAPITAL ASSET ADMINISTRATION**

In July 2012, MEA obtained a new loan for \$3,000,000. MEA continued to make payments on this and previous debt. Note 5 to the financial statements provide details on debt activity. There was no significant capital asset activity.

**ECONOMIC OUTLOOK**

Since commencing service to customers in 2010 MEA has entered into multiple power purchase agreements with various providers to serve MEA's projected load. This process creates price certainty as MEA continues to serve customers. In addition to increasing its customer base from approximately 14,000 to 90,000 in 2012-13, MEA will enter its next phase of expansion and increase its customer base by approximately 30,000 additional customers. Management intends to continue its conservative use of financial resources and expects ongoing operating profits.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide MEA's customers and creditors with a general overview of the Authority's finances and to demonstrate MEA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 781 Lincoln Avenue, Suite 320, San Rafael, CA 94901.

## **BASIC FINANCIAL STATEMENTS**

**MARIN ENERGY AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**AS OF MARCH 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 9,817,159	\$ 3,790,860
Accounts receivable, net	4,572,796	2,180,568
Accrued revenue	2,857,212	1,151,397
Prepaid expenses	29,561	30,475
Total current assets	17,276,728	7,153,300
Noncurrent assets		
Capital assets	68,679	32,566
Restricted cash - debt service reserve	598,200	263,200
Deposits	132,998	132,998
Total noncurrent assets	799,877	428,764
Total assets	18,076,605	7,582,064
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	910,367	201,158
Accrued cost of electricity	4,300,363	1,568,514
Other accrued liabilities	152,595	73,776
Deferred revenue	643,566	-
Notes payable to bank	1,073,094	439,989
Total current liabilities	7,079,985	2,283,437
Noncurrent liabilities		
Notes payable to bank	3,083,746	1,380,702
Total liabilities	10,163,731	3,664,139
<b>NET POSITION</b>		
Net investment in capital assets	68,679	32,566
Restricted for debt service reserve	598,200	263,200
Unrestricted	7,245,995	3,622,159
Total net position	\$ 7,912,874	\$ 3,917,925

**MARIN ENERGY AUTHORITY****STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION****YEARS ENDED MARCH 31, 2013 AND 2012**

	<b>2013</b>	<b>2012</b>
<b>OPERATING REVENUES</b>		
Electricity sales	\$ 52,392,025	\$ 22,918,843
Energy Efficiency Program revenue	187,285	-
	<u>52,579,310</u>	<u>22,918,843</u>
<b>OPERATING EXPENSES</b>		
Cost of electricity	43,224,840	16,868,479
Energy Efficiency Program expense	187,285	-
Professional services	3,708,760	1,535,634
Staff compensation	1,041,907	634,232
General and administration	266,284	172,004
Total operating expenses	<u>48,429,076</u>	<u>19,210,349</u>
Operating income	<u>4,150,234</u>	<u>3,708,494</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Contributions received	20,000	-
Interest income	900	-
Interest expense	(176,185)	(109,407)
Total nonoperating revenues (expenses)	<u>(155,285)</u>	<u>(109,407)</u>
<b>CHANGES IN NET POSITION</b>	3,994,949	3,599,087
Net position at beginning of period	3,917,925	318,838
Net position at end of period	<u><u>\$ 7,912,874</u></u>	<u><u>\$ 3,917,925</u></u>

**MARIN ENERGY AUTHORITY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 48,937,548	\$ 21,672,890
Cash payments to purchase electricity	(40,119,335)	(16,284,978)
Cash payments for professional services	(3,384,155)	(1,535,634)
Cash payments for staff compensation	(964,179)	(578,045)
Cash payments for general and administration	<u>(237,657)</u>	<u>(162,024)</u>
Net cash provided by operating activities	<u>4,232,222</u>	<u>3,112,209</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from bank financing, net of reserve	2,665,000	
Principal payments of bank term loans	(663,851)	(416,967)
Interest expense	<u>(176,185)</u>	<u>(109,407)</u>
Net cash provided by non-capital financing activities	<u>1,824,964</u>	<u>(526,374)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	<u>(31,787)</u>	<u>(9,243)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>900</u>	<u>-</u>
Net increase in cash and cash equivalents	6,026,299	2,576,592
Cash and cash equivalents at beginning of year	<u>3,790,860</u>	<u>1,214,268</u>
Cash and cash equivalents at end of year	<u><u>\$ 9,817,159</u></u>	<u><u>\$ 3,790,860</u></u>



**MARIN ENERGY AUTHORITY****STATEMENTS OF CASH FLOWS  
(CONTINUED)****YEARS ENDED MARCH 31, 2013 AND 2012****RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2013</u>	<u>2012</u>
Operating income	\$ 4,150,234	\$ 3,708,494
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	15,674	9,568
(Increase) decrease in net accounts receivable	(2,392,228)	(649,856)
(Increase) decrease in accrued revenue	(1,705,815)	(596,097)
(Increase) decrease in prepaid expenses	914	(22,225)
(Increase) decrease in security deposit	-	1,704
Increase (decrease) in accounts payable	709,209	20,934
Increase (decrease) in accrued cost of energy	2,731,849	583,501
Increase (decrease) in deferred revenue	643,566	-
Increase (decrease) in accrued liabilities	78,819	56,186
Net cash provided by operating activities	<u>\$ 4,232,222</u>	<u>\$ 3,112,209</u>

**NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

In-kind capital assets of \$20,000 were provided through contributions in 2013.

**MARIN ENERGY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Marin Energy Authority (MEA) is a joint powers authority created on December 19, 2008 and its members consist of the following parties: the County of Marin, the cities of Belvedere, Larkspur, Mill Valley, Novato, San Rafael, Sausalito and Richmond and the towns of Corte Madera, Fairfax, Ross, San Anselmo, and Tiburon (collectively, “the parties”). It is governed by a thirteen member Board of Directors appointed by each of the parties.

MEA was formed to study, promote, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing these objectives. A core function of MEA is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

MEA began its energy delivery operations in May 2010. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company.

**INTRODUCTION**

MEA’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

MEA has implemented Governmental Accounting Standards Board Statement No. 63, Reporting of *Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, for both years presented in these financial statements.

**MARIN ENERGY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF ACCOUNTING**

The Authority's operations are accounted for as a governmental enterprise fund, and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**CASH AND CASH EQUIVALENTS**

For purpose of the statement of cash flows, MEA has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments. Amounts restricted for debt service are not included.

**CAPITAL ASSETS AND DEPRECIATION**

MEA's policy is to capitalize furniture and equipment valued over \$500 that is expected to be in service for over one year. Contributed capital assets are valued at their estimated fair value as of the date contributed. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture.

**OPERATING AND NON-OPERATING REVENUE**

Revenue from the sale of electricity to customers is considered "operating" revenue. Contributions received from members of the public and investment income are classified as "non-operating revenue."

**REVENUE RECOGNITION**

MEA recognizes revenue on the accrual basis. This includes invoices issued to customers during the period and electricity estimated to have been delivered but yet to be billed. Management estimates that approximately one percent of earned revenue will be uncollectible. Accordingly, an allowance has been recorded.

**MARIN ENERGY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ELECTRICAL POWER PURCHASED**

Electrical power sold to customers was purchased primarily through one energy supplier, Shell Energy North America. MEA has been increasing its renewable energy purchases from other sources as well. The cost of power and related delivery costs have been recognized as "cost of electricity" in the statement of revenues, expenses and changes in net position. As part of the agreement with Shell Energy, MEA is required to maintain a cash balance of \$1,500,000 to ensure funds are available to purchase electrical power.

**STAFFING COSTS**

MEA pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. MEA is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements.

**INCOME TAXES**

MEA is a joint powers authority under the provision of the California Government Code. As such it is not subject to federal or state income or franchise taxes.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

MEA maintains its cash in both interest and non-interest-bearing accounts at River City Bank of Sacramento, California (RCB). MEA had no deposit or investment policy that addressed a specific type of risk that would impose additional restrictions beyond the California Government Code Section 16521. This code section requires that River City Bank collateralize amounts of public funds in excess of the FDIC limit of \$250,000 by 110%. Accordingly, the amount of risk is not disclosed. Risk will need to be monitored on an ongoing basis.

**MARIN ENERGY AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

**3. ACCOUNTS RECEIVABLE**

	<u>2013</u>	<u>2012</u>
Accounts receivable from customers	\$ 5,413,646	\$ 2,367,348
Allowance for uncollectible accounts	(840,850)	(186,780)
Net accounts receivable	<u>\$ 4,572,796</u>	<u>\$ 2,180,568</u>

MEA has provided a reserve for uncollectible accounts. Electricity sales revenue has been reduced by \$654,070 and \$42,097, in 2013 and 2012, respectively, for the estimated uncollectible amounts.

**4. CAPITAL ASSETS**

Changes in capital assets were as follows:

	<u>Furniture &amp; Equipment</u>	<u>Leasehold Improvements</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balances at March 31, 2011	\$ 38,251	-	\$ (5,361)	\$ 32,890
Additions	7,590	1,654	(9,568)	(324)
Balances at March 31, 2012	45,841	1,654	(14,929)	32,566
Additions	47,560	4,227	(15,674)	36,113
Balances at March 31, 2013	<u>\$ 93,401</u>	<u>\$ 5,881</u>	<u>\$ (30,603)</u>	<u>\$ 68,679</u>

**MARIN ENERGY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED MARCH 31, 2013 AND 2012**

**5. DEBT**

**NOTES PAYABLE TO RIVER CITY BANK**

Date of note	January 2011	July 2012
Original note amount	\$ 2,300,000	\$ 3,000,000
Approximate monthly payment	44,000	56,000
Reserve requirements	263,200	335,000
Maturity date	January 2016	October 2017
Interest rate	5.25%	4.22%
Balance at March 31, 2013	1,380,712	2,776,128

The January 2011 note is subject to a fixed income rate of 5.25%. The July 2012 note is subject to the Federal Home Loan Bank Five Year Fixed Rate plus 1.25%. MEA has agreed to maintain revenues in excess of maintenance and operating costs of 125% of the sum of debt service payments

Changes in notes and notes payable were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
Year ended March 31, 2012				
River City Bank	\$ 2,237,658	-	\$ (416,967)	\$ 1,820,691
Totals	<u>\$ 2,237,658</u>	<u>-</u>	<u>\$ (416,967)</u>	<u>1,820,691</u>
Amounts due within one year				(439,989)
Non-current portion				<u>\$ 1,380,702</u>
Year ended March 31, 2013				
River City Bank	\$ 1,820,691	-	\$ (439,979)	\$ 1,380,712
River City Bank	-	3,000,000	(223,872)	2,776,128
Totals	<u>\$ 1,820,691</u>	<u>\$ 3,000,000</u>	<u>\$ (663,851)</u>	<u>\$ 4,156,840</u>
Amounts due within one year				(1,073,094)
Non-current portion				<u>\$ 3,083,746</u>

**MARIN ENERGY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED MARCH 31, 2013 AND 2012**

**5. DEBT (continued)**

Future debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the years ending March 31:			
2014	\$ 1,073,094	\$ 176,411	\$ 1,249,505
2015	1,076,763	117,116	1,193,879
2016	1,040,808	65,342	1,106,150
2017	639,105	28,402	667,507
2018	327,070	3,962	331,032
Total	<u>\$ 4,156,840</u>	<u>\$ 391,233</u>	<u>\$ 4,548,073</u>

**6. DEFINED CONTRIBUTION RETIREMENT PLAN**

The Marin Energy Authority Plan (Plan) is a defined contribution pension plan established by MEA to provide benefits at retirement to its employees. The Plan is administered by Nationwide Retirement Solutions. At March 31, 2013, there were 16 plan members. MEA is required to contribute 10% of annual covered payroll and contributed \$80,500 and \$43,500 during the years ended March 31, 2013 and 2012, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

**7. RISK MANAGEMENT**

MEA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, MEA purchased liability and property insurance from a commercial carrier. Coverage for property general liability, errors and omissions and non-owned automobile was \$2,000,000 with a \$1,000 deductible.

**MARIN ENERGY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEARS ENDED MARCH 31, 2013 AND 2012**

**8. COMMITMENTS AND CONTINGENCIES**

MEA had outstanding power purchase commitments of \$247.6 million contingent upon construction of landfill waste to energy projects and solar photovoltaic generation facilities that continue for up to twenty five years from the commercial operation date of each project.

MEA had outstanding non-cancelable power purchase commitments of \$261.7 million for energy and related services that have not yet been provided under power purchase agreements that continue from December 31, 2012 to December 31, 2024.

As of March 31, 2013, MEA had outstanding non-cancelable commitments of \$200,000 to professional service providers for services not yet performed.

In September 2011, River City Bank extended MEA a revolving line of credit of \$500,000 that expired in September 2012. In October 2012, MEA renewed this revolving line of credit and increased the limit to \$1,000,000. It is set to expire on June 30, 2013. This line of credit has an interest rate equal to the Bank's Base Commercial Loan Rate plus 1.25%. As of the year end, this line has not been drawn upon.

**9. OPERATING LEASE**

Marin Energy Authority rents office space. During the year, expansions to the office space were made to accommodate an increase in staff. Due to these expansions, lease amendments were made to both update the lease term of the original premises and set terms for the expanded premises. MEA is obligated under a seven year non-cancelable lease for both the original and expanded office premises until December 31, 2019. Rental expense was \$70,000 and \$130,000 for the years ended March 31, 2012 and 2013, respectively. The rental agreement includes an option to renew the lease for five additional years.

Future minimum lease payments under the lease are as follows:

Year ended March 31,		
2014	\$	185,535
2015		196,679
2016		202,773
2017		208,854
2018		215,118
2019-20		391,467
	\$	<u>1,400,426</u>





September 5, 2013

TO: Marin Energy Authority Board

FROM: Beckie Menten, Energy Efficiency Coordinator

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

ATTACHMENTS: A. Resolution 2013-08 Authorizing Approval of Agreement with First Community Bank to Provide Services for the MCE On-Bill Repayment Program for Single Family Customers  
B. Agreement with First Community Bank to Provide Services for the MCE On-Bill Repayment Program for Single Family Customers  
C. Executed Term Sheet with First Community Bank for the Single Family On-Bill Repayment Program  
D. Sample Application Form for Single Family On-Bill Repayment Program  
E. Sample Master Promissory Note for Single Family On-Bill Repayment Program

Dear Board Members:

---

**SUMMARY:**

Background

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

The Agreement before you for consideration today is the Operating Agreement, which will define the basic terms and function of the Single Family OBR Program (OBR Program, or the Program) and the relationship between First Community Bank (FCB) and MEA.

Discussion

In April of 2013, MEA and First Community Bank successfully agreed to a basic set of terms that would be available to MCE customers for financing energy efficiency improvements on single family properties. At that time, MEA and First Community Bank

began developing an Operating Agreement, which defines the roles, responsibilities, and other structural components of the Single Family OBR program. The document presented before you for approval today is that basic foundation Agreement.

Financing is a critical step towards accomplishing energy efficiency upgrades. The initial costs associated with implementing an energy efficiency project can serve as a barrier for property owners who may be interested in making such improvements. While some financing programs exist, many financial institutions are unfamiliar with EE lending and tend to place a higher interest rate on their products due to perceived risk of default on loans.

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

MEA is providing a loan loss reserve that will incur initial losses up to a total cap of \$500,000 to help FCB to recuperate the losses it incurs through participating in this program. The loan loss reserve fund is available from the energy efficiency program budget. The total loss that FCB can collect is limited to \$500,000, though FCB may collect 100% of any *individual* loss up to that cap. The structure of the loan loss reserve fund in the single family program is slightly different than that in the small commercial and multi-family program, and is designed to encourage FCB to extend financing to communities who don't have access to credit through other means. For example, MEA will allocate more funding to the loan loss reserve fund for a 640 FICO than for a 700+ FICO (see table 1). FCB will be responsible for collections on any defaulted loans, and when collection efforts are successful, will refund the loan loss reserve fund (less any legal and collection fees incurred to obtain those funds.)

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

FCB will handle all financial operations and compliance associated with this program, including underwriting and approving applications for the program. MEA will provide access to the PG&E bill and will handle basic collections of funds and tracking of accounts. MEA will also verify the energy project meets requirements of applicable utility rebate programs. Both parties have agreed to collaborate on marketing efforts.

PG&E has indicated that they do not feel the existing CCA tariff provides sufficient coverage for the On-Bill Repayment services and has provided a draft agreement to define the administrative roles and responsibilities related to the OBR program for MEA

and PG&E. MEA staff and external legal counsel has reviewed the draft agreement and will finalize and execute before implementation of the program.

As MEA does not have a single family rebate program, the single family OBR program is designed to leverage the quality assurance and program design of existing energy efficiency rebate programs. This program is available to finance both Home Energy Upgrade projects administered by PG&E and the Bay Area Regional Energy Network (BayREN) as well as specific single measure projects (domestic hot water and HVAC system replacements). Contractor requirements will be mirrored to match those programs, but may also include additional training to facilitate the promotion of the MCE OBR program. The contractor community will be an important partner in the success of this program. MEA staff has conducted the first quarterly contractor meeting to engage the contractor community and vet the proposed program design for feedback and improvement on August 19<sup>th</sup>. This gave MEA staff an opportunity to identify potential barriers to participation and incorporate specific changes into the Operating Agreement that is before you for approval.

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

This draft Agreement was presented to the Executive Committee of the MEA Board on August 21<sup>st</sup>. The Executive Committee recommended unanimously that the Board approve this Agreement.

**Recommendation:** Approve Resolution 2013-08 Authorizing approval of the Agreement with First Community Bank to Provide Services for the MCE Single Family On-Bill Repayment Program and authorize the Executive Officer to make non-material changes to the Agreement as necessary.

## **RESOLUTION NO. 2013-08**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN ENERGY AUTHORITY AUTHORIZING THE APPROVAL OF THE AGREEMENT WITH FIRST COMMUNITY BANK TO PROVIDE SERVICES FOR THE MCE ON-BILL REPAYMENT PROGRAM FOR SINGLE FAMILY CUSTOMERS**

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

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

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

**WHEREAS**, the 2013 – 2014 portfolio of programs includes four financing pilots: on bill repayment (OBR) for the multi-family, commercial, and single family sectors, and a standard offer program; and

**WHEREAS**, in April of 2013, MEA and First Community Bank successfully agreed to a basic set of terms that would be available to MCE customers for financing energy efficiency improvements on single family properties; and

**WHEREAS**, MEA and First Community Bank began developing an Operating Agreement, which defines the roles, responsibilities, and other structural components of the Single Family OBR program; and

**WHEREAS**, MEA is providing a loan loss reserve that will incur initial losses up to a total cap of \$500,000 to help FCB to recuperate the losses it incurs through participating in this program; and

**WHEREAS**, access to financing is a major barrier to energy efficiency upgrades and the MEA program seeks to support homeowners in reducing energy use by providing financing for those upgrades.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Marin Energy Authority that the Marin Energy Authority Board approves the agreement with First Community Bank to Provide Services for the MCE On-Bill Repayment Program for Single Family Customers.

**PASSED AND ADOPTED** at a regular meeting of the Marin Energy Authority Board of Directors on this 5<sup>th</sup> day of September by the following vote:

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

\_\_\_\_\_  
CHAIR, MARIN ENERGY AUTHORITY BOARD

ATTEST:

\_\_\_\_\_  
SECRETARY, MARIN ENERGY AUTHORITY BOARD

## **MCE RESIDENTIAL ON-BILL REPAYMENT PROGRAM**

### **OPERATING AGREEMENT**

Dated as of \_\_\_\_\_

DRAFT DOCUMENT

**TABLE OF CONTENTS**

RECITALS .....	5
PROGRAM OVERVIEW .....	5
1.01. Name.....	5
1.02. Program Phases.....	5
1.03. Pilot Program Goals.....	6
1.04. Service Description.....	6
1.05. Term of Agreement.....	6
1.06. Representations and Warranties.....	6
ROLES AND RESPONSIBILITIES .....	7
2.01. Marketing and Information Delivery .....	7
2.01.1    MEA.....	7
2.01.2    FCB .....	7
2.02. Summary of OBR Loan Terms .....	8
2.02.1    Basic Terms .....	8
2.02.2    MEA Delivery of Information in connection with Loan Applications .....	10
2.03. Documentation, Changes to Scope of Work & Project Completion.....	10
2.03.1    FCB approval of Applications .....	10
2.03.2    Changes to Scope of Work.....	10
2.03.3    Project Completion .....	11
LOAN FUNDING AND PAYMENT PROCESSING .....	11
3.01. Loan Balances.....	11
3.02. MEA as Billing Agent .....	12
3.02.1    Monthly Reports .....	12
3.02.2    Reconciliation of Loan Information.....	13
3.02.3    Loan Correction Notice.....	13
3.02.4    Delivery of Payments.....	13
3.02.5    Prepayments on OBR Loans .....	13
CUSTOMER INQUIRIES – DISPUTE RESOLUTION .....	14
4.01. Customer Inquiries.....	14
4.02. Dispute Resolution.....	14
LATE PAYMENTS, SHARING OF PAYMENTS AND LOAN LOSS RESERVE .....	14

## DRAFT DOCUMENT

5.01. Late Payments .....	14
5.01.1 Timing Issues – Corrected Bills .....	14
5.01.1 (a) Carve-Out .....	15
5.01.1 (b) Termination of Carve-Out Availability .....	15
5.02. Payment Default .....	15
5.02.1 Notification to Borrower .....	15
5.03. Pro-Rata Sharing of Payments .....	15
5.03.1 Method for Determining Pro-Rata Sharing .....	16
5.04. Excess Payments Received During Default .....	17
5.05. Loan Loss Reserve .....	17
5.05.1 Charges to the Loan Loss Reserve Account .....	17
5.05.2 Credits to the Loan Loss Reserve Account .....	18
5.05.3 Reporting of Loan Loss Reserve Balance .....	18
5.05.4 Loan Loss Reserve Account – Early Termination of Program .....	18
5.05.5 Loan Loss Reserve Termination Date .....	18
5.05.6 Interest Earned on the Loan Loss Reserve Account .....	19
MISCELLANEOUS .....	19
6.01. Modifications to Program .....	19
6.02 Information Security – Delivery of Information .....	19
6.03 Confidentiality .....	19
6.04 Reliance among Parties .....	20
6.05 Limitation of Liability .....	20
6.06 Communications - Notices .....	21
6.07 Amendments .....	21
6.08 Survival – Representations and Warranties .....	21
6.09 No Recourse to Constituent Members of MEA .....	21
6.10 Entire Agreement .....	22
6.11 Governing Law .....	22
6.12 Waiver .....	22
6.13 Attorneys’ Fees; Prejudgment Interest .....	22
6.14 Counterparts .....	22
6.15 Severability .....	22



DRAFT DOCUMENT

6.16. Publicity .....	22
6.17 Independent Contractors .....	23
6.18 Assignment .....	23
6.19 Arbitration.....	23
6.20 Insurance .....	24
EXHIBIT A – CERTIFICATE OF COMPLETION .....	29
EXHIBIT B – BORROWER/CONTRACTOR AFFIDAVIT .....	31
EXHIBIT C - LOAN INFORMATION NOTICE .....	32
EXHIBIT D – OBR LOAN CORRECTION NOTICE .....	33
EXHIBIT E – NOTICE OF LOAN LOSS RESERVE ADVANCE .....	34
EXHIBIT F – FORM OF LATE PAYMENT NOTIFICATION .....	35
EXHIBIT G – SCHEDULE OF MEA SERVICE PROVIDERS .....	39
EXHIBIT H – CUSTOMER DISCLOSURE AND CERTIFICATION.....	40

DRAFT

DRAFT DOCUMENT

## MCE ON-BILL REPAYMENT PROGRAM

### OPERATING AGREEMENT

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

### RECITALS

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

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

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

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

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

### ARTICLE I.

#### PROGRAM OVERVIEW

##### 1.01. Name.

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

##### 1.02. Program Phases.

The Program shall be delivered in two phases:

(a) **The Pilot Program.** The Pilot Program will be available during the first six (6) months of the Availability Period. The purpose of the Pilot Program is to permit the Parties to

## DRAFT DOCUMENT

test and evaluate the assumptions, procedures and processes related to (i) the operational and technical aspects of the Program, (ii) the roles and responsibilities of each Party, (iii) the effectiveness of the marketing and web-based information, and (iv) revisions by the Parties to documents, processes, procedures and assumptions prior to Full Implementation.

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

#### 1.03. Pilot Program Goals.

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

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

#### 1.04. Service Description.

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

#### 1.05. Term of Agreement.

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

#### 1.06. Representations and Warranties

MEA represents and warrants to FCB as follows:

DRAFT DOCUMENT

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

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

## **ARTICLE II.**

### **ROLES AND RESPONSIBILITIES**

#### **2.01. Marketing and Information Delivery**

##### **2.01.1 MEA**

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

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

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

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

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

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

##### **2.01.2 FCB**

(a) FCB will:

DRAFT DOCUMENT

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

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

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

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

## 2.02. Summary of OBR Loan Terms

### 2.02.1 Basic Terms

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

(a) During the Program, the maximum amount of FCB funded OBR Loans will be determined by the amount of the Loan Loss Reserve and the FICO scores of the OBR loans.

(b) OBR Loans will be no less than \$2,500.00 per Borrower and no more than \$30,000.00 per Borrower; larger loans will be considered on a case by case basis by FCB. In each case, the OBR Loan amount will not be greater than the “Estimated Contractor Cost” as provided in the Energy Audit or Scope of Work.

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

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

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

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

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

## DRAFT DOCUMENT

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

(i) Subject to Section 6.01 and provided no default has occurred, the interest rate on OBR Loans will be fixed at a rate of six and one half percent (6.5%) for the life of each OBR Loan. The OBR Loan will accrue interest daily and be calculated on a basis of actual days lapsed/360 days.

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

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

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

- 1) Due on Sale, the OBR Loan will be due and payable in full if the Borrower sells the property on which the improvements were made,
- 2) the Borrower is no longer an MCE customer, and
- 3) the Borrower fails to pay Energy Amounts in full, resulting in partial payments such that FCB deems the balance of the OBR Loan uncollectible, though such delinquency will not result in a default in sooner than a 60 day time period.

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

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

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

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

## DRAFT DOCUMENT

## 2.02.2 MEA Delivery of Information in connection with Loan Applications

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

- (a) For Home Energy Upgrade Projects:
  1. An Energy Audit (or evidence of a Combustion Appliance Safety test if no Energy Audit is performed),
  2. Rebate Acceptance Form, and
  3. Certificate of Completion form, substantially in the form of Exhibit A.
- (b) For Single Measure Projects:
  1. Scope of Work, including specifications of equipment purchased,
  2. Permit number and final inspection report, if required pursuant to scope of work, and
  3. Certificate of Completion form, substantially in the form of Exhibit A.

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

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

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

## 2.03.1 FCB approval of Applications

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

Following approval by FCB of an Application, FCB will:

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

MEA will:

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

## 2.03.2 Changes to Scope of Work

DRAFT DOCUMENT

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

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

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

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

### 2.03.3 Project Completion

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

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

## ARTICLE III.

### LOAN FUNDING AND PAYMENT PROCESSING

#### 3.01. Loan Balances

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

Following the initial funding:

- (a) FCB will be responsible for notifying MEA of delinquent OBR Loan information;
- (b) FCB will review reports and information provided by MEA and provide corrections on OBR Loan information in a timely manner substantially in the form of Exhibit D;
- (c) FCB will treat all information received from MEA as highly confidential and all information received by FCB, whether directly or indirectly through a Service Provider will be controlled and maintained with the standard of care generally afforded to sensitive information and as provided in the MEA Non-Disclosure Agreement and CPUC Decision 12-08-045;



## DRAFT DOCUMENT

(d) FCB will be responsible for complying with any and all regulatory requirements of public content including Office of Foreign Asset Control and will respond to any discovery requests issued by or under the authority of a governmental agency or court regarding any Borrower or OBR Loan issued under the Program.

### 3.02. MEA as Billing Agent

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

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

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

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

#### 3.02.1 Monthly Reports

- (a) On or before the 15<sup>th</sup> business day of each month, MEA will provide to FCB a “Scheduled Payments Report” detailing scheduled payments due for the next month, including delinquent and partial payments due, and the outstanding balance remaining on each OBR Loan.
- (b) On or before the last business day of each month, MEA will provide to FCB a “Delinquent Payment Report” detailing payments that were due and not received in the prior month.
- (c) On or before the last business day of each month, MEA will provide to FCB a “Partial Payment Report” report detailing payments that were due and not received in full in the prior month.

## DRAFT DOCUMENT

## 3.02.2 Reconciliation of Loan Information

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

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

## 3.02.3 Loan Correction Notice

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

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

## 3.02.4 Delivery of Payments

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

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

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

## 3.02.5 Prepayments on OBR Loans

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

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

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

**ARTICLE IV**

## DRAFT DOCUMENT

**CUSTOMER INQUIRIES – DISPUTE RESOLUTION****4.01. Customer Inquiries**

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

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

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

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

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

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

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

**4.02. Dispute Resolution**

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

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

**ARTICLE V****LATE PAYMENTS, SHARING OF PAYMENTS AND LOAN LOSS RESERVE****5.01. Late Payments****5.01.1 Timing Issues – Corrected Bills**

On occasion, PGE will require corrections or adjustments to PGE Billing Statements (“Corrected Bills”) that are outside of the control of MEA or FCB. Corrected Bills may result in (i) timing gaps between the due dates for an OBR Loan Payment or (ii) duplicated or omitted OBR

## DRAFT DOCUMENT

Payments for the month subject to correction (each an “Administrative Error”). Administrative Errors are temporary in nature and are generally corrected on the following PGE Billing Statement. Any delayed, past-due or omitted payment that is not temporary in nature or subject to correction in the following PGE Billing Statement does not constitute an Administrative Error and is not subject to the authorities granted in this Section.

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

#### 5.01.1 (a) Carve-Out

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

#### 5.01.1 (b) Termination of Carve-Out Availability

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

#### 5.02. Payment Default

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

##### 5.02.1 Notification to Borrower

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

##### 5.02.2 Late Fees imposed by FCB

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

#### 5.03. Pro-Rata Sharing of Payments

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

## DRAFT DOCUMENT

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

## 5.03.1 Method for Determining Pro-Rata Sharing

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

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

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

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

**Example:**

FCB Total Amount Due on bill: \$600.00

MEA Total Amount Due on bill: \$250.00

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

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

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

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

**Example:**

Total Amount Due: \$850.00

Actual Payment Received: \$600.00

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

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

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

In no event will the sum of the FCB Pro-Rata Percentage and the MCE Pro-Rata Percentage exceed 100% (together the "Pro-Rata Percentages"). The respective percentages will be

## DRAFT DOCUMENT

expressed to four decimal places. It is hereby acknowledged that the Pro-Rata Percentages may change on a month to month basis depending on variables such as energy use or increased amounts due to penalty rates or late charges. All payments applied to Defaulted OBR Payments shall be done in accordance with the Pro-Rata Percentages.

#### 5.04. Excess Payments Received During Default

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

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

#### 5.05. Loan Loss Reserve

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

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

##### 5.05.1 Charges to the Loan Loss Reserve Account

The sole purpose of the Loan Loss Reserve is to provide a source of repayment for OBR Loans whereby the Borrower has defaulted under the terms of the Loan Documents and FCB deems the OBR Loan or a portion thereof as uncollectible. FCB is eligible to draw down from the Active Loan Loss Reserve Account for any default event as defined in section 2.02.1. FCB will notify MEA promptly upon such a withdrawal using a form substantially similar to Exhibit E.

## DRAFT DOCUMENT

Additionally, FCB will provide monthly reports on the status of the Active Loan Loss Reserve account, including all debits and credits to the account.

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

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

#### 5.05.2 Credits to the Loan Loss Reserve Account

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

#### 5.05.3 Reporting of Loan Loss Reserve Balance

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

#### 5.05.4 Loan Loss Reserve Account – Early Termination of Program

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

#### 5.05.5 Loan Loss Reserve Termination Date

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

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

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

## DRAFT DOCUMENT

## 5.05.6 Interest Earned on the Loan Loss Reserve Account

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

**ARTICLE VI****MISCELLANEOUS**

## 6.01. Modifications to Program

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

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

## 6.02 Information Security – Delivery of Information

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

## 6.03 Confidentiality

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

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

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

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



## DRAFT DOCUMENT

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

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

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

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

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

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

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

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

#### 6.04 Reliance among Parties

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

#### 6.05 Limitation of Liability

## DRAFT DOCUMENT

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

#### 6.06 Communications - Notices

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

- (a) on the date of personal service on the Parties,
- (b) on the third business day after mailing, if the document is mailed by registered or certified mail,
- (c) one day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier, or
- (d) on the date of transmission if sent by telegram, telex, telecopy or other means of electronic transmission resulting in written copies, with receipt confirmed. Any such notice shall be delivered or addressed to the Parties at the addresses set forth below or at the most recent address specified by the addressee through written notice under this provision. Failure to give notice in accordance with any of the foregoing methods shall not defeat the effectiveness of notice actually received by the addressee.

#### 6.07 Amendments

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

#### 6.08 Survival – Representations and Warranties

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

#### 6.09 No Recourse to Constituent Members of MEA

MEA is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to a Joint

## DRAFT DOCUMENT

Powers Agreement and is a public entity separate from its constituent members. MEA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. FCB shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MEA's constituent members in connection with this Agreement.

#### 6.10 Entire Agreement

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

#### 6.11 Governing Law

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

#### 6.12 Waiver

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

#### 6.13 Attorneys' Fees; Prejudgment Interest

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

#### 6.14 Counterparts

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

#### 6.15 Severability

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

#### 6.16. Publicity

## DRAFT DOCUMENT

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

#### 6.17 Independent Contractors

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

#### 6.18 Assignment

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

#### 6.19 Arbitration

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

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

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

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

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

DRAFT DOCUMENT

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

6.19.6 The arbitrator shall not award punitive damages.

6.20 Insurance

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

DRAFT

DRAFT DOCUMENT

## ARTICLE VII.

### DEFINITIONS

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

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

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

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

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

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

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

**CPUC.** California Public Utilities Commission

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

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

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

## DRAFT DOCUMENT

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

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

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

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

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

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

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

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

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

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

**Insecurity.** Lender in good faith believes itself insecure.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrowers property, any

## DRAFT DOCUMENT

assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PGE.** Pacific Gas & Electric Company.

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



DRAFT DOCUMENT

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

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

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

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

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

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

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

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

FCB:

FIRST COMMUNITY BANK

\_\_\_\_\_

By:\_\_\_\_\_

Its:\_\_\_\_\_

Address:\_\_\_\_\_

\_\_\_\_\_

Fax No.: (916) \_\_\_\_\_

MEA:

MARIN ENERGY AUTHORITY

\_\_\_\_\_

By:\_\_\_\_\_

Its:\_\_\_\_\_

Address:\_\_\_\_\_

\_\_\_\_\_

Fax No.: (\_\_\_\_) \_\_\_\_\_

DRAFT DOCUMENT

## **EXHIBIT A – CERTIFICATE OF COMPLETION**

Date of Certificate:

Borrower Name:

Property Address:

Date of Energy Audit:

Date of Scope of Work:

Estimated Contractor Cost:

Final Contractor Cost:

Rebate Amount:

Rebate Amount Assigned to Contractor: ☐ Yes ☐ No

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

If Yes – Explain:

Dollar cost change:

Description of change:

Date of Final Inspection:

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

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

DRAFT DOCUMENT

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

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Program Manager

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Auditor

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Marin Energy Authority

DRAFT

DRAFT DOCUMENT

## EXHIBIT B – BORROWER/CONTRACTOR AFFIDAVIT

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

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

Attested to this day, the \_\_\_\_\_ of \_\_\_\_\_, 201\_\_\_\_

By: \_\_\_\_\_  
Borrower (insert full name)

By: \_\_\_\_\_  
General Contractor (insert full name)

DRAFT DOCUMENT

EXHIBIT C - LOAN INFORMATION NOTICE

**CONFIDENTIAL**

From: First Community Bank  
Loan Servicing Department

To: Marin Energy Authority  
Noble America's Energy Solutions

Re: New Borrower Notice  
MCE On-Bill Repayment Program

Date:

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

\_\_\_\_\_ New Borrower

\_\_\_\_\_ Change to Existing Borrower

Borrower Name:

Reference Number: XXXXX-1234

Borrower PG&E Account ID:

Funding Date:

Total Payment Due:

First Payment Date:

Term:

Monthly Payment:

Authorized by:

\_\_\_\_\_

Date: \_\_\_\_\_

DRAFT DOCUMENT

EXHIBIT D – OBR LOAN CORRECTION NOTICE

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

BORROWER NAME:

BORROWER REFERENCE NUMBER:

BORROWER PG&E ACCOUNT ID:

REPORT DATE:

THE CORRECTION IS REQUIRED IN THE FOLLOWING FIELD:

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

OTHER:

**AUTHORIZED BY:**

\_\_\_\_\_ DATE: \_\_\_\_\_

DRAFT DOCUMENT

**EXHIBIT E – NOTICE OF LOAN LOSS RESERVE ADVANCE**

From: First Community Bank

Loan Servicing Department

To: Marin Energy Authority

Re: Defaulted OBR Loan

Date:

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

Borrower Name:

Reference Number: XXXXX-1234

Date Last Payment Received:

Next Payment Due Date:

Total Delinquent Payments: \$

Other costs:

Comment: (describe collection efforts)

Authorized by:

\_\_\_\_\_  
(First Community Bank)

Date: \_\_\_\_\_

DRAFT DOCUMENT

EXHIBIT F – FORM OF LATE PAYMENT NOTIFICATION

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

DRAFT





Dawn Weisz  
Executive Officer

Damon Connolly  
Chair  
City of San Rafael

Kathrin Sears  
Vice Chair  
County of Marin

Bob McCaskill  
City of Belvedere

Alexandra Cock  
Town of Corte Madera

Larry Bragman  
Town of Fairfax

Len Rifkind  
City of Larkspur

Ken Wachtel  
City of Mill Valley

Denise Athas  
City of Novato

Tom Butt  
City of Richmond

Carla Small  
Town of Ross

Ford Greene  
Town of San Anselmo

Ray Withy  
City of Sausalito

Emmett O'Donnell  
Town of Tiburon

## NOTICE OF OVERDUE PAYMENT: IMMEDIATE ACTION REQUIRED

[INSERT DATE]

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

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

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

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

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

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

781 Lincoln Avenue  
Suite 320  
San Rafael, CA 94901

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

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

## **PAYING YOUR ELECTRIC BILL**

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

### **By Phone:**

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

### **Online:**

To pay online, sign up for e-bills at [www.pge.com](http://www.pge.com).

### **By Mail:**

To pay by mail send payment to:

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

### **In Person:**

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

Things to remember when paying in person:

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

### **Marin Payment Locations:**

[Marin Energy Authority](#) | 781 Lincoln Avenue, Suite 320 | San Rafael, CA 94901 | (888) 632-3674 | [mceCleanEnergy.com](http://mceCleanEnergy.com)

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

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

**EXHIBIT G – SCHEDULE OF MEA SERVICE PROVIDERS**

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

NES - Noble America's Energy Solutions

Project Consultants (list and describe roles)

## EXHIBIT H – CUSTOMER DISCLOSURE AND CERTIFICATION

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

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

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

### NOTICE:

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

### CONSENT

- 1) I HAVE READ AND UNDERSTOOD THE INFORMATION IN THIS DOCUMENT;
- 2) I HEREBY AUTHORIZE [PGE-MEA] TO SHARE MY PGE INFORMATION WITH FIRST COMMUNITY BANK
- 3) I HEREBY AUTHORIZE FIRST COMMUNITY BANK TO SHARE INFORMATION WITH [MEA-PGE]
- 4) I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-MEA] AND FIRST COMMUNITY BANK

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



April 30, 2013

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

**Re: Marin Clean Energy "MCE" Consumer Loan Program**

Dear Ms. Dawn Weisz and Ms. Beckie Menten:

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

Collateral:	N/A. Unsecured.
Minimum Loan Amount:	\$ 2,500.00
Maximum Loan Amount:	\$30,000.00
Payment Schedule:	Monthly principal and interest, fully amortized.
Interest Rate:	6.50% fixed.
Maximum Term:	10 years.
Sample Monthly Payment:	\$113.55 (based on a \$10,000 loan amount).
Annual Percentage Rate:	6.612% (based on a \$10,000 loan amount).
Minimum FICO Score:	640.
Qualifications:	Proof of Homeownership; Property Taxes are Current.
Upfront Application Fee:	\$50 (paid in cash).
Documentation Fee:	\$150 (financed).
Late Fees:	

**Marin Energy Reserve Amounts**

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

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

**Santa Rosa Main Office**

438 First Street, Santa Rosa, CA 95401 TEL 707 636 9000 FAX 707 636 9110 [www.fcbconnect.com](http://www.fcbconnect.com)



First Community Bank



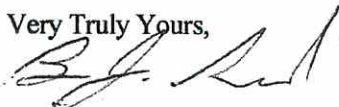
Marin Clean Energy  
Consumer Loans  
Page 2  
April 16, 2013

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

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

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


Very Truly Yours,



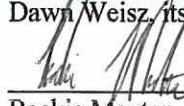
Brian Reed  
CCO and Executive Vice President

Marin Energy Authority

By:

  
Dawn Weisz, its Executive Officer

By:

  
Beckie Menten, its Energy Efficiency Coordinator



## Marin Clean Energy “MCE” Unsecured Consumer Loan Program

<i>Loan Program</i>	“MCE” On-Bill Repayment Loan		
<i>Loan Purpose</i>	Energy efficient home improvements		
<i>Minimum Loan Amount</i>	\$2,500		
<i>Maximum Loan Amount</i>	\$30,000		
<i>Payment Schedule</i>	Monthly Principal & Interest, fully amortized		
<i>Interest Rate</i>	6.50% Fixed		
<i><u>Minimum</u> FICO Score</i>	640		
<i>Qualifications</i>	Proof of Homeownership; Property Taxes Current; No Liens, Judgements, Notice of Default, or other notices filed against the property being improved.		
<i>Upfront Application Fee</i>	\$50.00; non-refundable (paid in cash)		
<i>Documentation Fee</i>	\$150.00; fee is paid in cash or financed at loan origination		
<i>Late Fees</i>	6.00% of the regularly scheduled payment or \$25.00, whichever is greater		
<i>Term</i>	Term is 5 years for a Loan Amount of \$7,500.00 or less; Choice of 5 or 10 year term for a Loan Amount of \$7,500.01 or greater		
	5-year Term Loan Amount \$5,000.00	5-year Term Loan Amount \$10,000.00	10-year Term Loan Amount \$10,000.00
<i>Sample Monthly Payments</i>	\$98.15	\$196.30	\$114.15
<i>Annual Percentage Rate</i>	6.590%	6.590%	6.592%

RATES AND FEES SUBJECT TO CHANGE WITHOUT NOTICE.





## FAQ's for Marin Clean Energy Loans

### What is the "OBR" loan program?

- An "OBR" loan is a Marin Clean Energy "MCE" On-Bill Repayment Loan
- OBR loans are originated and funded by First Community Bank

### What are the terms of the loan program?

- Minimum loan amount of \$2,500.00; maximum loan amount of \$30,000.00
- Fixed rate of 6.50%
- Loan amounts up to \$7,500.00 have a loan term of 5 years. For loan amounts in excess of \$7,500.00, you have the choice of a 5 or 10 year term.
- Fully amortized monthly principal and interest payments
- Monthly billing included on your current PG&E billing
- Annual statements will be mailed directly by First Community Bank

### What are the costs associated with the loan?

- Non-refundable application fee of \$50.00 is collected with your application and covers administrative costs to process your application including credit report and property report fees.
- Documentation fee of \$150.00 is collected at consummation of the loan and at your option may be financed into the loan.
- Late fees may apply

### How do I apply?

- Complete a First Community Bank Loan Application
- Pay the \$50.00 non-refundable loan fee
- Submit the application, fee, and a copy of your most recent PG&E monthly billing statement to FCB.

### How do I qualify for the First Community Bank Loan?

- Borrower or Borrowers must have a minimum FICO score of 640
- A title search is performed to verify your home ownership
- Property taxes must be current
- Property cannot have any liens, judgments, Notice of Default, or other notices filed against it.

### If I am approved for the loan, what next?

- You will receive a written communication from FCB notifying you of your loan approval
- Work is completed at your home. MCE will notify FCB when your project is complete and forward the necessary notices to the Bank.
- Once the work is confirmed, your loan documents are prepared and arrangements are made for you to sign the loan documents.

### What if I am eligible for an energy efficiency rebate?

- If you have applied and been accepted for a rebate, it will not affect the initial amount of your loan. Your loan amount will be for the full amount of the project cost.
- Any rebate will be paid directly to you.
- If you choose to apply the rebate funds to your loan, you will be given a one-time opportunity to re-amortize your monthly loan payment once the rebate funds have been applied to the principal balance.



## FAQ's for Marin Clean Energy Loans

### What if the actual project costs change compared to my original loan amount?

- If the funds needed to complete the project are lower than the loan amount approved, the final loan amount will be adjusted when your loan documents are prepared. You will only repay the total amount paid for the improvements.
- If the loan amount approved is not sufficient to cover the total amount of the improvements, you will have the following options:
  - Pay for the increase with your own resources;
  - Cancel the loan request; or
  - Request an increase to the loan amount.
- The final loan amount must conform to the final project cost.

### How do I receive my loan funds?

- Once your loan documents are signed, the Bank will fund your loan within seven (7) business days.
- You will have the choice of receiving your loan funds by check, wire, or direct deposit to a FCB deposit account.
- In most cases the loan funds will be paid directly to the contractor who performs your work, unless otherwise specified

### What if I want to pre-pay or make extra payments on my loan?

- ALL payments in excess of the exact amount billed on your PG&E billing statement MUST be made directly to FCB.
- Excess amounts paid directly to PG&E will be credited to your PG&E account, and will not be allocated to your loan.
- Pre-payments are made without any penalty to you.
- These payments can be made to FCB at the following address or any branch location:
  - First Community Bank, 438 First Street, Santa Rosa, CA 95401
  - See FCB's website for branch locations: [www.fcbconnect.com](http://www.fcbconnect.com)
- If you want to pay your loan in full, please contact FCB's Loan Operation Department at (707) 636-9060 for a payoff quote. Please note that the payoff figure will vary daily based on payments received and the amount of interest that is accrued.

### What if I have questions about my loan?

- Questions regarding your loan are made directly to First Community Bank.
- You can contact the Bank by phone or e-mail
  - Loan Operations Department (707) 636-9060 or (800) xxx-xxxx
  - [loanhelp@fcbconnect.com](mailto:loanhelp@fcbconnect.com)

### What if I have other questions?

- Questions regarding the program are made directly to Marin Clean Energy. See MCE's website for additional information: [www.mcecleanenergy.com](http://www.mcecleanenergy.com)



## Consumer Loan Application

### Marin Clean Energy On-Bill Loan Program

**Type of Credit:**
☒ MCE On-Bill Loan Program

☐ Include a copy of your most recent PG&E monthly billing statement with this application.

 Loan Amount Requested: \$ \_\_\_\_\_ Loan Purpose: Home Improvement

 Loan Term: ☐ Loan amount of \$7,500.00 or less, loan term is 5 years  
 Loan amount of \$7,500.01 or more; choose ☐ 5 year term or ☐ 10 year term
**IMPORTANT: Read these Directions before completing this Application**

- Check ☐ If you are applying for an individual account in your name and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, complete only Sections A and D.
- Appropriate ☐ If you are applying for a joint account or an account that you and another person will use, complete all Sections, providing information in B about the joint applicant or user.
- Box ☐ We intend to apply for joint credit.
- Applicant Co-Applicant
- ☐ If you are applying for an individual account, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as the basis for repayment of the credit requested, complete all Sections to the extent possible, providing information in B about the person on whose alimony, support, or maintenance payments or income or assets you are relying.

 If you would like to be contacted via e-mail in association with this loan request, please provide your e-mail address:
   
 \_\_\_\_\_

Section A – Information Regarding Applicant					
Full Name (Last, First, Middle):				Date of Birth:	
Home Address:				Yrs. There:	
City:		State:		Zip Code:	
Social Security No.:		Driver's License No.:		Home Phone:	
Previous Home Address:				Yrs. There:	
City:		State:		Zip Code:	
Present Employer:			Yrs. There:		Work Phone:
Position or Title:			Name of Supervisor:		
Employer's Address:		City:		State:	Zip Code:
Previous Employer:				Yrs. There:	
Previous Employer Address:		City:		State:	Zip Code:
Present net salary or commission:		per		No Dependents:	
\$				Ages:	
<b>Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.</b> Alimony, child support, separate maintenance received under: <input type="checkbox"/> court order <input type="checkbox"/> written agreement <input type="checkbox"/> oral understanding					
Other Income:		per		Source(s) of other income:	
\$					
Is any income listed in the Section likely to be reduced in the next two years? <input type="checkbox"/> Yes (Explain in detail on a separate sheet) <input type="checkbox"/> No					
Have you ever received credit from us? <input type="checkbox"/> Yes <input type="checkbox"/> No			When?:		Type:
Checking Account No.:			Institution and Branch:		
Savings Account No.:			Institution and Branch:		
Name of nearest relative not living with you:				Telephone:	
Relationship:		Address:			



## Marin Clean Energy On-Bill Loan Program

### Section B – Information Regarding Joint Applicant, User, or Other Party (Use separate sheets if necessary.)

Full Name (Last, First, Middle):			Date of Birth:		
Relationship to Applicant (if any):					
Home Address:			Yrs. There:		
City:	State:	Zip Code:	Home Phone:		
Social Security No.:		Driver's License No.:			
Previous Home Address:			Yrs. There:		
City:	State:	Zip Code:			
Present Employer:		Yrs. There:	Work Phone:		
Position of Title:		Name of Supervisor:			
Employer's Address:		City:	State:	Zip Code:	
Previous Employer:			Yrs. There:		
Previous Employer Address:		City:	State:	Zip Code:	
Present net salary or commission:	\$	per	No Dependents:		Ages:
<p><b>Alimony, child support, or separate maintenance income need to be revealed if you do not wish to have it considered as a basis for repaying this obligation.</b></p> <p>Alimony, child support, separate maintenance received under: <input type="checkbox"/> court order <input type="checkbox"/> written agreement <input type="checkbox"/> oral understanding</p>					
Other Income:		\$	per	Source(s) of other income:	
<p>Is any income listed in the Section likely to be reduced in the next two years?</p> <p><input type="checkbox"/> Yes (Explain in detail on a separate sheet) <input type="checkbox"/> No</p>					
Have you ever received credit from us?		<input type="checkbox"/> Yes <input type="checkbox"/> No	When?:	Type:	
Checking Account No.:		Institution and Branch:			
Savings Account No.:		Institution and Branch:			
Name of nearest relative not living with you:				Telephone:	
Relationship:		Address:			

### Section C – Marital Status

Applicant:	<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced, and widowed)
Other Party:	<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced, and widowed)

### Section D – Asset and Debt Information (If Section B has been completed, this Section should be completed giving information about both The Applicant and Joint Applicant, User, or Other Person. Please mark Applicant-related information with an "A". If Section B was not completed, only give information about the Applicant in this Section.)

#### ASSETS OWNED (use separate sheet if necessary)

Description of Assets	Value	Subject to Debt? Yes/No	Name(s) of Owner(s)
Cash	\$		
Automobiles (Make, Model, Year)	\$		
Cash Value of Life Insurance (Issuer, Face Value)	\$		



## Marin Clean Energy On-Bill Loan Program

**Section D – Asset and Debt Information** (If Section B has been completed, this Section should be completed giving information about both Cont. The Applicant and Joint Applicant, User, or Other Person. Please mark Applicant-related information with an “A”. If Section B was not completed, only give information about the Applicant in this Section.)

**ASSETS OWNED** (use separate sheet if necessary)

Description of Assets	Value	Subject to Debt? Yes/No	Name(s) of Owner(s)
Real Estate (Location, Date Acquired)	\$		
Marketable Securities (Issuer, Type, No. of Shares)	\$		
Other (List)	\$		
Total Assets	\$		

**OUTSTANDING DEBTS** (Include charge accounts, installment contracts, credit cards, rent, mortgages, etc. Use separate sheet if necessary)

Creditor	Type of Debt or Acct. No.	Name in Which Acct. Carried	Original Debt	Present Balance	Monthly Payments	Past Due? Yes/No
1 (Landlord or Mortgage Holder)	<input type="checkbox"/> Rent Payment <input type="checkbox"/> Mortgage		\$	\$	\$	
2			\$	\$	\$	
3			\$	\$	\$	
4			\$	\$	\$	
5			\$	\$	\$	
6			\$	\$	\$	
Total Debts			\$	\$	\$	
Are you a co-maker, endorser, or guarantor on any loan or contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, for whom?	To Whom?			
Are there any unsatisfied judgments against you?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Amount:	If yes, to whom owed?			
Have you been declared bankrupt in the last 14 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, where?	Year			
Other Obligations – (E.g., liability to pay alimony, child support, spousal maintenance Use separate sheet if necessary)						

**Acknowledgement and Agreement:**

The undersigned acknowledge and certify that all of the information you have provided, or will provide, in conjunction with this application is true and complete. You authorize First Community Bank to obtain any and all information necessary to process this application, as well as service this account if approved, including but not limited to, information concerning employment and credit history; deposit and investment balances; and, if applicable, an appraisal on the property. You agree that you will provide additional information to the Bank as required, including but not limited to, federal income tax returns, employment verification, and income verification. I understand that you will retain this application whether or not it is approved.

X

Applicant's Signature

Date

Other Signature (Where Applicable)

Date:

**Information for Government Monitoring Purposes**

The following information is requested by the federal government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. You may select one or more designations for "Race". The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it. However, if you choose not to furnish the information and you have made this application in person, under federal regulations the lender is required to note ethnicity, race, and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check below.

**APPLICANT** ☐ I do not wish to furnish this information.  
 Ethnicity: ☐ Hispanic or Latino ☐ Not Hispanic or Latino  
 Race: ☐ American Indian or Alaskan Native ☐ Asian ☐ Black or African American  
☐ Native Hawaiian or Other Pacific Islander ☐ White  
 Sex: ☐ Female ☐ Male

**CO-APPLICANT** ☐ I do not wish to furnish this information.  
 Ethnicity: ☐ Hispanic or Latino ☐ Not Hispanic or Latino  
 Race: ☐ American Indian or Alaskan Native ☐ Asian ☐ Black or African American  
☐ Native Hawaiian or Other Pacific Islander ☐ White  
 Sex: ☐ Female ☐ Male

**BANK USE ONLY:**

Date Received: ☐ In person ☐ Phone ☐ Mail



## Marin Clean Energy On-Bill Loan Program

### CUSTOMER DISCLOSURE AND CERTIFICATION

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

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

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

#### NOTICE:

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

#### CONSENT:

- 1) I HAVE READ AND UNDERSTOOD THE INFORMATION IN THIS DOCUMENT;
- 2) I HEREBY AUTHORIZE [PGE-MEA] TO SHARE MY PGE INFORMATION WITH FIRST COMMUNITY BANK
- 3) I HEREBY AUTHORIZE FIRST COMMUNITY BANK TO SHARE INFORMATION WITH [MEA-PGE]
- 4) I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-MEA] AND FIRST COMMUNITY BANK

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

X

Applicant's Signature

Date

Other Signature (Where Applicable)

Date:



*Sample e-sign disclosure.*

*Copy and past the disclosure below into an e-mail to the applicant:*

First Community Bank can provide your required loan disclosures and documents via e-mail. In order to receive the disclosure electronically, you must be aware of the following:

- You have the right to have this electronic disclosure provided on paper;
- You have the right to withdraw this consent at any time;
- This consent only applies to this specific loan transaction;
- To withdraw consent or make changes to your e-mail address, simply contact the Loan Operations Department at (707) 636-9060 / (800) xxx-xxxx / [loanhelp@fcbconnect.com](mailto:loanhelp@fcbconnect.com);
- You may request paper copies of the e-disclosures, they will be mailed to you at no charge; and
- You will need Adobe Acrobat Reader software to open the documents and a printer to print the disclosures as some pages require your signature(s). You may also need scanning capability to return the signed pages to the Bank, otherwise they can be faxed to (707) 636-9128, mailed, or hand delivered.

If you choose to receive your upfront disclosures by e-mail, please respond to this e-mail indicating your consent.



First  
Community  
Bank

## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000.00	09-15-2013	09-26-2018	1234			CM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** 5-year Term Less than \$7,500

**Lender:** First Community Bank  
Santa Rosa Main Office  
438 First Street  
Santa Rosa, CA 95401

**Principal Amount: \$5,000.00****Date of Note: September 15, 2013**

**PROMISE TO PAY.** I ("Borrower") promise to pay to First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Five Thousand & 00/100 Dollars (\$5,000.00), together with interest on the unpaid principal balance from September 20, 2013, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 6.500%, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** I will pay this loan in 59 payments of \$98.15 each payment and an irregular last payment estimated at \$98.04. My first payment is due October 26, 2013, and all subsequent payments are due on the same day of each month after that. My final payment will be due on September 26, 2018, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any unpaid collection costs. I will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** I may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve me of my obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in my making fewer payments. I agree not to send Lender payments marked "paid in full", "without recourse", or similar language. If I send such a payment, Lender may accept it without losing any of Lender's rights under this Note, and I will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Community Bank, 438 First Street Santa Rosa, CA 95401.

**INTEREST AFTER DEFAULT.** Upon maturity, whether scheduled or accelerated by Lender because of my default, the interest rate on this Note shall, if permitted under applicable law, immediately increase by 5.000 percentage points.

**DEFAULT.** I will be in default under this Note if any of the following happen:

**Payment Default.** I fail to make any payment when due under this Note.

**Break Other Promises.** I break any promise made to Lender or fail to perform promptly at the time and strictly in the manner provided in this Note or in any agreement related to this Note, or in any other agreement or loan I have with Lender.

**False Statements.** Any representation or statement made or furnished to Lender by me or on my behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished.

**Death or Insolvency.** Any Borrower dies or becomes insolvent; a receiver is appointed for any part of my property; I make an assignment for the benefit of creditors; or any proceeding is commenced either by me or against me under any bankruptcy or insolvency laws.

**Taking of the Property.** Any creditor or governmental agency tries to take any of the property or any other of my property in which Lender has a lien. This includes taking of, garnishing of or levying on my accounts with Lender. However, if I dispute in good faith whether the claim on which the taking of the property is based is valid or reasonable, and if I give Lender written notice of the claim and furnish Lender with monies or a surety bond satisfactory to Lender to satisfy the claim, then this default provision will not apply.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then I will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if I do not pay. I will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. I also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California.

**CHOICE OF VENUE.** If there is a lawsuit, I agree upon Lender's request to submit to the jurisdiction of the courts of Sonoma County, State of California.

**COLLATERAL.** This loan is unsecured.

**DUE ON SALE.** Borrower agrees that this loan is immediately due and payable in full if any of the following conditions occur: (a) the Borrower sells the property on which the clean energy improvements were made; (2) the Borrower no longer participates in MCE's [program]; (3) the information provided in obtaining this loan was fraudulent; or (4) Borrower defaults under any term or condition of this loan.

**BILLING.** Borrower agrees that the monthly principal and interest payment for this loan will be billed on their monthly PG&E billing statement. Borrower understands that all amounts they wish to pay above and beyond the exact amount billed by PG&E must be paid directly to First

**PROMISSORY NOTE  
(Continued)**

Loan No: 1234

Page 2

Community Bank, Attn: Loan Operations, 438 First Street, CA 95401.

**CUSTOMER DISCLOSURE AND CERTIFICATION.** See Exhibit A, which is attached to this Promissory Note and made part of this Promissory Note as if fully set forth herein.

**DEFINITIONS.** The following words shall have the following meanings when used in this Promissory Note or any other related documents:

FCB. The acronym "FCB" means First Community Bank.

MCE. The acronym "MCE" means Marin Clean Energy.

MEA. The acronym "MEA" means Marin Energy Authority.

OBR. The acronym "OBR" means On-Bill Repayment Loan.

PG&E or PGE. These acronyms "PG&E" or "PGE" mean Pacific Gas and Electric.

**LATE CHARGE.** If a payment is 15 days or more late, I may be charged **6.000% of the regularly scheduled payment or \$25.00, whichever is greater.**

**REBATE PAYMENT.** Borrower may choose to apply any energy efficiency rebate funds received by them to the principal balance of the loan. Lender agrees to a one-time re-amortization of the monthly loan payment based on the reduced principal balance. Once the funds have been applied to the loan, Lender will perform a re-amortization and notify Borrower of the new payment amount and effective date, not to exceed sixty (60) days of the principal payment.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon me, and upon my heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** I may notify Lender if Lender reports any inaccurate information about my account(s) to a consumer reporting agency. My written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: First Community Bank 438 First Street Santa Rosa, CA 95401.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. I and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. This means that the words "I", "me", and "my" mean each and all of the persons signing below.

**PRIOR TO SIGNING THIS NOTE, I READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. I AGREE TO THE TERMS OF THE NOTE.**

**I ACKNOWLEDGE RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

X

5-year Term Less than \$7,500

**EXHIBIT A - CUSTOMER DISCLOSURE AND CERTIFICATION**

Principal \$5,000.00	Loan Date 09-15-2013	Maturity 09-26-2018	Loan No 1234	Call / Coll	Account	Officer CM	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** 5-year Term Less than \$7,500
**Lender:** First Community Bank  
Santa Rosa Main Office  
438 First Street  
Santa Rosa, CA 95401
**On-Bill Repayment Certification and Consent:**

You are obtaining a loan with First Community Bank to finance certain energy efficiency improvements using the MCE On-Bill Loan Program to facilitate the payments of your On-Bill Repayment Loan (the "OBR Loan").

**NOTICE:**

Monthly installment payments to your OBR Loan will be included as a separate line item on your monthly [PG&E][MEA]Billing Statement;

The OBR Loan installment payment is a separate obligation from your agreement and obligations with [PG&E][MEA].

Failure to pay your monthly PG&E Billing Statement, which includes both the [PG&E][MEA]amounts due and the OBR Loan payment due, in full each month can result in a short or delinquent payment to your OBR Loan.

If you become delinquent on any portion of an OBR Loan or a [PG&E][MEA], all future payments will be applied on a pro-rated basis between the OBR Loan and the [PG&E][MEA] portion of the billing statement.

First Community Bank may bill you separately for any delinquent or late charges due, these amounts are due and payable even if they are not included on the PGE Billing Statement.

If you are not delinquent and choose to repay your OBR Loan in full before the anticipated final installment, this payment must be made directly to First Community Bank.

Your OBR Loan will be immediately due in payable in full if any of the following conditions occur: 1) You sell the property to which the improvements are made, 2) You no longer participate in MCE's [Program], 3) The information provided in obtaining the OBR Loan was fraudulent and/or 4) You default under any term or condition of your OBR Loan.

The purpose of the OBR Loan is to fund energy efficient improvements as provided on a project summary – energy audit (the "Energy Audit").

**CONSENT:**

I HAVE READ AND UNDERSTOOD THE INFORMATION IN THIS DOCUMENT;

I HEREBY AUTHORIZE [PGE-MEA] TO SHARE MY PGE INFORMATION WITH FIRST COMMUNITY BANK

I HEREBY AUTHORIZE FIRST COMMUNITY BANK TO SHARE INFORMATION WITH [MEA-PGE]

I UNDERSTAND THAT IF MY PAYMENTS ARE DELINQUENT, THAT A DELINQUENCY COULD OCCUR UNDER OBLIGATIONS TO BOTH [PGE-MEA] AND FIRST COMMUNITY BANK.

**BORROWER:**

X \_\_\_\_\_  
5-year Term Less than \$7,500



## DISCLOSURE STATEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000.00	09-15-2013	09-26-2018	1234			CM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** 5-year Term Less than \$7,500

**Lender:** First Community Bank  
Santa Rosa Main Office  
438 First Street  
Santa Rosa, CA 95401

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate. <b>6.590%</b>	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me. <b>\$888.89</b>	<b>Amount Financed</b> The amount of credit provided to me or on my behalf. <b>\$5,000.00</b>	<b>Total of Payments</b> The amount I will have paid after I have made all payments as scheduled. <b>\$5,888.89</b>
---	--	---	---

**PAYMENT SCHEDULE.** My payment schedule will be 59 monthly payments of \$98.15 each, beginning October 26, 2013; and one payment of \$98.04 on September 26, 2018.

**SECURITY.** This loan is unsecured.

**PREPAYMENT.** If I pay off early, I will not have to pay a penalty.

I will look at my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds.

I read and was given a completed copy of this Disclosure Statement on September 15, 2013, prior to signing the Note.

**BORROWER:**

X \_\_\_\_\_  
5-year Term Less than \$7,500

### Amount Financed Itemization

Amount paid to others on my behalf:	\$4,850.00
\$4,850.00 to Joe Contractor	
Other Charges Financed:	\$150.00
\$150.00 Documentation Fee	
 Note Principal:	 \$5,000.00
Prepaid Finance Charges:	\$0.00
Amount Financed:	\$5,000.00

Other Charges Paid in Cash:	\$50.00
\$50.00 Non-Refundable Application Fee (POC)	



## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$5,000.00	09-15-2013	09-26-2018	1234			CM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** 5-year Term Less than \$7,500

**Lender:** First Community Bank  
 Santa Rosa Main Office  
 438 First Street  
 Santa Rosa, CA 95401

**LOAN TYPE.** This is a Fixed Rate (6.500%) Disclosable Loan to an Individual for \$5,000.00 due on September 26, 2018.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- ☒ **Personal, Family, or Household Purposes or Personal Investment.**
- ☐ **Business (Including Real Estate Investment).**

**SPECIFIC PURPOSE.** The specific purpose of this loan is: MCE.

**DISBURSEMENT INSTRUCTIONS.** I understand that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$5,000.00 as follows:

**Amount paid to others on my behalf:** \$4,850.00  
 \$4,850.00 to Joe Contractor

**Other Charges Financed:** \$150.00  
 \$150.00 Documentation Fee

**Note Principal:** \$5,000.00

**CHARGES PAID IN CASH.** I have paid or will pay in cash as agreed the following charges:

**Prepaid Finance Charges Paid in Cash:** \$0.00

**Other Charges Paid in Cash:** \$50.00  
 \$50.00 Non-Refundable Application Fee (POC)

**Total Charges Paid in Cash:** \$50.00

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, I REPRESENT AND WARRANT TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN MY FINANCIAL CONDITION AS DISCLOSED IN MY MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED SEPTEMBER 15, 2013.

**BORROWER:**

X \_\_\_\_\_  
 5-year Term Less than \$7,500

**DISBURSEMENT REQUEST AND AUTHORIZATION  
(Continued)**

Loan No: 1234

Page 2

---

---

**CREDIT INSURANCE DISCLOSURE**

**VOLUNTARY CREDIT INSURANCE. CREDIT LIFE INSURANCE, CREDIT DISABILITY INSURANCE AND INVOLUNTARY UNEMPLOYMENT INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT.**

By signing below, I acknowledge that I am not obtaining credit insurance for this loan for one of the following reasons:

- (A) I am not eligible for credit insurance;
- (B) Credit insurance is not available from Lender; or
- (C) If I am eligible and credit insurance is available from Lender, I do not want it.

Prior to signing this Credit Insurance Notice on September 15, 2013, I read and understood all of the provisions of this Disclosure.

**BORROWER:**

X \_\_\_\_\_  
5-year Term Less than \$7,500

**AMORTIZATION SCHEDULE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
<b>\$5,000.00</b>	<b>09-15-2013</b>	<b>09-26-2018</b>	<b>1234</b>			<b>CM</b>	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** 5-year Term Less than \$7,500
**Lender:** First Community Bank  
Santa Rosa Main Office  
438 First Street  
Santa Rosa, CA 95401

**Disbursement Date:** September 20, 2013  
**Interest Rate:** 6.500

**Repayment Schedule:** Installment  
**Calculation Method:** 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	10-26-2013	98.15	32.50	65.65	4,934.35
2	11-26-2013	98.15	27.62	70.53	4,863.82
3	12-26-2013	98.15	26.35	71.80	4,792.02
<b>2013 TOTALS:</b>		<b>294.45</b>	<b>86.47</b>	<b>207.98</b>	
4	01-26-2014	98.15	26.82	71.33	4,720.69
5	02-26-2014	98.15	26.42	71.73	4,648.96
6	03-26-2014	98.15	23.50	74.65	4,574.31
7	04-26-2014	98.15	25.60	72.55	4,501.76
8	05-26-2014	98.15	24.38	73.77	4,427.99
9	06-26-2014	98.15	24.78	73.37	4,354.62
10	07-26-2014	98.15	23.59	74.56	4,280.06
11	08-26-2014	98.15	23.96	74.19	4,205.87
12	09-26-2014	98.15	23.54	74.61	4,131.26
13	10-26-2014	98.15	22.38	75.77	4,055.49
14	11-26-2014	98.15	22.70	75.45	3,980.04
15	12-26-2014	98.15	21.56	76.59	3,903.45
<b>2014 TOTALS:</b>		<b>1,177.80</b>	<b>289.23</b>	<b>888.57</b>	
16	01-26-2015	98.15	21.85	76.30	3,827.15
17	02-26-2015	98.15	21.42	76.73	3,750.42
18	03-26-2015	98.15	18.96	79.19	3,671.23
19	04-26-2015	98.15	20.55	77.60	3,593.63
20	05-26-2015	98.15	19.47	78.68	3,514.95
21	06-26-2015	98.15	19.67	78.48	3,436.47
22	07-26-2015	98.15	18.61	79.54	3,356.93
23	08-26-2015	98.15	18.79	79.36	3,277.57
24	09-26-2015	98.15	18.35	79.80	3,197.77
25	10-26-2015	98.15	17.32	80.83	3,116.94
26	11-26-2015	98.15	17.45	80.70	3,036.24
27	12-26-2015	98.15	16.45	81.70	2,954.54
<b>2015 TOTALS:</b>		<b>1,177.80</b>	<b>228.89</b>	<b>948.91</b>	
28	01-26-2016	98.15	16.54	81.61	2,872.93
29	02-26-2016	98.15	16.08	82.07	2,790.86
30	03-26-2016	98.15	14.61	83.54	2,707.32
31	04-26-2016	98.15	15.15	83.00	2,624.32
32	05-26-2016	98.15	14.22	83.93	2,540.39
33	06-26-2016	98.15	14.22	83.93	2,456.46
34	07-26-2016	98.15	13.31	84.84	2,371.62
35	08-26-2016	98.15	13.27	84.88	2,286.74
36	09-26-2016	98.15	12.80	85.35	2,201.39
37	10-26-2016	98.15	11.92	86.23	2,115.16
38	11-26-2016	98.15	11.84	86.31	2,028.85
39	12-26-2016	98.15	10.99	87.16	1,941.69
<b>2016 TOTALS:</b>		<b>1,177.80</b>	<b>164.95</b>	<b>1,012.85</b>	
40	01-26-2017	98.15	10.87	87.28	1,854.41
41	02-26-2017	98.15	10.38	87.77	1,766.64
42	03-26-2017	98.15	8.93	89.22	1,677.42
43	04-26-2017	98.15	9.39	88.76	1,588.66
44	05-26-2017	98.15	8.61	89.54	1,499.12
45	06-26-2017	98.15	8.39	89.76	1,409.36
46	07-26-2017	98.15	7.63	90.52	1,318.84
47	08-26-2017	98.15	7.38	90.77	1,228.07
48	09-26-2017	98.15	6.87	91.28	1,136.79
49	10-26-2017	98.15	6.16	91.99	1,044.80
50	11-26-2017	98.15	5.85	92.30	952.50
51	12-26-2017	98.15	5.16	92.99	859.51



# AMORTIZATION SCHEDULE (Continued)

Loan No: 1234

Page 2

<b>2017 TOTALS:</b>		<b>1,177.80</b>	<b>95.62</b>	<b>1,082.18</b>	
52	01-26-2018	98.15	4.81	93.34	766.17
53	02-26-2018	98.15	4.29	93.86	672.31
54	03-26-2018	98.15	3.40	94.75	577.56
55	04-26-2018	98.15	3.23	94.92	482.64
56	05-26-2018	98.15	2.61	95.54	387.10
57	06-26-2018	98.15	2.17	95.98	291.12
58	07-26-2018	98.15	1.58	96.57	194.55
59	08-26-2018	98.15	1.09	97.06	97.49
60	09-26-2018	98.04	0.55	97.49	0.00
<b>2018 TOTALS:</b>		<b>883.24</b>	<b>23.73</b>	<b>859.51</b>	
<b>TOTALS:</b>		<b>5,888.89</b>	<b>888.89</b>	<b>5,000.00</b>	

**NOTICE:** This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.



# Energy Efficiency Update

Beckie Menten

Energy Efficiency Coordinator | Marin Energy Authority



- Program Progress and Status
- Addressing Challenges
- Program Accomplishments



# Multi-Family Program Update

- Five projects in the pipeline (representing 15 sites)
- MHA complete
  - 5 sites; 500 units
- Revised Outreach
  - Section 8 voucher inserts mailed to 650-700 recipients in Richmond in August
  - Reaching out to schedule presentations
  - Revised script
- RichmondBUILD class of 32 trainees graduated



## Initial Program Results

Budget	
Budget Spent	\$90,303
Savings	
kWh	18,490
kW	1
Therms	3,275
Performance Metrics	
Projects	1 Project (5 sites)
Technical Assistance	6 Projects (15 sites)
Contractors Trained	32



# 2013 -2014 EE Programs: Small Commercial

- Businesses touched through outreach: 789
- Audits complete: 103 basic; 7 whole building
- Novato canvassing campaign concluded August 22
- Richmond Saturation campaign launched August 5
  - Soft targets of 1.5 million kWh, 71,600 therms
  - San Pablo corridor
- Current Outreach Strategy
  - Targeted phone calls
  - Presentations at local organizations
  - Chamber of Commerce, 23rd Street Association, Council of Industry



## Initial Program Results

Budget	
Budget Spent	\$96,616
Savings	
kWh	10,056
kW	1
Therms	N/A
Performance Metrics	
Invoiced Projects	8
Businesses touched through outreach	789
Number of audits provided	103 base 7 whole building

- Home Utility Reports Finalized
  - Mailing set for September 15
  - 4,850 households will be targeted
- Schools Program: Second Round Launching
  - 4 schools in Marin
  - Updated web portal and curriculum
  - 364 action plans developed to facilitate 'coopetitions'
- First Neighborhood Canvassing
  - Visited 62 homes, spoke to two homeowners, provided information at each home.
  - Revised hours of campaign



## Initial Program Results

Budget	
Budget Spent	\$118,057
Savings	
kWh	N/A
kW	N/A
Therms	N/A
Performance Metrics	
Households touched via outreach	62
Action Plans developed	364
Households participating in “coopetitions”	67

Questions?



September 5, 2013

TO: Marin Energy Authority Board

FROM: Kirby Dusel, Resource Planning & Renewable Energy Programs

RE: MCE Power Content Label and Attestation (Agenda Item #9)

ATTACHMENT: Customer Communication: 2011 Power Content Label

Dear Board Members:

---

**SUMMARY:**

California Public Utilities Code requires all retail sellers of electric energy, including the Marin Energy Authority, to disclose “accurate, reliable, and simple-to-understand information on the sources of energy” that are delivered to their respective customers.<sup>1</sup> Applicable regulations direct retail sellers to provide such communications no later than October 1st. The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the “Power Content Label” by the California Energy Commission (CEC).

Information presented in the Power Content Label includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its supply obligation from unspecified resources, the report must identify such purchases as “unspecified sources of power.” As your Board is aware, our primary supply agreement with Shell Energy North America allows for the use of such unspecified purchases to satisfy a portion of MCE’s energy requirements – these purchases have been appropriately identified as “unspecified sources of power” in the Power Content Label.

As your Board is aware, MEA successfully delivered a substantial portion of its 2012 supply from various renewable energy sources, including wind, solar, biomass and biogas – for Light Green customers, the percentage of total energy supply attributable to renewable energy sources approximated 53 percent; for Deep Green customers, renewable energy comprised 100 percent of the supply portfolio. A copy of MEA’s 2012 Power Content Label is presented below:

---

<sup>1</sup> California Public Utilities Code Section 398.1(b)

<b>POWER CONTENT LABEL</b>			
<b>ENERGY RESOURCES</b>	<b>2012 LIGHT GREEN POWER MIX</b>	<b>2012 DEEP GREEN POWER MIX</b>	<b>2012 CA POWER MIX**</b>
	(Actual)	(Actual)	(For Comparison)
	<b>53%</b>	<b>100%</b>	<b>15%</b>
<b>Eligible Renewable</b>			
-- Biomass & waste	12%	0%	2%
-- Geothermal	0%	0%	4%
-- Small hydroelectric	2%	0%	2%
-- Solar	1%	0%	1%
-- Wind	38%	100%	6%
<b>Coal</b>	0%	0%	8%
<b>Large Hydroelectric</b>	7%	0%	8%
<b>Natural Gas</b>	0%	0%	43%
<b>Nuclear</b>	0%	0%	9%
<b>Other</b>	0%	0%	0%
<b>Unspecified sources of power*</b>	<b>40%</b>	<b>0%</b>	<b>16%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<p>* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.</p> <p>** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.</p> <p>For specific information about this electricity product, contact Marin Clean Energy at 1-888-632-3674. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or <a href="http://www.energy.ca.gov/consumer">www.energy.ca.gov/consumer</a>.</p>			

Beginning in 2010, transactions not specifically traceable to specific generation sources are designated as "unspecified" in accordance with the California Public Utilities Code.

**Note:** Due to rounding conventions, the numbers above may not add up to 100%.

Consistent with applicable regulations, MEA will distribute requisite customer communications, including this Power Content Label, in accordance with the October 1st deadline (MCE's 2012 Power Content Label is expected to be mailed to MCE customers during the final week of September 2013). Customers receiving Power Content Label communications will include those enrolled in the MCE program as of December 31, 2012 – the distribution list was derived based on discussions with designated CEC staff. The entirety of the communication provided to the aforementioned group of MCE customers is attached for your review.

While developing MEA's 2012 Power Content Label, staff performed a detailed review of all power purchases completed for the 2012 calendar year. This review included an inventory of all renewable energy transfers within MEA's Western Renewable Energy Generation Information System (WREGIS) accounts as well as a requisite independent

audit for MCE's voluntary Deep Green, 100% renewable energy program.<sup>2</sup> Based on staff's review of available transaction records and findings of the independent auditor (related to the Deep Green program), the information presented in the Power Content Label is accurate.

To fulfill its Power Content Label reporting obligation, MEA must also provide the CEC with your Board's attestation regarding the accuracy of information included in the Power Content Label. As previously noted, staff has performed a detailed transaction review and has verified the accuracy of reported percentages for each resource type, as reflected in the Power Content Label. With this in mind, staff requests that your Board accept this determination and attest to the accuracy of the information included in MEA's 2012 Power Content Label. Should your Board endorse staff's recommendation, a copy of this staff report and related meeting minutes will be forwarded to the CEC, thereby completing MEA's Power Content Label reporting obligation for the current year.

**Recommendation:** Endorse the accuracy of information presented in MEA's 2012 Power Content Label based on staff's review.

---

<sup>2</sup> MCE's Deep Green retail service option is a Green-e Energy certified product, conforming to guidelines established by the Center for Resource Solutions, the Green-e Energy program administrator. As part of this certification, MCE must successfully complete an annual independent audit of power sources, ensuring the delivery of qualifying renewable energy to participating Deep Green customers.

POWER CONTENT LABEL			
ENERGY RESOURCES	2011 LIGHT GREEN POWER MIX (Actual)	2011 DEEP GREEN POWER MIX (Actual)	2011 CA POWER MIX** (For Comparison)
<b>Eligible Renewable:</b>	<b>33%</b>	<b>100%</b>	<b>15%</b>
- Biomass & waste	24%	0%	2%
- Geothermal	0%	0%	5%
- Small hydroelectric	0%	0%	2%
- Solar	0%	31%	0%
- Wind	8%	69%	5%
<b>Coal</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>
<b>Large Hydroelectric</b>	<b>20%</b>	<b>0%</b>	<b>13%</b>
<b>Natural Gas</b>	<b>0%</b>	<b>0%</b>	<b>37%</b>
<b>Nuclear</b>	<b>0%</b>	<b>0%</b>	<b>16%</b>
<b>Other</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Unspecified sources of power*</b>	<b>47%</b>	<b>0%</b>	<b>12%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.			
** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.			
For specific information about this electricity product, contact Marin Clean Energy at 1-888-632-3674. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or <a href="http://www.energy.ca.gov/consumer">www.energy.ca.gov/consumer</a> .			

Beginning in 2010, transactions not specifically traceable to specific generation sources are designated as "unspecified" in accordance with the California Public Utilities Code.

**Note:** Due to rounding conventions, the numbers above may not add up to 100%.



renewable. reliable. affordable.

781 Lincoln Avenue, Suite 320  
San Rafael, CA 94901

PRESORT STD  
U.S. POSTAGE  
**PAID**  
MCE





renewable. reliable. affordable.

Marin Clean Energy customers are helping to create a more sustainable future by using power from pollution-free energy resources such as solar, wind, and biomass.

The electricity MCE purchases on behalf of its customers comes from local and in-state renewable energy generation and third-party suppliers. Our customers can choose 50% (Light Green) renewable or 100% (Deep Green) renewable electricity, compared to PG&E's 20% renewable electricity. We partner with a variety of energy suppliers to ensure we have a sufficient supply of clean, renewable, and affordable energy for our customers.

And we're committed to increasing the percentage of local, in-state, and regional renewable energy we buy as it becomes more cost-competitive. We currently have more than 70 MW of new in-state green power under development for our customers including the largest solar project in Marin County at the San Rafael Airport. That's enough renewable generation to power approximately 24,000 homes per year, nearly half of Marin's residential load. These new projects increase renewable energy supplies, moving us toward our long-term goal of procuring 100% renewable energy for all customers.



**IMPORTANT:** Regardless of your current customer status with Marin Clean Energy, you are receiving this notice because as of December 31, 2011 you were a Marin Clean Energy customer. The state of California requires retail electricity providers, like Marin Clean Energy, to disclose annual power supply information to retail customers. Receipt of this notice does not necessarily indicate that your electric account(s) is currently active with Marin Clean Energy.



The Hirabayashi's  
Deep Green Customers, San Anselmo

**WHAT DOES 100% GREEN POWER MEAN?**

By one day supplying all Marin County customers with 100% clean energy we can achieve the equivalent of removing 66,000 cars from the roads or avoiding 780,000 barrels of oil consumption every year. Help us get there! Visit [marincleanenergy.com/deepgreen](http://marincleanenergy.com/deepgreen) and enroll in our Deep Green program today.

**Questions?**

Learn more about us! Call 1-888-632-3674 or visit [MarinCleanEnergy.com](http://MarinCleanEnergy.com).

twitter

[twitter.com/marinnenergy](https://twitter.com/marinnenergy)

facebook

[facebook.com/marincleanenergy](https://facebook.com/marincleanenergy)



# The Redesigned PG&E Bill

Justin Kudo

Account Manager II | Marin Energy Authority

September 5<sup>th</sup>, 2013





- Completely redesigned bill format
- Transitional Bill in July-August cycle
- Full new format bill in September
- Larger bill (8.5x11), larger text
- More historical information
- Clearer information for CCA/DA
  - Inclusion of full “bundled” PG&E rates
  - “Generation Credit” for CCA/DA



# Page 1 – Billing Summary



## ENERGY STATEMENT

[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

Account No: [REDACTED]  
Statement Date: 08/15/2013  
Due Date: 09/05/2013

Account Number & Dates

### Service For:



### Questions about your bill?

24 hours per day, 7 days per week

Phone: 1-866-743-0335

[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

### Local Office Address

750 LINDARO ST STE 160  
SAN RAFAEL, CA 94901

### Your Account Summary

Amount Due on Previous Statement	\$61.98
Payment(s) Received Since Last Statement	-61.98
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$19.00
MCE Electric Generation Charges	23.47
Current Gas Charges	12.75

**Total Amount Due by 09/05/2013 \$55.22**

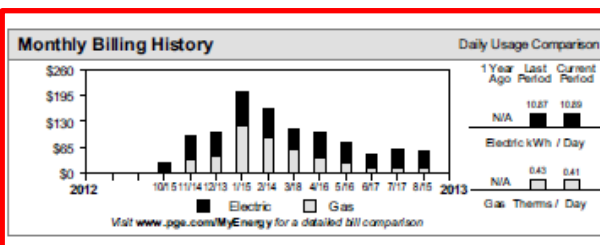
Clearer Breakdown of  
MCE/PG&E Charges

PG&E's CCA Customer Line

### Important Messages

Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

Continued on page 6



Historic Usage Data

Explanation of CCA Service

Please return this portion with your payment. No staples or paper clips. Do not fold. Thank you.



Account Number: [REDACTED]  
Due Date: 09/05/2013  
Total Amount Due: \$55.22

Amount Enclosed:  
\$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

PG&E  
BOX 997300  
SACRAMENTO, CA 95899-7300

# Page 2 – PG&E Information



## ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: [REDACTED]

Statement Date: 08/15/2013

Due Date: 09/05/2013

### Important Phone Numbers - 24 hours per day, 7 days per week

**Customer Service (All Languages; Relay Calls Accepted) 1-800-743-5000**

**TDD/TTY (Speech/Hearing Impaired) 1-800-652-4712**

Servicio al Cliente en Español (Spanish) 1-800-660-6789  
華語客戶服務 (Chinese) 1-800-893-9555

Dịch vụ khách tiếng Việt (Vietnamese) 1-800-298-8438  
Business Customer Service 1-800-468-4743

### Rules and rates

You may be eligible for a lower rate. To learn more about optional rates or view a complete list of rules and rates, visit [www.pge.com](http://www.pge.com) or call 1-800-743-5000.

If you believe there is an error on your bill, please call 1-800-743-5000 to speak with a representative. If you are not satisfied with our response, contact the California Public Utilities Commission (CPUC), Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, CA 94102, 1-800-649-7570 or 415-703-2032 (TDD/TTY).

To avoid having service turned off while you wait for a CPUC decision, enclose a deposit check (payable to the CPUC) for the disputed amount and a description of the dispute. The CPUC will only accept deposits for matters that relate directly to billing accuracy. If it is not possible for you to pay your deposit, you must advise the CPUC. PG&E can not turn off your service for nonpayment while it is under review by the CPUC; however, you must continue to pay your current charges to keep your service turned on.

If you are not able to pay your bill, call PG&E to discuss how we can help. You may qualify for reduced rates under PG&E's CARE program or other special programs and agencies may be available to assist you. You may qualify for PG&E's Energy Savings Assistance Program which is an energy efficiency program for income-qualified residential customers.

### Important definitions

**Rotating outage blocks** are subject to change without advance notice due to operational conditions.

**Tier 1 (Baseline) allowance:** All residential customers are given a Tier 1 allowance - a CPUC approved percentage of average customer usage during summer and winter months. Your Tier 1 allowance provides for basic needs at an affordable price and encourages conservation. Your allowance is assigned based on the climate where you live (baseline territory), the season and your heat source. As you use more energy, you pay more for each tier of usage.

Electric Tier	% of Baseline
1	0% – 100%
2	101% – 130%
3	131% – 200%
4	> 200%
Gas Tier	% of Baseline
1	0% – 100%
2	> 100%

**DWR bond charge:** Recovers the cost of bonds issued by the Department of Water Resources (DWR) to purchase power to serve electric customers during the California energy crisis. DWR bond charges are collected on behalf of DWR and do not belong to PG&E.

**DWR power charge:** Included in generation charges for energy provided by the Department of Water Resources. Approximately 1% of your energy is provided by DWR and collected by PG&E as DWR's agent. In 2013, DWR will return \$26 million to bundled service customers which offsets other generation charges in this bill.

**Power Charge Indifference Adjustment (PCIA):** Ensures that customers who purchase electricity (generation) from non-PG&E suppliers pay their share of generation costs acquired to serve them prior to their departure, unless otherwise exempt.

**Gas Public Purpose Program (PPP) Surcharge.** Used to fund state-mandated gas assistance programs for low-income customers, energy efficiency programs, and public-interest research and development.

Visit [www.pge.com/billlevelaction](http://www.pge.com/billlevelaction) for more definitions.

### Your Electric Charges Breakdown

Conservation Incentive	\$18.79
Transmission	5.34
Distribution	22.90
Public Purpose Programs	4.59
Nuclear Decommissioning	0.16
DWR Bond Charge	1.56
Competition Transition Charges (CTC)	1.20
Energy Cost Recovery Amount	-0.06
PCIA	1.92
Taxes and Other	0.18
<b>Total Electric Charges</b>	<b>\$19.00</b>

\*PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. © 2013 Pacific Gas and Electric Company. All rights reserved.

Please do not mark in box. For system use only.

### Update My Information (English Only)

Please allow 1-2 billing cycles for changes to take effect.

Account Number: [REDACTED]

Change my mailing address to:

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

Primary \_\_\_\_\_ Primary \_\_\_\_\_

Phone# \_\_\_\_\_ Email \_\_\_\_\_

### Ways To Pay

- Online at [www.pge.com/waystopay](http://www.pge.com/waystopay)
- PG&E's Mobile Bill Pay
- Automatic Payment Service: Sign up to authorize automatic payments sent from your bank account each month.
- By mail: Send your payment along with this payment stub in the envelope provided.
- By debit card, Visa, Mastercard or Discover: Call 1-877-704-8470 at any time. (Our independent service provider charges a fee for each transaction.)
- At a PG&E payment center or local office: To find a payment center or local office near you, please visit [www.pge.com](http://www.pge.com) or call 1-800-743-5000. Please bring a copy of your bill with you.

Explanation and Definition of Certain Billing Items

Itemized PG&E Delivery Charges

Backside of Payment Stub

# Page 3 – PG&E Delivery Charges



## ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: [REDACTED]  
Statement Date: 08/15/2013  
Due Date: 09/05/2013

### Details of PG&E Electric Delivery Charges

07/10/2013 - 08/07/2013 (29 billing days)

Service For: [REDACTED]  
Service Agreement ID: [REDACTED]  
Rate Schedule: E1 XB Residential Service

### Service Information

Meter # [REDACTED]  
Current Meter Reading [REDACTED]  
Prior Meter Reading [REDACTED]  
Total Usage 316.000000 kWh  
Baseline Territory X  
Heat Source Not Electric  
Serial M  
Rotating Outage Block [REDACTED]

#### 07/10/2013 – 07/31/2013

Charges	
Electric Charges	\$10.78
Baseline Quantity 242.000000 kWh	
Baseline Usage 239.724140 kWh	
CRS	3.50
Franchise Fee Surcharge	0.14
Net Charges	\$14.42

Old Style Format  
(Transitional Bill Only)

#### 08/01/2013 – 08/07/2013 Your Tier Usage

	1	2	3	4
Tier 1 Allowance	77.00 kWh (7 days x 11.0 kWh/day)			
Tier 1 Usage	76.275860 kWh @ \$0.13230			
Generation Credit	-6.01			
Power Charge Indifference Adjustment	0.46			
Franchise Fee Surcharge	0.04			

Bundled PG&E Charges

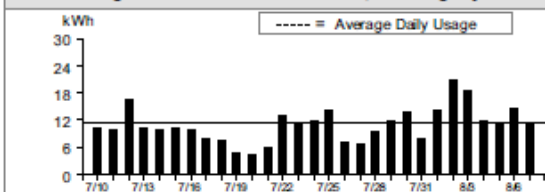
**Total PG&E Electric Delivery Charges \$19.00**

2012 Vintaged Power Charge Indifference Adjustment

New Style Delivery  
Charges Summary

MCE-Related Billing  
Adjustments

#### Electric Usage This Period: 316.000000 kWh, 29 billing days



Daily Usage Information

# Page 4 – MCE Generation Charges



## ENERGY STATEMENT

[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

Account No: [REDACTED]  
Statement Date: 08/15/2013  
Due Date: 09/05/2013

### Details of MCE Electric Generation Charges

07/10/2013 - 08/08/2013 (30 billing days)

Service For: [REDACTED]  
Service Agreement ID: [REDACTED] ESP Customer Number: [REDACTED]

07/10/2013 – 08/08/2013

Rate Schedule: RES-1

GENERATION - TOTAL	316.000000 kWh @ \$0.07400	\$23.38
	Net Charges	23.38

MCE's charges for clean, renewable energy replace PGE's electric generation charges. PGE still charges for delivering electricity. There are no duplicate electric charges. Questions? Call 1-888-632-3674 or visit [moeCleanEnergy.com](http://moeCleanEnergy.com)

Energy Surcharge 0.09

**Total MCE Electric Generation Charges \$23.47**

### Service Information

Total Usage 316.000000 kWh

For questions regarding charges on this page, please contact:

MCE  
781 LINCOLN AVE STE 320  
SAN RAFAEL CA 94901  
1-888-632-3674  
[www.moeCleanEnergy.com](http://www.moeCleanEnergy.com)

### Additional Messages

For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.

MCE Generation Charges

New Section for Bill Messaging

- Redesigned bill is an improvement for CCA customers
- Somewhat increased flexibility for MCE changes to bills
- PG&E is in billing “stabilization” until Nov.
- MCE has requested changes to formatting, spacing, locations
- Future utilization of new features:
  - Bill messages
  - NEM bill design
  - On-bill repayment program

Questions?



## REGULATORY UPDATE

### SUMMARY OF PROCEEDINGS

MEA BOARD MEETING – SEPTEMBER 5, 2013

#### CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

#### Cost Allocation and Procurement Affecting CCA

#### 1) PG&E Energy Resource Recovery Account (ERRA) 2014..... A.13-05-015

<u>MEA's Interest:</u>	To address PG&E's proposed revenue requirements from both bundled and unbundled customers during 2014 and factors in revised PCIA calculations.	
<u>Actions Taken:</u>	<ul style="list-style-type: none"> <li>- Response Due to MEA Data Request 2</li> <li>- Protest/Response to PG&amp;E Application</li> <li>- PG&amp;E Reply to Protests/Responses</li> <li>- Prehearing Conference Statement</li> <li>- Prehearing Conference</li> </ul>	<ul style="list-style-type: none"> <li>July 3</li> <li>July 5</li> <li>July 15</li> <li>August 9</li> <li>August 26</li> </ul>
<u>Next Steps:</u>	<ul style="list-style-type: none"> <li>- Intervenor Testimony</li> <li>- Rebuttal Testimony</li> <li>- Hearings</li> <li>- Opening Briefs</li> <li>- Reply Briefs</li> <li>- PG&amp;E Update</li> <li>- Proposed Decision</li> <li>- Final Decision</li> <li>- PG&amp;E to put ERRA rates into effect</li> </ul>	<ul style="list-style-type: none"> <li>September 13</li> <li>September 20</li> <li>October 9-10</li> <li>October 23</li> <li>[unknown]</li> <li>November 5</li> <li>November 25</li> <li>December 2013</li> </ul>

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

<u>MEA's Interest:</u>	To address rate design and other issues applicable to CCA and MEA.	
<u>Actions Taken:</u>	- PG&E Updates Exhibits	August 2
<u>Next Steps:</u>	<ul style="list-style-type: none"> <li>- DRA Serves Testimony</li> <li>- Intervenor's Serve Testimony</li> <li>- All-party Rebuttal Testimony</li> <li>- Evidentiary Hearings</li> <li>- Opening Briefs</li> <li>- Reply Briefs</li> <li>- Request for Final Oral Argument and Submission</li> </ul>	<ul style="list-style-type: none"> <li>November 15</li> <li>December 13</li> <li>February 7</li> <li>February 24 – March 7</li> <li>April 4</li> <li>April 18</li> <li>May 2</li> </ul>



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

<u>MEA's Interest:</u>	Ensure that costs of nuclear decommissioning are appropriately allocated.	
<u>Actions Taken:</u>	- Reply Testimony on HBPP	July 12
	- SCE Supplemental Testimony (non-HBPP)	July 22
	- Rebuttal Testimony on HBPP	July 26
	- Evidentiary Hearings on HBPP	August 7-9
<u>Next Steps:</u>	- Opening Briefs on HBPP	September 13
	- Reply Testimony (non-HBPP)	September 20
	- Reply Briefs on HBPP	September 27
	- Rebuttal Testimony (non-HBPP)	October 11
	- Evidentiary Hearings (non-HBPP)	October 21-25
	- Proposed Decision (HBPP)	November 19
	- Opening Briefs (Non-HBPP)	November 22
	- Reply Briefs (Non-HBPP)	December 13

**4) Petition for Rulemaking on Cost Allocation Issues ..... P.12-12-010**

<u>MEA's Interest:</u>	MEA has petitioned the CPUC to start a proceeding in which cost allocation, cross-subsidization and non-bypassable charge issues will be addressed.	
<u>Actions Taken:</u>	- Reply Comments on Proposed Decision	July 8
	- Response to Reply	July 10
	- Proposed Decision Issued	August 15
	- Next steps evaluated by Consortium	
<u>Next Steps:</u>	-	

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

<u>MEA's Interest:</u>	To address cost functionalization and other issues applicable to CCA and MEA.	
<u>Actions Taken:</u>	- MEA Data Request 6	July 1
	- Evidentiary Hearings begin	July 15
	- MEA Data Request 6 Responses Due	July 16
	- MEA/PG&E/TURN Joint Testimony	August 6
	- Evidentiary Hearings end	August 9
	- Settlement Conference	August 12-13
	- Comparison Exhibit	August 23
<u>Next Steps:</u>	- Opening Briefs	September 6
	- Reply Briefs	September 27
	- Update Filing	October 4

- Update Hearing	October 14
- Proposed Decision	November 19
- Decision	December 19

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

<u>MEA's Interest:</u>	To insure that the program administrators (PG&E, SCE, and SDG&E) are applying these funds to programs in a competitively neutral fashion.	
<u>Actions Taken:</u>	-	
<u>Next Steps:</u>	- Final Decision on Commission Agenda	On Hold

**7) 2012 Long Term Procurement Plan (LTPP) ..... R.12-03-014**

<u>MEA's Interest:</u>	Involvement regarding the cost allocation mechanism (CAM) and other matters.	
<u>Actions Taken:</u>	<u>Prehearing Conference – Tracks 4 and 2:</u> - ALJ Email Regarding Prehearing Conference August 7 - Prehearing Conference – Track 4 and Track 2 September 4 <u>Track 4 – San Onofre Nuclear Power (SONGS):</u> - CAISO Study and Opening Testimony August 5 - SCE Study and Opening Testimony August 26	
<u>Next Steps:</u>	<u>Track 2 – System Needs:</u> - CAISO Deterministic Study October - SCE Stochastic Study September - SCE/CAISO Opening Testimony on Their Studies September 20 - All Parties Opening Testimony and Reply to SCE and CAISO November 1 - Rebuttal Testimony November 15 - Prehearing Conference November - Hearings Dec. 2-6 & 9-13 - Briefs TBD - Reply Briefs TBD - Proposed Decision March 2014 <u>Track 3 – Procurement Rules:</u> - Proposed Decision on Procurement Rules Summer 2013 <u>Track 3 – Bundled Procurement:</u> - Awaiting Scoping Memo and Schedule regarding Bundled Procurement Timing Unclear <u>Track 4 – San Onofre Nuclear Power (SONGS):</u> - All Parties Opening Testimony and Reply to SCE and CAISO September 23 - All Parties Rebuttal Testimony October 7 - Prehearing Conference October 2013	

- Evidentiary Hearings	Oct 28-Nov 1
- Briefing Schedule	TBD
- Last Date to request Final Oral Argument	Later of Dec 1 or date of Reply Briefs
- Proposed Decision	Dec or Feb

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

<u>MEA's Interest:</u>	This rate subsidy is intended to prevent companies from departing from California due to high energy costs; the rate is applied inequitably to CCA customers.	
<u>Actions Taken:</u>	- Proposed Decision Issued	August 9
<u>Next Steps:</u>	- Comments on Proposed Decision - Reply Comments on Proposed Decision - PD on Commission Agenda	August 29 September 3

**9) Green Tariffs (SDG&E SunRate and PG&E Green Option)A.12-01-008, A.12-04-020**

<u>MEA's Interest:</u>	Ensure appropriate cost allocation of SDG&E's "SunRate" and PG&E's "Green Option Tariff."	
<u>Actions Taken:</u>	- MEA Motion for Consolidation Granted	July 31
<u>Next Steps:</u>	- Prehearing Conference	September 25

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

<u>MEA's Interest:</u>	MEA will monitor this new Commission rulemaking which will address potential utility cost and revenue issues associated with greenhouse gas (GHG) emissions.	
<u>Actions Taken:</u>	<u>Track 1: GHG Revenue – Finalization of EITE and small business revenue allocation formulae</u> - ALJ Ruling Incorporating Staff Report - Comments on Staff Report	
		July 10 July 24
<u>Next Steps:</u>	<u>Track 1: GHG Revenue – Finalization of EITE and small business revenue allocation formulae</u> - Proposed Decision to Be Issued <u>Track 1: GHG Revenue – Implementation Plans</u> - Proposed Decision on Utility Implementation Plans <u>Track 2: Low Carbon Fuel Standard (LCFS) Credit Revenue Allocation</u> - Proposed Decision on LCFS Proposals	
		Sept./Oct. [June] [September]

Track 3: GHG Procurement and Revenue Allocation for Gas Utilities

- PHC to discuss process to address GHG procurement and revenue issues for gas utilities

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

<u>MEA's Interest:</u>	Address issues raised by the combined heat and power (CHP) settlement approved in December 2011.	
<u>Actions Taken:</u>	<u>RA-Only CHP Contracts</u>	
	- Comments on Alternate Resolutions E-4529 and E-4569 (Ferron)	July 15
	- Commission Vote on Resolutions E-4529 and E4569	July 25
	<ul style="list-style-type: none"> <li>• Original Resolution</li> <li>• Alternate Resolution (Peevey) [Approved]</li> <li>• Alternate Resolution (Ferron)</li> </ul>	
	<u>CHP Pilot Project</u>	
	- PG&E Issues Advice Letter 4253-E	July 16
	- Protest to PG&E Advice Letter 4253-E	August 5
<u>Next Steps:</u>	<u>CHP Pilot Project</u>	
	- Awaiting Commission Disposition of AL 4253-E	

**12) RPS Standards ..... R.11-05-005**

<u>MEA's Interest:</u>	Ensure appropriate implementation of RPS for purposes of CCA procurement.	
<u>Actions Taken:</u>	- Motion of SENA and AReM to Strike Portions of Staff Proposal on Confidentiality Rules	July 26
	- Comments on Staff Proposal to Clarify and Improve Confidentiality Rules for the RPS Program	August 5
	- Reply Comments on Staff Proposal	August 27
<u>Next Steps:</u>	-	

**Rulemakings on Standards**

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

<u>MEA's Interest:</u>	MEA will be participating to ensure that residential rate design elements facilitate customer choice.	
<u>Actions Taken:</u>	- Opening Comments on Bill Impact Calculator	July 12

	Results	
	- Reply Comments on Bill Impact Calculator Results	July 26
	- Opening Briefs (if necessary)	August 7
	- Reply Briefs (if necessary)	August 14
<u>Next Steps:</u>	- ALJ Response to MEA Motion anticipated	[June]
	- Proposed Decision Issued	October

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

<u>MEA's Interest:</u>	Addresses requirements set forth in SB 790 for the commission to consider and adopt a Code of Conduct applicable to IOUs.	
<u>Actions Taken:</u>	- Commission Rejects PG&E Advice Letter 4210-E Regarding CCA Marketing	June 7
<u>Next Steps:</u>	-	

#### 15) Resource Adequacy ..... R.11-10-023

<u>MEA's Interest:</u>	Track revisions to resource adequacy rules as they apply to CCA.	
<u>Actions Taken:</u>	<u>Capacity Market – CPUC/CAISO Joint Action</u>	
	- CPUC/CAISO RA Paper (Multi-Year RA Framework)	July 8
	- CPUC/CAISO Joint Workshop (Folsom)	July 17
	- Comments on CPUC/CAISO Joint Workshop	July 25
	<u>SONGS</u>	
	- CPUC/CEC Workshop on Electricity Infrastructure Issues Resulting from SONGS Closure	July 15
<u>Next Steps:</u>	<u>Track 3 (Flexible and Local Capacity Requirements)</u>	
	- Energy Division proposal on QC for storage and wholesale Demand Response	September 10
	- Informal comments on Energy Division proposal	September 24
	- Workshop(s) on flexible capacity issues	[October]
	- Energy Division proposal on Refinements to RA	[December]
	- Workshop(s) on Energy Division Proposals	[January]
	- Comments on December and January Workshops and Energy Division Proposals	February 17
	- Reply Comments on December and January Workshops and Energy Division Proposals	March 3
	- CAISO publishes draft Flexible Capacity Requirement (FCR) report	[March 2014]
	- CAISO publishes final FCR report	[April 1, 2014]
	- CAISO publishes draft Local Capacity Requirement (LCR) report	[April 2014]

- CAISO publishes final LCR report	[May 1, 2014]
- Proposed Decision on Track 3LCR/FCR	[May 2014]
- Final Decision on Track 3 LCR/FCR	[June 2014]

## 16) Energy Storage .....R.10-12-007

<u>MEA's Interest:</u>	This Phase 2 would “develop the costs and benefits for [energy storage systems] and establish how they should be allocated.”	
<u>Actions Taken:</u>	- Comments on ACR	July 3
	- Reply Comments on ACR	July 19
<u>Next Steps:</u>	- Proposed Decision	[September]
	- Commission Consideration of PD	[October 3]
	- Commission Consideration of continuing proceeding or opening subsequent Energy Storage Rulemaking	By Dec. 31
	- IOUs file Tier 3 Advice Letter with Proposed Energy Storage Auction Protocol	January 1
	- Commission consideration of Advice Letter	Q2 2014
	- First Energy Storage Auction	June 30
	- IOUs present results of Storage Auction to PRG and request approval of winning contracts	Q3-4 2014
	- Workshop evaluating data from first energy storage auction	Q4 2014
	- IOUs file Tier 3 Advice Letter with Proposed Second Energy Storage Auction Protocol	Q3 2015
	- Commission consideration of Advice Letter	Q1 2016
	- IOUs hold second energy storage auction	June 30, 2016

## Energy Efficiency

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

<u>MEA's Interest:</u>	This proceeding is the venue for MEA's application for energy efficiency funds pursuant to §381.1(a) for the 2013-14 funding cycle.	
<u>Actions Taken:</u>	- Comments on PD of ALJ Darling	August 5
	- Workshop on Financing PD	August 16
	- Reply Comments on PD of ALJ Darling	August 22
<u>Next Steps:</u>	- Proposed Decision on Commission Agenda	[September 5]

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

<u>MEA's Interest:</u>	Determine methodologies for incentives for energy efficiency programs.	
<u>Actions Taken:</u>	- Proposed Decision Issued on ESPI	July 26
	- Ex Parte Communication	August 9
	- Comments on Proposed Decision	August 15
	- Reply Comments on Proposed Decision	August 20
<u>Next Steps:</u>	-	

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

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

**Data and Smart Grid Proceedings****20) Customer Data Access Proceeding .....A.12-03-002, et al.**

<u>MEA's Interest:</u>	Ensure fair access of CCAs to data, including data backhaul mechanisms.	
<u>Actions Taken:</u>	- Proposed Decision Issued	July 17
	- Comments on Proposed Decision	August 6
	- Reply Comments on Proposed Decision	August 12
<u>Next Steps:</u>	- [Proposed Decision on Agenda]	[Sept. 5]

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

<u>MEA's Interest:</u>	Ensure appropriate cost allocation of the approximately \$1.3 billion to \$2.05 billion PG&E is requesting for this program.	
<u>Actions Taken:</u>	- Reply Comments on Proposed Decision	July 8
	- Proposed Decision Approved Adopting SG Deployment Plans	July 25
<u>Next Steps:</u>	-	

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

<u>MEA's Interest:</u>	Determination of what privacy and security rules for energy usage data should be applicable to CCAs.	
<u>Actions Taken:</u>	<u>Phase 2 – CCA and Privacy:</u> - MEA Petition for Modification of Decision 12-08-045 July 12 - Responses to MEA Petition for Modification August 12 <u>Phase 3 – Energy Data Center:</u> - Working Group Report July 10 - Comments on Working Group Report July 29 - Reply Comments on Working Group Report August 5 <u>Privacy Implementation</u> - Resolution E-4599 Issued, implementing privacy and security rules for investor-owned utilities August 6 - Comments on Resolution E-4599 August 26	
<u>Next Steps:</u>	<u>Phase 3 – Energy Data Center:</u> - Proposed Decision Anticipated [August] - Commission Decision Anticipated [September] <u>Privacy Implementation</u> - Resolution E-4599 on Agenda [Sept. 5]	

**CALIFORNIA AIR RESOURCES BOARD (CARB)****23) AB 32 Scoping Plan Update**

<u>MEA's Interest:</u>	Include CCAs as an effective local government strategy to fulfill AB 32 GHG emissions goals.	
<u>Actions Taken:</u>	- Filed Comments on Scoping Plan Update	August 5
<u>Next Steps:</u>	-	

**CALIFORNIA ENERGY COMMISSION (CEC)****24) IEPR**

<u>MEA's Interest:</u>	Include CCAs as an effective local government strategy to fulfill AB 32 GHG emissions goals.	
<u>Actions Taken:</u>	- IEPR Workshop	August 19
<u>Next Steps:</u>	- Filed Comments on IEPR Update - IEPR Workshop	September 3 September 25



**CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)****25) Multi-year Forward Framework**

Proceeding to be promulgated at the Commission to evaluate a multi-year forward resource adequacy framework, which would be applicable to CCAs. *See* R.11-10-023.

**FEDERAL ENERGY REGULATORY COMMISSION (FERC)****26) Technical Conference on Multi-Year Forward Resource Adequacy**

On July 31, 2013, FERC held a California Technical Conference on the multi-year forward resource adequacy joint proposal of CAISO and the CPUC. MEA is monitoring potential future FERC Technical Conferences on this matter.