

MEMORANDUM OF UNDERSTANDING

San Luis Obispo Energy Watch Partnership

Addendum No. 2

This Addendum No.2 ("ADDENDUM 2") dated _____, 2012, is adopted in accordance with the provisions outlined in the Memorandum of Understanding ("Agreement") made and entered into the 1st day of June, 2010, and the Addendum No. 1 made and entered into the 1st day January, 2011 by and between Economic Vitality Corporation of San Luis Obispo County, a California non-profit corporation, acting in its role as the Administrator of the San Luis Obispo County Energy Watch Partnership, and County of San Luis Obispo, a subdivision of State of California (hereafter "Parties").

The following includes Memorandum of Understanding Sections to be amended where ~~strikeout~~ and underline features are used to show changes:

WHEREAS, Section I of the Agreement states;

"SCOPE" shall be as identified in "Exhibit A and B, Scope of Work", attached and made a part hereto, minor changes to the Scope of Work may be agreed upon in writing with the approval of the EVC and the Director of Planning and Building."

WHEREAS, Section VI of the Agreement states;

"This Agreement represents the entire agreement between the parties and supersedes any prior representation, statement or agreement, oral or written, with regard to the subject matter herein. No modification hereto shall be valid unless it is in writing and signed by both parties."

NOW, THEREFORE, The Parties mutually agree to this amendment to the AGREEMENT specific to the activities defined in Section I through IV below, to be assumed by the COUNTY as follows:

- l) COUNTY agrees to perform the following "Direct Implementation" activities under the direction of the EVC:
 - A) Provide updates at the San Luis Obispo County Energy Watch Partnership monthly meeting related to:

- 1) Outreach within the County, Cities, unincorporated areas and special districts in support of or directed by Local Government Partners (LGPs) or District Managers;
 - 2) Policy development support activities with municipalities on guiding documents (climate action or energy action plans, ordinances, or other plans/policies);
 - 3) Status of CaliforniaFIRST program as it relates to energy efficiency goals and collaborative outreach;
 - 4) Status of the Climate Action Plan development;
 - 5) Collaborative opportunities related to the CaliforniaFIRST Program, Climate Action Plan, or other community wide/area specific objectives.
- B) Attend regularly scheduled meetings to collaborate on:
- 1) Program development;
 - 2) Outreach opportunities;
 - 3) Education and training;
 - 4) Strategic Plan activities.
- C) Assist SLOEWP Program Coordinator in the development of abstracts and future planning documents.
- D) Any additional support activities which may be mutually agreed upon as documented in the Program Management Plan attached and made a part hereto, and as updated from to time to time.
- II) COUNTY agrees to perform the following "Marketing & Outreach" activities under the direction of the EVC:
- A) Provide updates at the PARTNERSHIP monthly meetings related to:
- 1) Marketing and Outreach
 - 2) Opportunities to improve the current marketing program
 - 3) Collateral material delivery schedules
- B) Attend regularly scheduled meetings related to:
- 1) Marketing Program development
 - 2) Outreach opportunities
 - 3) Collaboration with local programs
 - 4) Website enhancement opportunities

C) Event Coordination

- 1) Event selection will be based upon input from the San Luis Obispo County Energy Watch Partnership ("PARTNERSHIP"), as well as current local and/or regional focus.
- 2) Coordinate two high exposure (large scale business, industry and community exposure) community based events per year.
- 3) Coordinate a minimum of one community based event per year within the County and each City.

D) Centralized Energy Information

- 1) The County will develop a concept for a centralized location to disseminate public energy efficiency outreach information. Implementation and budget allocation will be dependent upon final approval by the PARTNERSHIP.

III) COUNTY agrees to perform the following "Strategic Plan" activities under the direction of the EVC:

A) Code Compliance

- 1) Ensure adequate training is available for LGP staff and local contractors for successful code implementation.

B) Reach Code Support

- 1) Assist with existing energy code compliance, evaluating reach codes for their applicability in assisting the County and Cities in meeting their energy and greenhouse gas reduction objectives.
- 2) Assist LGPs by coordinating referrals for assistance with technical, legislative, and policy development through the appropriate IOU program representative and/or local organization for energy efficiency policy development. (i.e., Air Pollution Control District, County of San Luis Obispo, Ecology Action, etc.).
- 3) Coordinating and participating in stakeholder meetings as necessary to provide support and resources.

C) Guiding Document Support

- 1) Assist in achieving the adoption of individual City and the County energy and greenhouse gas reduction plans by the end of 2012.
- 2) Coordinate meetings with LGPs for the purpose of bringing utility and other resources together to assist both individual City and County-wide energy and greenhouse gas reduction plan development.

- 3) Coordinate participation in stakeholders meetings as necessary and provide support and resources.

D) Financing for the Community

- 1) As opportunities become available through utility or other programs, the COUNTY will research these opportunities and make recommendations to and provide assistance to the County and LGPs.

E) Education

- 1) COUNTY will:
 - i. Coordinate educational presentations as appropriate.
 - ii. Provide program information on the PARTNERSHIP website
 - iii. Review program information and point of contact to local agency staff.

F) Revolving Fund Policy

- 1) Work with County staff and Cities to evaluate opportunities to plan future retrofits utilizing energy savings from completed projects. This will involve a review of policies and financial structures which have been successfully implemented by other jurisdictions.
- 2) A Draft Revolving Fund Policy will be circulated for review and input. A presentation will be coordinated for the LGPs to present the policy and provide additional resources (i.e., presenters, documentation tools, etc.).

G) Peer to Peer Support

- 1) For all its aspects, the COUNTY will work to share information and gain new ideas from other LGPs in the region. Information will also be shared and gathered through the meetings with other City/County agencies. Through this effort, best practices can be gleaned and shared to overcome obstacles and optimize achievements.
- 2) COUNTY will participate in the following meetings (as feasible):
 - i. Kern County Energy Watch PARTNERSHIP
 - ii. Santa Barbara Energy Watch PARTNERSHIP
 - iii. County of San Luis Obispo Planning
 - iv. Green Build Alliance
 - v. USGBC – California Central Coast Chapter
 - vi. HBA (Government Affairs)
 - vii. Economic Vitality Corporation

IV) COUNTY agrees to perform the following "Administration" activities under the direction of the EVC:

A) Submit to EVC (in a format deemed acceptable) by the 5th day of each month, beginning April 1, 2012, the following documents:

- 1) Monthly invoice with billed activities identified as "Administration" not to exceed \$6,200.00 per 2012 calendar year, to include time tracking detail report in accordance with "Exhibit C", Budget.
- 2) Monthly invoice with billed activities identified as "Marketing" not to exceed \$35,000.00 per 2012 calendar year, to include time tracking detail report in accordance with "Exhibit C", Budget.
- 3) Monthly invoice with billed activities identified as "Direct Implementation" not to exceed \$55,000.00 per 2012 calendar year, to include time tracking detail report in accordance with "Exhibit C", Budget.
- 4) Monthly invoice with billed activities identified as "Strategic Plan" not to exceed \$13,500.00 per 2012 calendar year, to include time tracking detail report in accordance with "Exhibit C", Budget.
- 5) Monthly report in a format deemed acceptable to EVC which addresses progress and challenges related to the identified activities (Administration, Direct Implementation, Marketing & Outreach and Strategic Plan).

V) Unless otherwise specified in this Agreement, the Parties shall document all material Program decisions, including, without limitation, in meeting minutes or if taken outside a meeting, through written communication, which shall be maintained in hard copy form on file by the Parties for a period of no less than ten (10) years after the expiration or termination of this Agreement.

VI) This Agreement represents the entire agreement between the parties and supersedes any prior representation, statement or agreement, oral or written, with regard to the subject matter herein. No modification hereto shall be valid unless it is in writing and signed by both parties.

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

- d) Any material modification to the Authorized Work in connection with the Program.
- e) Any action that materially impacts the agreed-upon schedule for implementing the Program.

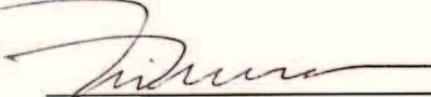
- f) Selection of any Contractor not previously approved by EVC or SCG if applicable.

ACKNOWLEDGEMENT

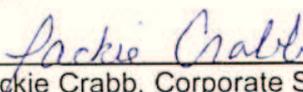
The undersigned warrant authority to execute this Agreement on behalf of his/her below designated party. DATED the day and year first above written.

SAN LUIS OBISPO ENERGY WATCH PARTNERSHIP

Program Administrator
ECONOMIC VITALITY CORPORATION
A California non-profit Corporation

By: 
Michael Manchak, President/CEO

11/26/12
Date

By: 
Jackie Crabb, Corporate Secretary

11/26/12
Date

COUNTY OF SAN LUIS OBISPO

By: _____
Chairman of the Board of Supervisors

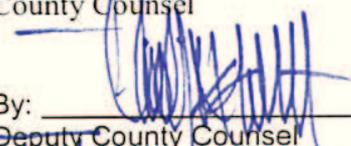
ATTEST:

Clerk of the Board of Supervisors

Date

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: 
Deputy County Counsel
Asst.

Dated: 12.4.2012

EXHIBIT A

SCOPE OF SERVICES - Pacific Gas and Electric Company

The "SCOPE" identified in the Memorandum of Understanding by and between the Economic Vitality Cooperation (EVC), acting in its role as Administrator of the San Luis Obispo County Energy Watch Partnership (SLOEWP), and the County of San Luis Obispo (COUNTY), shall include those activities identified in Sections I through IV therein, and shall conform to the greatest extent possible with "Section 3, Scope of Work", outlined in Contract Work Authorization (CWA 2500284336) by and between EVC and Pacific Gas and Electric Company executed February 24, 2010, (attached) as identified for the following Tasks:

Administrative Activities

3.5. Invoice and Reporting:

- COUNTY shall report on Program activities and invoice EVC as described in Section 3.5.1 below. .

3.5.1. Invoicing and PG&E Reporting:

- COUNTY shall submit a monthly invoice and report to EVC for Program accomplishments and activities performed in the preceding calendar month.
- COUNTY shall implement, adhere to, and submit the items as described in the activity detail for work completed the preceding month.
- COUNTY shall submit a final invoice as referenced below, and Program Final Report as referenced below. (Should PG&E revise these invoice reporting requirements the EVC will notify COUNTY of the changes.)

3.5.3. COUNTY shall submit an Annual Report to EVC. This report shall include cumulative documentation of all Program activities and expenditures during each program year as required by the CPUC and/or the PG&E Program Manager.

3.5.4. EVC may, in its sole and absolute discretion, require COUNTY to provide such other reports or documentation that PG&E deems appropriate or necessary ("Ad Hoc Reports"). COUNTY shall comply with any request for such Ad Hoc Report(s) within a reasonable time or, if applicable, within the time requested by PG&E

3.10. Submit Final Program Report - COUNTY will assist EVC in developing a Final Program Report to the PG&E Program Manager at the conclusion of the Program and no later than February 28, 2013.

3.10.1. The Final Program Report shall, at a minimum, provide a discussion addressing each of the following sub-topics:

- 1. Program Overview**
- 2. Summary of Program Accomplishments**
- 3. Program Activities**
- 4. Customer Satisfaction**
- 5. Coordination and Integration Activities**
- 6. Subcontractor and Staffing Changes**
- 7. Description of Best Practices or Program improvement recommendations**
- 8. Description of Challenges or Other Issues**
- 9. Other items requested by the PG&E Program Manager**

Marketing and Outreach Activities

3.1.6. Program Marketing Materials:

- COUNTY shall develop and submit to the PG&E Program Manager for review and approval all Program Marketing Materials, as described in the Marketing Plan and approved by the PG&E Program Manager.**
- Program Marketing Materials may include, but are not limited to, Program descriptions, Web site(s), fact sheets, brochures, advertisements, fliers, presentations, other collateral material, and or other marketing- related materials.**
- COUNTY shall create and use to promote the Program Marketing Materials that co-markets PG&E.**
- In the case of presentations, COUNTY shall develop a template presentation which shall be customized for each target audience or other market actor as necessary throughout the course of the Program.**
- All Program Marketing Materials shall be approved by the PG&E Program Manager and in conformance with the approval requirements as provided by the PG&E Program Manager prior to any distribution, circulation, or publication.**

3.2.4. Implement Program Marketing Campaign:

- COUNTY shall carry out the marketing campaign based on the final Marketing Plan.
- All marketing activities shall be coordinated with the PG&E Program Manager.
- COUNTY shall notify the PG&E Program Manager in writing prior to implementing the approved Marketing Plan and shall coordinate activities with the PG&E Program Manager, as appropriate.

Direct Implementation Activities

3.1.8. Program Documents: COUNTY shall assist EVC in updating the Program Management Plan as necessary and/or requested by the Program Manager to ensure program goals, roles and responsibilities and procedures are documented and that specific requirements are defined.

3.2.2. COUNTY shall collaborate with PG&E customer field representatives to create an energy management strategy best suited for Customer's needs and shall ensure that Customers are aware and understand the benefits of the applicable PG&E and COUNTY program offerings and other third party services that are available to Customers. The goal of the collaborative effort between the parties is to minimize Customer confusion regarding the various program offerings.

3.3. Enroll Customers

- COUNTY shall enroll qualified Customers in the Program and deliver preliminary services in order to achieve installation of Energy-Efficiency Measures.
- Each potential customer shall be screened and evaluated to ensure that energy efficiency opportunities are identified and that the Customer has the means, motivation and intent to install efficiency measures that will lead to long-term energy savings.
- COUNTY shall ensure that the Customer meets all Program eligibility criteria.
- If COUNTY must access Customer facilities in order to perform Program services, an Access Agreement shall be obtained, as described in Section 2.6 (Access Agreement signed by an authorized representative of the Customer before COUNTY may enter premises for the purpose of performing Program services.

3.3.1. Perform Preliminary Program Services

- Upon completion of the Access Agreement, COUNTY shall determine which Program services best meet the needs of the Customer and advance the goals of the Program.

- COUNTY shall recommend Program services and shall keep PG&E representative(s) engaged in or informed about the services provided and the status of Program activities specific to his or her assigned customers, as directed by the PG&E Program Manager.
- Prior to conducting energy audits for large facilities (500 kW and above), written approval is needed from the PG&E Program Manager.
- Preliminary Program services include but are not limited to:
 - A targeted or comprehensive facility assessment, to identify opportunities throughout the facility. By reviewing all the systems, COUNTY shall ensure that Lost Opportunities are minimized.
 - Design and/or technical assistance, to present the portfolio of measures available under the program and help Customers understand how equipment modifications can save energy as well as address key considerations.
 - Referral to other PG&E offerings, including Demand Response programs and other complementary energy efficiency programs.
 - Provide Energy Efficiency tips and/or educational handouts on installed measures.

3.3.1.1. Deliverables (per Project):

- 3.3.1.1.1. Copy of Audit Report, included in Monthly Report or as requested by the Program Manager Due Date: On-going through Program cycle
- 3.3.1.1.2. Track recommended measures not offered by LGP, referrals to other programs, and description of customer influence to install recommended measures in monthly report.

3.8 Address and Resolve all Customer Issues

- COUNTY shall track and resolve all Customer issues made known through either Customer Feedback Surveys or by any other means of customer input or contact.
- COUNTY shall work to provide continuous improvements in the Program to promote overall Customer satisfaction.

Strategic Plan Activities

3.6 Strategic Plan Reporting - To support CPUC reporting requirements and implementation of California's Energy Efficiency Strategic Plan (EESP), COUNTY shall submit to EVC for PG&E's review and approval:

(a) a description of COUNTY'S activities that promote the EESP, including, but not limited to, activities that implement the Workforce Education & Training, Codes & Standards and Demand- Side Management Integration strategies outlined in the EESP.

(b) metrics associated with these activities, and

(c) expenses associated with these activities.

EXHIBIT B**SCOPE OF SERVICES - Southern California Gas Company**

The "SCOPE" identified in the Memorandum of Understanding by and between the Economic Vitality Cooperation (EVC), acting in its role as Administrator of the San Luis Obispo County Energy Watch Partnership (SLOEWP), and the County of San Luis Obispo (COUNTY), shall include those activities identified in Sections I through IV therein, and shall conform to the greatest extent possible with Section 1, Authorized Work" outlined in the "Agreement To Jointly Deliver The 2010-2012 San Luis Obispo County Energy Efficiency Partnership Program" by and between EVC and Southern California Gas Company executed in 2010, (attached) as identified for the following Tasks:

1. Authorized Work

1.1. Scope. The work authorized by the Commission is set forth broadly in the PIP and shall be performed pursuant to the terms of this Agreement.

1.2. Objectives. The Program is designed to meet the specific goals and milestones set forth in Sections I through IV of this Agreement, while implementing the Program strategies and meeting the general objectives and goals set forth in the PIPs.

2. Obligations of COUNTY.

2.1 COUNTY will appoint a Partnership representative who will be the primary contact between EVC and SCG, and who will be authorized to act on behalf of COUNTY in carrying out its obligations under this Agreement.

2.2 COUNTY will manage the day-to-day activities and comprehensive implementation of the Program in accordance with the PIP. This will include intensive interaction with the Program Participants, Program marketing, education, outreach, technical assistance, and assistance with direct implementation. This includes notifying Customers of the availability of Program services and enrolling Customers in the Programs.

2.3 COUNTY shall be responsible for achieving the goals and objectives set forth in this Agreement.

- 2.4 COUNTY agrees to work jointly with EVC and SCG in both fostering new relationships and strengthening SCG existing relationships with Program Participants in order to promote sustainable energy savings and fulfill both the short-term and long-term goals and objectives approved by the Commission and described herein. To this end, COUNTY shall facilitate joint participation with SCG and the Program Participants in meetings, activities and decisions.
- 2.5 COUNTY shall communicate regularly with EVC and SCG Representatives, and shall advise EVC immediately of any problems or delays associated with its Authorized Work obligations.
- 2.6 COUNTY shall coordinate regularly scheduled Energy Champion Meetings.
- 2.7 COUNTY shall perform its Authorized Work obligations within the Budget and in conformance with the schedule associated with such Authorized Work as set forth in this Agreement, and shall furnish the required labor, equipment and material with the degree of skill, care and professionalism that is required by current professional standards.
- 2.8 COUNTY shall assist EVC in coordinating the preparation of all 2010-2012 program-related documents, including all required reporting, and any such other reporting as may be requested by SCG.
- 2.9 COUNTY shall obtain the approval of SCG when developing Program marketing materials prior to distribution, publication, circulation, or dissemination in any way to the public. In addition, all advertising, marketing or otherwise printed or reproduced material used to implement, refer to or is in anyway related to the Program must contain the respective name and logo of SCG and, at a minimum, the following language: "This Program is funded by California utility ratepayers and administered by Southern California Gas Company under the auspices of the California Public Utilities Commission." SLOEVC shall allow five (5) Business Days for SCG's review and approval.
- 2.10 Upon reasonable request, COUNTY shall submit to EVC all contracts, agreements or other requested documents with COUNTY's Contractors (including subcontractors) performing work for the Program.

3. Administration

- 3.1.1. Regular Meetings. During the term of this Agreement, the COUNTY shall participate in regularly scheduled Partnership meetings, or other Partnership meetings scheduled as needed, at a location reasonably agreed upon by the Parties.
- 3.1.2. Regular Communication. COUNTY shall communicate regularly with the EVC to review the status of the Program's goals, deliverables, schedules and budgets, and plan for upcoming Program implementation activities, and to advise the other Party of any problems associated with successful implementation of the Program.
- 3.1.3. Communication with Program Participants. EVC and SCG will be notified of, and will have the right to participate in any meeting that pertains to the Program implementation and discussion between COUNTY and one or more Program Participants. Any failure by EVC or SCG to attend such meetings shall not waive any future rights of SCG with respect to such meetings. Nothing in this Agreement shall be construed to preclude EVC or SCG from working or communicating directly with a Program Participant at any time.
- 3.1.4. Non-Responsibility for Other Party. Notwithstanding anything contained in this Agreement in the contrary, a Party shall not be responsible for the performance or non-performance hereunder of the other Party, nor be obligated to remedy any other Party's defaults or defective performance
- 3.1.5. Reporting. The COUNTY shall implement those reporting requirements as deemed acceptable by the EVC and SCG, as the same may be amended from time to time, or until the Commission otherwise requires or issues different or updated reporting requirements for the 2010-2012 Program.
- 3.1.6. Maximum Budget: The COUNTY Budget is set forth in Exhibit C to this Agreement and represents maximum share of the Program's Partnership Budget for funding the performance of the Program by COUNTY. COUNTY shall not be entitled to compensation in excess of the COUNTY Budget (either on a periodic basis or in total), without written authorization by SCG and receipt of a revised Exhibit C). Consistent with Commission directives to maximize cost-effectiveness

and energy savings, the COUNTY's Budget set forth in Exhibit C may be reallocated or adjusted at any time by SCG in its sole discretion.

3.1.7. Payment to COUNTY. In order for COUNTY to be entitled to Gas Surcharge funds for Program Expenditures:

3.1.7.1. COUNTY shall submit monthly activity reports and expenditure tracking to EVC in a format acceptable to SCG and containing such information as may be required for the reporting requirements set forth , by the tenth (10th) Calendar Day of the calendar month following performance, setting forth all Program Expenditures.

3.1.7.2. COUNTY shall submit to EVC, together with any Monthly Report, a monthly invoice for reimbursement of reported Program Expenditures, in a format acceptable to SCG, attaching all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the following:

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

3.1.7.2.2. Marketing, Education & Outreach: A copy of each distinct marketing material produced, with quantity of a given marketing material produced and the method of distribution. A copy of sign-in sheet including contact information of event participants, event description with event date and time.

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

3.1.7.2.4. Allowable Costs: Only those costs as listed in the Allowable Cost Table provided can be submitted for payment. All invoices submitted to EVC must report all costs using the allowable cost elements shown on the Allowable Cost Table.

- 3.1.7.3. COUNTY understands and acknowledges that all of COUNTY's non-incentive invoices for the 2010-2012 Program and the Monthly Report shall be submitted to EVC.
- 3.1.7.4. EVC reserves the right to reject any COUNTY invoiced amount for any of the following reasons:
- 3.1.7.4.1. The invoiced amount, when aggregated with previous Program Expenditures, exceeds the amount budgeted therefore in the Partner Budget for such Authorized Work (as set forth in Exhibit C).
 - 3.1.7.4.2. There is a reasonable basis for concluding that such invoiced amount is unreasonable or is not directly identifiable to or required for the Authorized Work, and/or the Program.
 - 3.1.7.4.3. The invoiced amount, in SCG's sole discretion, contains charges for any item not authorized under this Agreement or by the Commission, or is deemed untimely, unsubstantiated or lacking proper documentation.
 - 3.1.7.4.4. SCG will not accept the invoice as submitted.
- 3.1.7.5. COUNTY shall maintain for a period of not less than five (5) years all documentation reasonably necessary to substantiate the Program Expenditures, including, without limitation, the documentation set forth in Section 10.3.2 above. COUNTY shall promptly provide, upon the reasonable request by EVC or SCG, any documentation, records or information in connection with the Program or its Authorized Work.
- 3.1.7.6. Final Invoice - COUNTY must submit final invoice to EVC no later than March 15, 2013.

EXHIBIT C - BUDGET

Administrative Activities

<u>Activity</u>	<u>2012</u>	<u>TOTAL</u>
Administration	<u>\$6,200</u>	<u>\$6,200</u>
<u>TOTAL</u>	<u>\$6,200</u>	<u>\$6,200</u>

Marketing Activities

<u>Activity</u>	<u>2011</u>	<u>2012</u>	<u>TOTAL</u>
Marketing and Outreach	<u>\$25,000</u>	<u>\$35,000</u>	<u>\$60,000</u>
<u>TOTAL</u>	<u>\$25,000</u>	<u>\$35,000</u>	<u>\$60,000</u>

Direct Implementation Activities

<u>Activity</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>TOTAL</u>
Direct Implementation	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$55,000</u>	<u>\$115,000</u>
<u>TOTAL</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$55,000</u>	<u>\$115,000</u>

Strategic Plan Activities

<u>Activity</u>	<u>2012</u>	<u>TOTAL</u>
Strategic Plan	<u>\$13,500</u>	<u>\$13,500</u>
<u>TOTAL</u>	<u>\$13,500</u>	<u>\$13,500</u>