



# TOWN OF FAIRFAX

## STAFF REPORT

June 1, 2016

**TO:** Mayor and Town Council

**FROM:** Garrett Toy, Town Manager *GT*

**SUBJECT:** Authorize participation in the PG&E Turnkey and Finance programs to retrofit approximately 470 streetlights with LED fixtures

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### RECOMMENDATION

- 1) Authorize the Town Manager to do everything necessary and appropriate to participate in the PG&E LED Street Light Turnkey Replacement Program and the PG&E On-Bill Financing program in an amount of up to \$155,000 to manage and finance the retrofit of approximately 470 streetlights with LED fixtures.
- 2) Appropriate \$10,000 in general fund reserves to Street Lighting (Fund 01-512) for possible additional costs (e.g., light shields or repairs) needed to retrofit the streetlights.

### DISCUSSION

The Town's Climate Action Plan (CAP) has a recommended action item: "EN-12. Continue to replace street lights and parking lot lights with energy-efficient technologies, such as LED lighting." The CAP estimates replacing street lights with LED lamps would reduce Gas House Gases (GHG) by 10.5 metric tons CO<sub>2</sub>e. The Town has approximately 550 street lights that have not been retrofitted with LED lamps. The Town previously retrofitted 48 streetlights in the downtown area with LED lamps.

In October 2015, the Council directed staff to pursue participating in PG&E's LED Street Light Turnkey Replacement Service (Turnkey") and On-Bill Financing Programs (OBF) with the objective of maximizing the retrofit of streetlights without the Town incurring out-of-pocket expenses. The PG&E LED Street Light Turnkey Replacement Service program is a "one-stop" project price which includes fixtures/materials, distributor and shipping costs, sales tax, installation, inspection, and project management costs. The Town would enter into an agreement with PG&E for the total project costs and the On-Bill Financing program would directly pay for the costs without any out-of-pocket payment by the Town. However, the Town would be responsible for payment of unforeseen circumstances (e.g., repair work) or additional materials (e.g., light shields) in the installation of the LED lights.

The "Turnkey" program's administrative costs are built into the fixture costs and PG&E is unable to break the administrative costs out. However, a comparison of costs to a retrofit proposal submitted by a contractor as well as a review of similar proposals approved by other Marin communities would indicate PG&E's proposal is approximately the same. PG&E's

program is the most cost-effective approach for the Town and would allow us to implement the project much more quickly than otherwise (e.g., no bid package).

Under the PG&E program parameters, the Town would be able to replace approximately 400 cobra-head streetlights (all of them) and approximately 70 of the “top-hat” streetlights in downtown. The top-hat fixtures would be the same as the LED fixtures previously installed. The actual number may vary due to possible discrepancies in the map and final cost estimates. The replacement of approximately 470 lights would maximize the Town’s participation in the PG&E financing program without requiring the Town incur out-of-pocket expenses to retrofit the streetlights.

After approximately \$19,000 in rebates, the cost to be financed is approximately \$155,000. Under the On-Bill program, PG&E finances the retrofit at 0% over a 10 year period. The Town continues to make the same energy payments for streetlights and PG&E applies the estimated energy savings from the retrofit (approx. \$15,000/yr.) toward the repayment of the loan.

The cobra-head fixtures for the residential areas are similar to those in other Marin communities (e.g., Novato). The color temperature is 4000k which appears to be the de facto standard for Marin County. We are not recommending the installation of dimmers/motion detectors on the cobra-heads due to the high installation cost (approximately \$100 per light). The total cost would be approximately \$40,000 to install on the cobra-heads which would result in approximately 30 fewer top-hat fixtures to be installed. There are no energy cost savings to the Town as we pay a fixed fee to PG&E per LED light. However, there would probably be a reduction in Green House Gas (GHG) emissions and light pollution.

Attached are the standard documents that PG&E uses for the program. The blanks would be filled in once all the costs have been finalized. Staff is requesting authority to execute all the documents required to participant in the PG&E Turnkey and financing programs.

### **FISCAL IMPACT**

Over the 10-year repayment period, the Town would continue to pay the same energy costs for the street lights with the estimated energy savings being applied to the loan payment. In addition, the Town would immediately save approximately \$4,000 per year on reduced maintenance costs for the LED lights.

### **ATTACHMENTS**

1. Form of Agreement Turnkey program
2. Form of Agreement On Bill Financing



**PG&E PRODUCTS AND SERVICES AGREEMENT**

This PG&E Products and Services Agreement (the “**Agreement**”) is made and entered into as of \_\_\_\_\_, 20\_\_ (“**Effective Date**”) by and between [insert Customer’s legal name] with offices at \_\_\_\_\_ (“**Customer**”) and Pacific Gas and Electric Company (“**PG&E**”).

**RECITALS**

WHEREAS, Customer requires street light replacement services and PG&E desires to do so pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set out in this Agreement, Customer and PG&E agree as follows:

**AGREEMENT**

1. The Service. PG&E offers street light replacement service (the “**Service**”) which comprises a turnkey project that includes: the ordering of Customer specified street light fixtures by PG&E at Customer’s expense, and installation of these PG&E-authorized street light fixtures as replacements to existing Customer-owned street lights operating at 120 or 240 volts. As part of the Service, PG&E will also process Customer-requested rate changes to PG&E rates which may also include LS2C to LS2A rates changes and any applicable PG&E rebate applications as requested by Customer. PG&E will arrange for waste disposal of removed street light fixtures. Customer Initials \_\_\_\_\_. Date \_\_\_\_\_.

2. Development, Acceptance, and Performance of Proposals. Upon receipt of a request for Service, PG&E will consult with Customer and develop a Proposal covering the Service in the form of proposal attached hereto as Exhibit A. Once a Proposal is signed by both Customer and PG&E, the Proposal will become a binding contract and shall be deemed an “**Accepted Proposal**” for purposes of this Agreement. Accepted Proposals shall be numbered sequentially and must reference this Agreement specifically. The terms of this Agreement are incorporated into each Proposal as if fully set forth therein by virtue of this reference. If any conflict arises between the terms of an Accepted Proposal and the terms of this Agreement, the terms of this Agreement shall prevail. PG&E agrees to provide the Service in accordance with the Accepted Proposal subject to the terms and conditions of this Agreement. PG&E will notify Customer upon its completion of the work specified in an applicable Accepted Proposal, and Customer shall have five (5) business days to review and accept, after which time PG&E’s performance responsibilities under the Accepted Proposal will be deemed to have been fulfilled. If Customer identifies any outstanding items to be corrected, a punch list will be developed to reflect such items, and PG&E will correct them. Any change to an Accepted Proposal must be agreed to by both Customer and PG&E in writing. Upon completion of the Service described in the Accepted Proposal and Customer’s payment of said Service, title to the installed street light fixtures described in the Acceptable Proposal shall pass to Customer. Such transfer of title shall be for the installed street light fixtures “as is, where is,” and with no implied warranties or express warranties, except as otherwise set forth below in Section 5.2 (Limited Material Warranty).



3. Additional Work. If in the process of performing the Service, a condition is discovered that prevents PG&E from performing the Service as specified such as but not limited to 1) access to the street light such as overgrown trees or blocked roadway, 2) broken street light bracket, or 3) wiring defect that prevents delivery of energy to the street light fixture, PG&E will notify Customer in writing of such condition and the work necessary to remedy the condition using Exhibit B (Additional Repair Work Agreement). If the work required is estimated by PG&E at less than \$1,000, then PG&E may perform such work and invoice Customer periodically for actual time and materials to perform such work without completing Exhibit B.

If, for any reason, Customer chooses not to correct such condition, as specified in Exhibit B (Additional Repair Work Agreement), PG&E shall be relieved of any and all responsibility for performing the Service for that street light or group of street lights.

If in the process of performing the Service, active bird nests, and/or bee hives, wasps are discovered, PG&E will notify Customer of such condition and discontinue work on affected equipment.

4. Fees. Customer shall pay PG&E for Service performed in accordance with the payment terms set forth in each Accepted Proposal. Work specified in any Additional Repair Work Agreement will be done on a time and materials basis, at PG&E's then current hourly commercial rates as specified in Exhibit B and with reimbursement of PG&E's actual out-of-pocket expenses. Customer shall pay PG&E for the Service based on the payment schedule set forth in the applicable Accepted Proposal. Each payment made by Customer must reference this Agreement, the Accepted Proposal and invoice number and be mailed to:

PACIFIC GAS AND ELECTRIC COMPANY  
Attn: Sales and Service Manager, Business Development  
P.O. Box 770000, Mailcode: N10D  
San Francisco, CA 94177

5. Limited Warranties.

5.1. Limited Service Warranty. PG&E warrants that the Service will be performed in a commercially reasonable manner consistent with the level of care and skill exercised by others when performing services of a similar nature under similar circumstances. Customer must notify PG&E of any defect in workmanship within one (1) year of completion of installation of all streetlight fixtures ("**Installation**"). If Customer notifies PG&E within one year of installation of a potential defect in workmanship, and PG&E confirms the defect, PG&E will either re-perform the Service at no additional charge to Customer, or, if PG&E so elects, refund the applicable fees paid to PG&E by Customer for the Service. This warranty extends to Customer only and cannot be assigned by Customer. This warranty is in lieu of all other warranties. All other warranties are expressly disclaimed.

5.2. Limited Material Warranty. The manufacturer of the material to be installed will provide a warranty which is attached as Exhibit C. PG&E will provide to the Customer all documentation covering the warranty including contact information for the manufacturer or manufacturer's warranty agent. During the first year following completion of Installation, Customer may contact PG&E (as part of the Limited Service Warranty) to request that PG&E



remove the defective light and reinstall the repaired light or an equivalent replacement light. For those years following the Limited Service Warranty period but still within the Limited Material Warranty period, Customer must contact the manufacturer to make a warranty claim. Customer is responsible for removal of the equipment, arranging and paying for shipping and insurance for the equipment to and from the manufacturer's designated facility (and for all risk of loss to the equipment while in transit), and installation of the equipment upon return, unless otherwise instructed in the manufacturer's designated warranty. This warranty extends to Customer only and cannot be assigned by Customer. This warranty is in lieu of all other warranties relating to installed materials. ALL OTHER WARRANTIES (WHETHER EXPRESS OR IMPLIED) RELATING TO INSTALLED MATERIAL ARE HEREBY EXPRESSLY DISCLAIMED.

5.3. Disclaimers. Except for warranties expressly set forth in Sections 5 and 6 of this Agreement, PG&E HEREBY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES (WHETHER EXPRESS OR IMPLIED OR ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE, AND INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, INTEROPERABILITY, AND FITNESS FOR A PARTICULAR PURPOSE) RELATING TO THE SERVICE. Customer acknowledges and agrees that the specific remedies described in Sections 5 and 6 of this Agreement respectively shall be Customer's sole and exclusive remedies for any and all warranty claims arising under or pertaining to this Agreement.

6. Customer's Responsibilities. To the extent that performance of the Service by PG&E depends upon approvals or other decisions by Customer, or on Customer furnishing particular documents or information, including but not limited to work permits, and that Customer does not timely perform or provide the same, the minimum time estimate for PG&E's completion of the Service shall be extended to take into account Customer's delay with respect thereto. Customer shall reimburse PG&E for the costs on any required work permits. If Customer or a competent governmental authority requires any other compliance efforts, including but not limited to flagging, traffic control, or neighborhood notifications, as a condition for work to proceed, then Customer shall reimburse PG&E for the costs related to these efforts. Notwithstanding PG&E's arrangement or performance of waste disposal services for removed street light fixtures (or any other materials an applicable Accepted Proposal may specify for removal), Customer acknowledges and agrees that it is the "generator" of such fixtures and/or materials and therefore bears ultimate responsibility for their proper disposition. Provided that PG&E adheres to any disposal instructions contained in an Accepted Proposal, Customer agrees to hold PG&E harmless from any and all claims brought by third parties (including by governments or regulators) relating to the disposal services arranged or performed by PG&E.

7. Data. Customer shall own any documents or information prepared or created by PG&E during the performance of the Service under this Agreement ("Data"). PG&E may retain copies of Data for PG&E use, but shall keep the Data confidential and shall not publish or otherwise disclose or knowingly permit PG&E employees to publish or otherwise disclose any Data without Customer's prior written consent unless such disclosure is required by law or by a court or regulatory agency having authority over PG&E.

8. PG&E's Utility Obligations. Customer acknowledges that PG&E has an obligation to maintain, repair and service PG&E-owned facilities in order to perform its duties as a public utility. If PG&E determines at any time, in its sole discretion, that it requires any personnel or resources previously committed to the performance of services for Customer under this



Agreement in order to maintain adequate service to PG&E's other customers or to fulfill its duties as a public utility, then PG&E shall have the right to divert the use of such personnel or resources to satisfy such requirements. PG&E shall be excused from whatever performance is affected by such action, all to the extent and for the duration its resources are so constrained, and PG&E shall not be considered in default under this Agreement by virtue of such diversion of resources. PG&E shall use diligent efforts to resume and complete its performance of the Service when diverted resources become available again.

9. Limitation of Liability. In the event that PG&E is held liable to Customer or to any party claiming by or through Customer for damages arising under or pertaining to this Agreement, the aggregate liability of PG&E to Customer or to any party claiming by or through Customer shall be limited to the lesser of (a) the estimated price for the Service giving rise to the claim, or (b) the amount actually paid to PG&E with respect to such Service. IN NO EVENT SHALL PG&E BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, COST OF DELAYS, REPLACEMENT OF POWER, OR LOSS OF PROFITS, LOSS OF OR FAILURE TO REALIZE ANTICIPATED SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EVEN IF ANY SUCH CONSEQUENCES WERE FORESEEABLE. The parties agree that the limitations on liability expressed in this Agreement will apply at all times, whether in contract, equity, tort or otherwise, regardless of the fault, negligence (in whole or in part), strict liability, breach of contract or breach of warranty of PG&E, and will extend to the affiliates, subsidiaries, parent company, officers, managers, directors, agents and employees of PG&E. Customer acknowledges and agrees that the limitations of liability set forth in this section may be far less than Customer's loss in the event of any loss or damage to Customer's equipment while in PG&E's care or custody, and Customer expressly assumes the risk of any such deficiency of recovery. The parties acknowledge and agree that the limitations of liability set forth in this Section 9 are an essential element of their bargain as well as a material inducement for PG&E's entry into this Agreement, and that PG&E's price for the Service reflects their inclusion in this Agreement.

10. Term and Termination. The term of this Agreement shall be for five years from the Effective Date unless sooner terminated by Customer or PG&E as permitted by this Agreement. Each party may terminate this Agreement or any Accepted Proposal at any time for convenience by giving the other party 5 days written notice, provided, however, that any such termination shall neither affect PG&E's obligation to perform under any Accepted Proposals during the 5 day notice period, nor Customer's obligation to pay PG&E for material procured or services rendered under any Accepted Proposal through the effective date of termination, including during the 5-day notice period. Termination of any individual Accepted Proposal by either party shall not affect the continued validity of this Agreement or of any other Accepted Proposals. Additionally, each party may terminate this Agreement and any then-outstanding Accepted Proposals upon written notice to the other party if the other party: (i) is in default of any obligation hereunder which default is incapable of being cured, or which, being capable of being cured, has not been cured within seven days after receipt of written notice of such default; or (ii) becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or has been liquidated, voluntarily or otherwise. Also, PG&E may terminate this Agreement immediately and without prior notice in the event that the California Public Utilities Commission issues a ruling or order prohibiting or otherwise

preventing PG&E from fulfilling, or substantially interfering with PG&E's ability to fulfill, its obligations under this Agreement, or finding that this Agreement is contrary to the policies of the California Public Utilities Commission. The following Sections of this Agreement shall survive expiration, cancellation or other termination of this Agreement: 4 Fees, 5 Limited Warranties, 6 Customer Responsibilities, 7 Data, 9 Limitation of Liability and 11 General. Any other provisions of this Agreement that would generally be construed as intended to survive the expiration, cancellation or other termination of this Agreement shall also survive such expiration, cancellation or other termination.

#### 11. General.

11.1. Assignment. This Agreement may not be assigned or otherwise transferred by either Customer or PG&E without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, PG&E may, without such consent, assign this Agreement to a parent, subsidiary or other affiliate. PG&E may also subcontract all or part of the Service. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon Customer and PG&E and their respective successors and assigns.

11.2. Force Majeure. Neither PG&E nor Customer shall be considered in default in the performance of its obligations under this Agreement, to the extent that (and only for so long as) the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected party; provided, however, that Customer shall be excused from the obligation to make payments hereunder for services which PG&E is prevented from performing due to circumstances beyond its reasonable control.

11.3. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows, with notice deemed given as indicated: (i) by personal delivery, when delivered personally; (ii) by overnight courier, upon written verification of receipt; or (iii) by certified or registered mail, return receipt requested, upon verification of receipt. Notices shall be addressed, if to Customer, to the primary business contact address given in the Accepted Proposal and, if to PG&E, to the address set forth above for payment.

11.4. Reporting Requirements. Customer must notify PG&E whether or not federal funds granted or otherwise awarded to Customer by or through the United States Department of Energy (collectively, the "Federal Funds") will be used to pay PG&E for the Service. If Customer decides to use such Federal Funds in connection with an Accepted Proposal, then Customer must notify PG&E within 5 days of its decision to use such Federal Funds. If Customer is required by any law or regulation to amend or revise the terms and conditions of any Accepted Proposal in a manner unacceptable to PG&E or if in PG&E's sole discretion PG&E determines it cannot comply with such obligations as amended or revised, whether or not PG&E has begun to perform such Accepted Proposal, PG&E shall have the right, in its discretion, to terminate such Accepted Proposal upon five (5) days' notice without further obligation or liability to Customer (except for the return of any funds Customer may have pre-paid for the Service and which remain uncommitted as of the effective date of such termination). CUSTOMER HEREBY WAIVES ANY CLAIM OF PROMISSORY ESTOPPELS WITH RESPECT TO PG&E'S TERMINATION OF ANY ACCEPTED PROPOSAL UNDER THE CIRCUMSTANCES DESCRIBED IN THE FOREGOING SENTENCE.



11.5. Disputes. The parties will negotiate in good faith to expeditiously resolve any dispute, claim or controversy arising under or relating to this Agreement (including, without limitation, as to its formation, validity, binding effect, interpretation, performance, breach, or termination, as well as non-contractual claims) on a negotiated basis. If, in either party's reasonable judgment, such negotiations do not result in an amicable outcome after such party's good faith efforts over a period of at least thirty (30) days, such party shall be free to pursue all available remedies under law in any competent forum.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed as of the Effective Date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

Print  
Name:

\_\_\_\_\_

\_\_\_\_\_

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_



**EXHIBIT A  
PROPOSAL NUMBER 1**

This Proposal is made and entered into as of \_\_\_\_\_, 20\_\_ by and between Town of Fairfax (“Customer”) and Pacific Gas and Electric Company (“PG&E”). This Proposal is subject to the terms and conditions of the PG&E Products and Services Agreement between Customer and PG&E dated as of \_\_\_\_\_, 20\_\_ (the “Agreement”).

**DESCRIPTION OF SERVICES**

- Scope of Work: Replace \_\_\_ HPSV lights with LED lights according to the map and LED spreadsheet (identifies each location) in the Town of Fairfax.
- Number any light poles that are not numbered using badge number stickers provided by PG&E.
- Change the rates to LED and provide documentation on the changes and cost for the street lights which with Customers approval may also include LS2C to LS2A rates changes. Customer Initials \_\_\_\_\_. Date \_\_\_\_\_.
- Process the rebates and provide documentation on the changes and cost for the street lights.
- Provide a revised GIS-based inventory.

Estimated minimum number of days to complete scope of work: TBD

Date work is estimated to begin: TBD

Customer sites where work is to be performed (may attach spreadsheet of street lights):  
See attached map for location.

Type and number of street light fixtures to be replaced (may attach spreadsheet):  
See attached spreadsheet for fixtures.

Locations may change if street lights are added to or deleted from the project during installation. A final spreadsheet will be given to Customer upon completion of the work.

If in the process of performing the Service, active bird nests, and/or bee hives, wasps are discovered, PG&E will notify Customer of such condition and discontinue work on affected equipment.

**MATERIALS DISPOSAL**

Customer will make space available at Customer-owned property for material storage and disposal during construction. PG&E will hold Customer harmless for damage to stored materials while on Customer’s property. Customer site where PG&E may store materials and waste disposal bins:



PG&E will store the materials at the following site:

Address: XXX Fairfax, CA

PG&E's Contractor will keep the lights that have been replaced in a locked container until taking them to PG&E's yard. Contractor will separate the lamp from the fixture and put them in the appropriate bins. PG&E will label the bins and ship them to a registered disposal facility.

### **TRAFFIC CONTROL PLAN**

PG&E Contractor shall be required to comply with all applicable federal, state, and local laws, rules, regulations, permits, and codes including without limitation such laws, rules, regulations, permits, and codes with respect to safety and traffic control.

### **COST AND PAYMENT SCHEDULE**

PG&E estimates the services under this Proposal will cost XXXdollars and no cents (\$). However, Customer will be invoiced for actual installations (location and size of fixture). The estimate will not be exceeded without Customer's prior approval.

This price does  does not  subtract the value of the LED streetlight rebates from the cost to provide the services. Customer acknowledges and understands that Rebates are subject to funding availability, which is administered by PG&E on a first-come, first-serve basis. If the funding for the Rebates is depleted, Customer acknowledges and agrees that Customer shall nonetheless be liable to PG&E and remain obligated to pay the full amount of the fee for the services performed hereunder.

#### **Payment Schedule:**

**Date of Payment:** Customer will be invoiced for final 100% payment upon the earlier of (i) completion of the services under this Proposal, or (ii) when punch list items (if any) have been completed.

**Payment Procedures:** If the services performed under this Proposal qualify for a loan under PG&E's General Off-Bill and On-Bill Financing Loan program (the "OBF Program"), the payment for services shall be made by Customer pursuant to a loan agreement (the "OBF Agreement"). Customer shall execute the OBF Agreement within ten (10) days from the date of this Proposal and the terms of the OBF Agreement shall superseded, govern and control the terms for payment of the services performed under this Proposal. If Customer is unable to qualify for a loan for any reason, fails to execute an OBF Agreement or elects to finance the fees for the services by other means, Customer represents and warrants that it shall pay for the services performed hereunder in accordance with the terms set forth below:

The PG&E invoice will reference this Proposal and be submitted to Customer's billing address. If Customer is unable to qualify for a loan under the OBF Program or the OBF Agreement is terminated by PG&E for any reason, Customer agrees, acknowledges and



warrants that it shall pay for the services within thirty (30) days from the invoice date. Each payment made by Customer must reference this Proposal and invoice number.

This Payment Schedule section shall survive the expiration or termination of the Proposal. If Customer chooses to terminate this Proposal prior to completion of the services, then Customer shall pay PG&E for all costs accrued up to the date of termination, including all materials purchased.

**BUSINESS CONTACTS:**

PG&E's primary business contact for this Proposal:

Name:  
Title: Sales Manager  
Address: 245 Market Street, Mail Code N10D  
San Francisco, CA 94105  
Telephone:  
Email:

Customer's primary business contact for this Proposal:

Name: Title:  
Address:  
  
Telephone:  
Email:

**CUSTOMER BILLING CONTACT:**

Customer's billing contact for this Proposal:

Name: Title:  
Address:  
  
Telephone:  
Email:



IN WITNESS THEREOF, the parties agree to be bound by this Proposal as of the date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

Print  
Name:

Roxanne Fong, Manager

\_\_\_\_\_

\_\_\_\_\_

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Date:

Date:

\_\_\_\_\_

\_\_\_\_\_



**EXHIBIT B  
FORM OF ADDITIONAL REPAIR WORK AGREEMENT**

**REPAIR WORK AGREEMENT NUMBER \_\_\_\_\_**

This Additional Repair Work Agreement is made and entered into as of \_\_\_\_\_, 20\_\_ by and between [insert Customer's legal name] ("Customer") and Pacific Gas and Electric Company ("PG&E"). This Repair Work Agreement is subject to the terms and conditions of the PG&E Products and Services Agreement between Customer and PG&E dated as of \_\_\_\_\_, 20\_\_ (the "Agreement").

PG&E has informed the Customer of a repairable condition as described below. The Customer has requested that PG&E provide the necessary labor, equipment, and material to repair, replace or correct the condition on the Customer's equipment described below.

**Description of repairable condition:**

PG&E will invoice the Customer on a time and materials basis at the following labor rates (rates valid through 12/31/\_\_\_):

Straight time (8AM-5PM M-F): \$\_\_\_/hour  
Overtime: \$\_\_\_/hour

Executed this \_\_\_ day of \_\_\_\_\_, 20\_\_.

Facility name: \_\_\_\_\_

IN WITNESS THEREOF, the parties agree to be bound by this Repair Work Agreement as of the date first set forth above.

CUSTOMER

PACIFIC GAS AND ELECTRIC COMPANY

Print Name:

\_\_\_\_\_

Print

Name:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

Date:

\_\_\_\_\_



**EXHIBIT C  
THIRD PARTY WARRANTIES**

1. Street light manufacturer's contact information:

(a) Cree LED Lighting Fixtures

1200 92nd Street  
Sturtevant, WI 53177-1854  
Phone: (800)236-6800

(b) The warranty period for the Cree LED Lighting Fixtures is 10 years. A copy of that warranty is set forth in Schedule 1 to this Exhibit C.

2. Photo control warrantor's contact information:

(a) Ripley Lighting Controls

2023 Platt Springs Road  
P.O. Box 3229  
West Columbia, SC 29169  
Phone: 803-939-4700  
Fax: 803-939-4777

(b) The warranty period for the Ripley lighting controls is 12 years from date of delivery. A copy of that warranty is set forth in Schedule 2 to this Exhibit C.

**SCHEDULE 1 TO EXHIBIT C  
LIMITED WARRANTY FOR CREE® LED LIGHTING FIXTURES  
(INCLUDING BETALED® TECHNOLOGY; TRUEWHITE® TECHNOLOGY; AND  
ESSENTIA® FIXTURES)**

This limited warranty is provided by the Cree company described below ("Seller") to you as the original purchaser of the LED lighting product that is identified on Seller's invoice reflecting its original purchase (the "Product"). The Seller is the Cree Company identified as such on the invoice. This limited warranty may be transferred to subsequent purchasers of the Product, provided that such Product is resold in new condition and in its original packaging. Seller warrants that the Product, when delivered in new condition and in its original packaging, will be free of defects in material and workmanship for a period of **TEN (10) YEARS** from the date of original purchase. The determination of whether the Product is defective shall be made by Seller in its sole discretion with consideration given to the overall performance of the Product. A Product shall not be considered defective solely as a result of the failure of individual LED components to emit light if the number of inoperable components is less than 10% of the total number of LED components in the Product.

If Seller determines the Product is defective, Seller will elect, in its sole discretion, to refund you the purchase price of the Product, repair the Product or replace the Product. This limited warranty will not apply to loss or damage to the Product caused by: negligence; abuse; misuse; mishandling; improper installation, storage or maintenance; damage due to fire or acts of God; vandalism; civil disturbances; power surges; improper power supply; electrical current fluctuations; corrosive environment installations; induced vibration; harmonic oscillation or resonance associated with movement of air currents around the Product; alteration; accident; failure to follow installation, operating, maintenance or environmental instructions prescribed by Seller or applicable electrical codes; or improper service of the Product performed by someone other than Seller or its authorized service provider. This limited warranty excludes field labor and service charges related to the repair or replacement of the Product. **THIS LIMITED WARRANTY IS VOID IF THE PRODUCT IS NOT USED FOR THE PURPOSE FOR WHICH IT IS DESIGNED.**

Seller reserves the right to utilize new, reconditioned, refurbished, repaired or remanufactured products or parts in the warranty repair or replacement process. Such products and parts will be comparable in function and performance to an original product or part, as determined by Seller in its sole discretion, and warranted for the remainder of the original warranty period.

In order to make a warranty claim, you must notify Seller in writing within sixty (60) days after your discovery of the defect, provide proof of purchase such as the invoice and comply with Seller's other warranty requirements. Upon receiving that notice, Seller may require you to promptly return the Product to Seller, or its authorized service provider, freight prepaid. Your warranty claim should be addressed to Cree c/o Ruud Lighting, Inc., 9201 Washington Avenue, Racine, WI 53406.

This limited warranty only applies to specified LED fixtures. Any warranties applicable to finish, poles, lamps, CR Series downlights, LR24™ troffers, certain BetaLED® Technology outdoor fixtures (specifically Class II as defined per IEC/EN60598), backup batteries, controls, occupancy sensors, photocells and other fixture accessories can be found at [www.cree.com/lighting/products/warranty](http://www.cree.com/lighting/products/warranty).



THE FOREGOING WARRANTY PROVISIONS ARE EXCLUSIVE AND ARE GIVEN AND ACCEPTED IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY AGAINST INFRINGEMENT AND ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, COMPENSATORY, CONSEQUENTIAL, INDIRECT, SPECIAL OR OTHER DAMAGES. SELLER'S AGGREGATE LIABILITY WITH RESPECT TO A DEFECTIVE PRODUCT SHALL IN ANY EVENT BE LIMITED TO THE MONIES PAID TO SELLER FOR THAT DEFECTIVE PRODUCT.

This warranty is effective for purchases of Product on or after the effective date set forth below. Seller reserves the right to modify this warranty from time to time. Any modification of this warranty shall be effective for all orders placed with Seller on or after the effective date of such revised warranty.



**SCHEDULE 2 TO EXHIBIT C  
WARRANTY FOR RIPLEY LIGHTING CONTROLS**

**RIPLEY LIGHTING  
CONTROLS**

**DIVISION OF SOUTHCONN TECHNOLOGIES INC**

2023 Platt Springs Road  
P.O. Box 3229  
West Columbia, SC 29169  
Phone: 803-939-4700  
Fax: 803-939-4777

**PG&E WARRANTY**

The 6390L-BK/ 6390LL-BK/ RD8645 LongLife Series carries a 12-year warranty from the date of delivery. If the product fails due to manufacturing defect within its warranted period, Ripley Lighting Controls will choose to either replace or repair the lighting control unit. This warranty does not cover damage caused by accident, abuse, misuse or lightning strikes. Ripley's liability hereunder shall be limited to replacement or repair and shall not cover the cost of removal or installation of the unit, nor any consequential damages. Ripley Lighting Controls assumes no further liability with respect to the sale or use of this product. This warranty is in lieu of other warranties, expressed or implied, including the warranty of merchantability. Ripley Lighting Controls makes no warranty with respect to the suitability of the user's particular application. This warranty gives the user specific legal rights.

Jan 1, 2011



# RIPLY LIGHTING CONTROLS

DIVISION OF SOUTHCONN TECHNOLOGIES INC

## Twist-Lock Electronic Photocontrol Decorative LED Luminaire

### Exclusive Features



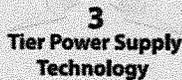
**Zero Cross Switching Technology:** protects the device from inrush currents, commonly found in LED Luminaires.



**Intelligent Microprocessor:** assures advanced Performance & Reliability



**SELF-Healing Relay:** allows unattended field restoration. Stuck relay contacts are a common failure point. Our Patent Pending technology actually works to un-stick the contacts, thus preventing wasted energy (day burners) and service calls. Tested at more than 325 years with a 1000 Watt Tungsten Lamp



**3 Tier Power Supply Circuitry:** 320 Joule MOV rated @ 10,000 Amps for primary protection Dual Zener Diode for secondary protection. 3<sup>rd</sup> Layer of protection using a precision voltage regulator.

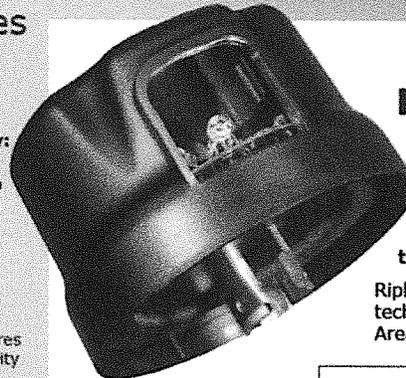


**Tru-Filter®:** spectral sensitivity matches that of the Human Eye; while competitor's Silicon Photodetector comes nowhere close.

**WARRANTY: 10 years from date of manufacture**

Phone: 803-939-4700  
Fax: 803-939-4777  
E-mail: Sales@RipleyLC.com

www.RipleyLC.com



### Ripley's Exclusive Decorative LED Photocontrol

"NEW Generation of Technologies that change the Game "

Ripley Lighting Controls is pioneering new technologies raising the bar in the Street and Area Lighting Industry.

RD8645	
Nominal Voltage 60 Hz	120/208/240/277
Voltage Range	105-305
Fail Mode	On
Load Rating	1000 Watt Tungsten / 1800 VA Ballast
Operating Temperature	-40C to +70C (-40F to +158F)
Photocell	Encapsulated Silicon Phototransistor
Dielectric Strength	5000 Volts between current carrying parts and metal surfaces
Surge Protection	320 Joule MOV / 10,000 surge current
Power Consumption	0.5 watts @ 120 V
Time Delay Off (Instant On)	3 to 5 seconds
Operating Light Levels (Standard Settings)	Turn On 1.5 FC ± .25 / Turn Off by 0.9 FC (Off:On Ratio = 0.6:1) Any Ratio Optional
Options	Fail Off available

#### Other Exclusive Features:

- A single Tru-Filter® infrared-filtering phototransistor, filters out all sources of infrared to mirror the spectral sensitivity of the human eye, and provide highly accurate control across the entire visual light spectrum. Thus, Turn-ON / Turn-OFF events occur with much greater precision than that of competitor models utilizing silicon photodetectors and plastic infrared filters. Plastic filters used by competitors eventually cause a shift of Turn-ON / Turn-OFF light levels: They only filter infrared that passes through the sensor window; not ALL sources, and they fade over time due to UV
- DSPT (Double Sided-Plated Through) Glass Epoxy FR4 control circuit board, engineered for durability and LongLife reliability.
- High Temperature Base material with minimum rating of 125 Degrees Celsius, and LongLife Blended Gasket to assure stability and 0% shrinkage
- Solid Brass Contact Blades

Meets or exceeds rigid quality requirements of SouthConn Technologies Inc. and applicable ANSI C136.10, and C136.24 Standards



**Pacific Gas and Electric Company**  
 San Francisco, California  
 U 39

Revised  
 Cancelling Original

Cal. P.U.C. Sheet No.  
 Cal. P.U.C. Sheet No.

32499-E  
 29493-E

**Sample Electric Form 79-1118**  
 General Off-Bill and On-Bill Financing Loan Agreement

Sheet 1  
 (T)

PLEASE REFER TO ATTACHED  
 SAMPLE FORM

Advice Letter No: 4200-E  
 Decision No. 11-05-018

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed March 14, 2013  
 Effective March 14, 2013  
 Resolution No. \_\_\_\_\_

1C6

**ATTACHMENT** 2



## GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

The undersigned customer ("**Customer**") has contracted for the provision of energy efficiency/demand response equipment and services (the "**Work**") which qualify for one or more of PG&E's applicable rebate or incentive programs. Subject to the conditions (including the process for Adjustment and preconditions to funding) set forth below, Pacific Gas & Electric Company ("**PG&E**") shall extend a loan (the "**Loan**") to Customer in the amount of the loan balance (the "**Loan Balance**") pursuant to the terms of this On-Bill Financing Loan Agreement ("**Loan Agreement**") and PG&E's rate schedules E-OBF and/or G-OBF, as applicable (the "**Schedule**").

To request the Loan, Customer has submitted a completed On-Bill Financing Application and associated documentation as required by PG&E (the "**Application**"). Collectively the Application and this Loan Agreement (including any Adjustment hereunder) comprise the "Agreement".

1. Customer shall arrange for its Contractor, as identified at the end of this Agreement ("**Contractor**"), to provide the Work as described in the Application.
2. The estimated Loan Balance is set forth below. The total cost of the Work as installed, rebate/incentive for qualifying energy efficiency measures, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "**Adjustment**"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and the estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for the Loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. **Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, PG&E shall have no obligation to extend the Loan, as the Work would not meet program requirements.** The Adjustment described in this paragraph will be communicated to the Customer in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase.
3. **PG&E shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer will be responsible for any and all losses and damage it may suffer in connection with, and any claims by third parties resulting from, the Work.** Customer shall indemnify and hold harmless PG&E, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which arise from or are caused by (a) any breach of the Agreement by Customer; (b) any defects or problems with the Work, or the failure of the Work to deliver any anticipated energy efficiencies; (c) Customer's failure to pay any amount due or claimed by Contractor with respect to the Work; or (d) the wrongful or negligent acts or omissions of any party (including Contractor) in the conduct or performance of the Work.



## GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

4. Customer represents and warrants that (a) Customer is receiving this Loan solely for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual or a government agency, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; and (f) all factual information furnished by Customer to PG&E in the Application and pursuant to this Agreement is true and accurate.
5. The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the checks for the rebate/incentive or any Loan proceeds. Checks may be issued directly to the Customer or its designated Contractor or both, for the benefit of the Customer, as specified below. Customer acknowledges that PG&E will not be responsible for any tax liability imposed on the Customer or its contractor in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer shall indemnify PG&E for any tax liability imposed upon PG&E as a result of the transactions contemplated under the Agreement.
6. Upon completion of the Work, Customer shall send a written confirmation of completion to PG&E's On-Bill Financing Program Administrator at the address listed in Section 15. Within 60 days after receiving the confirmation, PG&E (a) will conduct a post installation inspection and project verification, including review of invoices, receipts and other documents as required by PG&E to verify the correctness of any amounts claimed by Customer; (b) will adjust, if necessary, the total cost, incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) if PG&E deems necessary, obtain updated financial information to verify that Customer has good credit standing (as determined by PG&E) prior to making the Loan. Customer shall give PG&E reasonable access to its premises and the Work and shall provide such updated financial information to PG&E upon request. PG&E may decline to make the Loan if PG&E determines, in its sole discretion, that Customer does not have good credit standing at that time. If the Work conforms to all requirements of the Agreement and all amounts claimed by Customer as Work costs are substantiated to PG&E's reasonable satisfaction, and PG&E is satisfied that Customer has good credit standing, PG&E will issue a check ("**Check**") to Customer or Contractor (as designated by Customer in Section 15) for all amounts PG&E approves for payment in accordance with the Agreement. The date of such issuance is the "**Issuance Date**". If the Check is issued to Customer, Customer shall be responsible for paying any outstanding fees due to Contractor for the Work. If the Check is less than



## GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

the amount due from Customer to Contractor, Customer shall be responsible for the excess due to the Contractor.

7. Customer shall repay the Loan Balance to PG&E as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient, and whether or not the Work delivers energy efficiency savings to Customer.
8. The monthly payments will be included by PG&E on the Account's regular energy service bills, or by separate bill, in PG&E's discretion. Regardless whether the monthly payments are included in the regular utility bill or a separate loan installment bill, the following repayment terms will apply:
  - a. The Customer agrees to repay to PG&E the Loan Balance in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each PG&E utility bill or loan installment bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date.
  - b. If separate energy service bills and loan installment bills are provided, amounts due under this Loan Agreement as shown in the loan installment bill shall be deemed to be amounts due under each energy services bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account.
  - c. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at PG&E's discretion.
  - d. Any partial bill payments received for a month will be applied in equal proportion to the energy charges and the loan obligation for that month, and the Customer may be considered in default of both the energy bill and the loan installment bill.
  - e. Further payment details are set forth below.
9. Any notice from PG&E to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within a PG&E utility bill or loan installment bill, and any such notices may also be provided to Customer at the address below or to the Customer's billing address of record in PG&E's customer billing system from time to time, and in each case shall be effective five (5) days after they have been mailed.
10. The Loan Balance shall not bear interest.
11. Customer may, without prepayment penalty, pay the entire outstanding loan balance in one lump sum payment provided the customer first notifies PG&E by telephoning the toll free phone number (1-800-468-4743), and by sending written notice to PG&E On-Bill Financing Program Administrator at the address listed below, in advance of making the lump sum payment. Accelerated payments that are received from Customer without PG&E's prior approval may, at PG&E's sole discretion, be applied proportionally to



# GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

subsequent energy charges and Loan repayments and PG&E shall have no obligation to apply accelerated payments exclusively to reduction of the outstanding Loan.

- 12. The entire outstanding Loan Balance will become immediately due and payable, and shall be paid by Customer within 30 days if: (i) the Account is closed or terminated for any reason; (ii) Customer defaults under the Agreement; (iii) Customer sells or transfers ownership of the equipment forming part of the Work to any third party (including as part of a sale or lease of premises or transfer of business or otherwise); or (iv) Customer becomes Insolvent. Customer becomes "Insolvent" if: (i) Customer is unable to pay its debts as they become due or otherwise becomes insolvent, makes a general assignment for the benefit of its creditors, or suffers or permits the appointment of a receiver for its business or assets or otherwise ceases to conduct business in the normal course; or (ii) any proceeding is commenced by or against Customer under any bankruptcy or insolvency law that is not dismissed or stayed within 45 days.
- 13. Customer understands that without limiting any other remedy available to PG&E against Contractor or Customer, **failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.**
- 14. If there is any conflict among the documents comprising the Agreement, the following order of priority shall apply: 1. this Loan Agreement; 2. the Application; 3. any documents attached to the Application.

### 15. Loan Particulars.

*This table is to be completed by PG&E*

\$	\$	\$	\$		
Total Cost	Incentive	Loan Balance <sup>1</sup>	Monthly Payment	Term <sup>2</sup> , Months	Number of Payments

**Check Made Payable to Contractor  or Customer**  [customer to select payment method. Note that only one check can be issued]

<sup>1</sup> The Loan Balance shall not exceed one-hundred thousand dollars (\$100,000) for commercial customers and shall not exceed two-hundred fifty thousand dollars (\$250,000) for government agency customers, excepting loans to government agency customers where, in PG&E's sole opinion, the opportunity for uniquely large energy savings exist, in which case the Loan Balance may exceed two-hundred fifty thousand dollars (\$250,000) but shall not exceed one million dollars (\$1,000,000).

<sup>2</sup> Commercial loans may have their loan terms extended beyond five years, not to exceed the expected useful life (EUL) of the bundle of energy efficiency measures proposed, when credit and risk factors support this..



# GENERAL OFF-BILL AND ON-BILL FINANCING LOAN AGREEMENT

16. This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

**Customer Details**

**Contractor Details**

\_\_\_\_\_  
Federal Tax ID or Social Security #, Customer

\_\_\_\_\_  
Federal Tax ID or Social Security #,  
Contractor

\_\_\_\_\_  
Account Name, Customer

\_\_\_\_\_  
Name, Contractor

\_\_\_\_\_  
Service Address, Customer

\_\_\_\_\_  
Address, Contractor

\_\_\_\_\_  
Name and Title of Authorized Representative  
of Customer

\_\_\_\_\_  
Name and Title of Authorized Representative  
of Contractor

\_\_\_\_\_  
Signature of Authorized Representative of  
Customer

\_\_\_\_\_  
Date

ACCEPTED: Pacific Gas & Electric Company

\_\_\_\_\_  
PG&E On-Bill Financing Program Manager

\_\_\_\_\_  
Date

Address:  
PG&E Integrated Processing Center  
P.O. Box 7265  
San Francisco, CA 94120-7265



# Financing Supplement to the Energy Efficiency Retrofit Program Application

The Energy Efficiency Retrofit Loan Program (the "Program") is funded by California utility customers and administered by Pacific Gas and Electric Company (PG&E) under the auspices of the California Public Utilities Commission (CPUC). The Program provides qualified PG&E customers with a means to finance energy-efficient (EE) retrofit projects implemented under select PG&E EE Programs (the "Qualified Program"). The loans issued under the Program are interest-free, unsecured loans to fully or partially reimburse qualified PG&E customers for the costs they incur in connection with a qualified retrofit project (the "Retrofit Project"), which term shall mean the energy efficiency retrofit project described in Customer's relevant Energy Efficiency Program Application.

1. **Conditions for Eligibility:** Participation in the Program is limited to PG&E customers that meet the following conditions and satisfy these conditions throughout the duration of the Retrofit Project up to and including the date of Final Verification (defined below in Section 8): (a) the PG&E customer must be a business ("Commercial Customer") or a federal, state, county or local government agency ("Government Customer"); Commercial Customers and Government Customers are collectively referred to as "Customer;" (b) Customer currently receives service from PG&E at the location of the Retrofit Project (the "Location"); (c) Customer has continually maintained an active PG&E account for the previous 24 months and has a minimum of 12 months of historical metered energy usage at Customer's current Location; (d) at the time the Customer's Program Application is Approved and Customer's Loan Agreement is executed, and at the time the loan is to be funded following completion of the Retrofit Project and satisfaction of all other requirements of the Loan Agreement, Customer must be in good credit standing, as determined by PG&E through credit review which may include a commercial credit check and a bill history review, which may be based upon the following and other criteria:
  - a. No 24-hour disconnection notices in the last 12 months;
  - b. No returned payments within the last 12 months;
  - c. No more than 1 payment arrangement in the last 12 months;
  - d. No broken payment arrangements within the last 12 months;
  - e. No deposit assessed within the last 12 months; and
  - f. The Retrofit Project qualifies and Customer is eligible for an incentive under the Qualified Program.

2. **Loan Features:** The loans offered under the Program are interest-free (0%) and free of any fees, late payment penalties or other charges. The loan terms and conditions are set to provide simple payback from energy savings during the maximum allowed loan term, and are calculated by dividing the loan amount (eligible project cost less Qualified Program Incentives) by the estimated monthly energy savings resulting from the Retrofit Project. The ensuing number of monthly payments must not exceed the Maximum Loan Term set forth in chart below ("Loan Amount and Term Limitations").

3. **Eligibility:** Prior to purchasing and installing any energy-efficient measures or equipment under the Qualified Program, Customer must satisfy the eligibility requirements of both the Program and Qualified Program. Because energy efficiency projects in progress are ineligible under the Program, Customer must have an inspection of the Retrofit Project and Location conducted and completed by PG&E before commencing any work or purchasing any equipment for the Retrofit Project.

4. **Inspection:** PG&E will assist Customers in understanding the energy efficiency measures available under the Qualified Program and will answer their questions concerning this Program. After Customer has decided upon the measures that comprise the Retrofit Project, PG&E will request an engineering review, perform an inspection of the Location, calculate the Loan Terms and prepare the Loan Documents. Thereafter, PG&E will provide Customer with a copy of the inspection report, a Loan Agreement, the Application, the applicable On-Bill Financing (OBF) Gas and/or Electric Rate Schedule and Loan Calculation Summary Sheet (collectively, the "Loan Documents").

5. **Loan Documents:** If the terms of the loan are acceptable, Customer shall execute the Loan Documents and return them to PG&E prior to the commencement of the Retrofit Project. Incomplete or incorrect applications cannot be processed and may result in the delay of PG&E's approval and possible disqualification from the Program. Customer may withdraw this Application for any reason without penalty by sending written notice to PG&E.

6. **Customer's Responsibilities for Contractor and Vendor:** Upon PG&E's notification to Customer that the Retrofit Project is eligible for the Program, Customer may begin the Retrofit Project pursuant to the contract agreed upon by Customer, its contractor or vendor. PG&E does not endorse or recommend any particular contractor or vendor nor does PG&E review any contractor or vendor proposals. Rather, Customer shall be solely responsible for reviewing the feasibility of the contractor's and vendor's proposal(s) and verifying their respective qualifications, pricing, energy savings, warranties and the terms and conditions of the contractor's and/or vendor's contract with Customer.

Loan Amount and Term Limitations	
Interest	0%, with no additional fees or charges
Minimum Loan Amount	\$5,000
Maximum Loan Amount	Commercial Customer: \$100,000 / premises Government Customer: \$250,000 / meter
Maximum Loan Term, not to exceed the Expected Useful Life (EUL) of the measures	Commercial Customer: 60 months Government Customer: 120 months

\*Residential customers are ineligible.

1. **PG&E Disclaimers:** CUSTOMER'S DESIGN OF THE RETROFIT PROJECT AND SELECTION AND USE OF ENERGY EFFICIENCY EQUIPMENT, MEASURES AND SELECTION OF CONTRACTORS AND VENDORS IS AT CUSTOMER'S SOLE DISCRETION AND AT CUSTOMER'S SOLE RISK. TO THE EXTENT PERMITTED BY APPLICABLE LAW, PG&E EXPRESSLY AND SPECIFICALLY DISCLAIMS ANY LIABILITY IN RESPECT OF ANY ADVICE, INFORMATION OR OTHER INSTRUCTION PROVIDED BY OR ON BEHALF OF PG&E TO CUSTOMER IN CONNECTION WITH THE QUALIFIED PROGRAM, PROGRAM OR RETROFIT PROJECT. PG&E DOES NOT WARRANT OR BEAR ANY RESPONSIBILITY FOR ANY OF THE FOLLOWING:

- a. THE WORK PERFORMED BY CUSTOMER'S CONTRACTOR(S) OR VENDOR(S), THAT THE RETROFIT PROJECT IS APPROPRIATE FOR THE LOCATION;
- b. THE RETROFIT WILL RESULT IN OR YIELD ANY ENERGY EFFICIENCY SAVINGS OR A SPECIFIC AMOUNT OF ENERGY EFFICIENCY SAVINGS OR OTHER REDUCTION IN CUSTOMER'S PG&E UTILITY BILL AFTER COMPLETION OF THE RETROFIT PROJECT;
- c. THE CONTRACTOR'S OR VENDOR'S SERVICES WILL BE TIMELY, COMPLETE OR ERROR-FREE, OR THAT DEFECTS IN THE RETROFIT PROJECT WILL BE CORRECTED BY SUCH INDIVIDUALS;
- d. ANY ERRORS, OMISSIONS, DEFECTS OR DELAYS IN THE DESIGN OR CONSTRUCTION OF THE RETROFIT PROJECT OR THE OPERATION OF ANY ENERGY EFFICIENCY MEASURES INSTALLED AT THE LOCATION.

2. **Verification:** Upon completion of the Retrofit Project, Customer shall request PG&E's post-completion inspection and final verification that the Retrofit Project has been completed in conformity with the requirements of the Qualified Program and that customer remains eligible (the "Final Verification").

- a. If there has been any change to the Retrofit Project's scope, cost and/or incentives available under the Qualified Program or energy savings, Customer will be required to enter into a Loan Modification Agreement with PG&E, which may include new contract terms reflecting the changes in the Retrofit Project. (If a Loan Modification Agreement is required, it shall be deemed part of the "Loan Documents.")

b. If the changes to the Retrofit Project are such that it no longer meets the Program's payback criteria or other conditions, the Retrofit Project will be considered ineligible, the Loan Agreement will be terminated and no loan proceeds will be disbursed.

c. IF PG&E DETERMINES, IN ITS ABSOLUTE DISCRETION, THAT CUSTOMER'S CREDIT HAS DETERIORATED OR HAS OTHERWISE PLACED CUSTOMER'S REPAYMENT OF THE LOAN AT RISK, THE LOAN PROCEEDS SHALL NOT BE ISSUED, EVEN THOUGH THE RETROFIT PROJECT MAY HAVE BEEN SATISFACTORILY COMPLETED AT CUSTOMER'S EXPENSE.

3. **Disbursements:** Subject to and following PG&E's satisfactory Final Verification, an incentive check and the loan proceeds will be issued to Customer or, at Customer's written direction, to Customer's contractor or vendor.

4. **General Provisions:**

a. Applications for loans under the Program will be accepted from qualified Customers on a first-come, first-served basis until the funds allocated by PG&E for the Program are no longer available. The Program may be modified or terminated by the CPUC or PG&E at any time and without prior notice. However, termination of the Program following execution of a Loan Agreement by Customer will not affect that Loan Agreement, or, if Customer thereafter satisfies all Program conditions, the disbursement.

b. The loan proceeds may only be used to pay or reimburse Customer for implementing or installing energy-efficient measures or equipment through the Qualified Program.

c. If there is any conflict between the terms of any document relating to the Program, the Loan Documents shall control.

d. For all retrofit projects, including but not limited to streetlight, HVAC and lighting retrofits, Customer acknowledges and understands that Customer is able to use the installation vendor or contractor of their choice.

I have read, understand and agree to all of the Energy Efficiency Retrofit Loan Program requirements and terms and conditions set forth in this Program description. I understand that loan calculations will be based on pre-inspection results and on the applicable program documentation, and that my agency/company must meet all eligibility criteria and requirements in order to participate in the Program. Any unapproved changes to project scope, costs or run hours, or to my agency's/company's creditworthiness, between the time the Loan Documents are accepted and signed and the Retrofit Project is completed and the project's and my agency's/company's continued eligibility are verified, could result in loan ineligibility.

Legal Name of Business (i.e., the formal name on your tax return) \_\_\_\_\_ Authorized Representative's Printed Name \_\_\_\_\_

Authorized Representative's Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Tax identification information (select one):**

Federal Tax ID Number: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

**FOR PG&E USE ONLY:**

PG&E OBF Administrator \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Retrofit Program Application Number \_\_\_\_\_ OBF Application Number \_\_\_\_\_

