



2075 Woodside Road | Redwood City, CA 94061
(650) 260-0005 | peninsulacleanenergy.com

**Regular Meeting of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
AGENDA**

**Monday, February 12, 2024
10:00 am**

PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Board members shall appear in person.

In-Person Meeting Location:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**

Zoom, Virtual Meeting Link: <https://pencleanenergy.zoom.us/j/83252507093>
Meeting ID: 832-5250-7093 Passcode: 2075 Phone: +1 (669) 444-9171

This meeting of the Peninsula Clean Energy Executive Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Committee are expected to attend the meeting in person** and should reach out to Assistant General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at <https://www.peninsulacleanenergy.com/executive-committee> following the meeting.

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/83252507093>. The meeting ID is: 857-8570-3368 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 857-8570-3368, then press #. (Find your local number: <https://pencleanenergy.zoom.us/j/83252507093>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (nwogberg@peninsulacleanenergy.com) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

Spoken public comments will be accepted during the meeting in the Board Room(s) or remotely through Zoom at the option of the speaker. Please use the "Raise Your Hand" function in the Zoom platform, or press *6 if you phoned into the meeting, to indicate that you would like to provide comment.

ADA Requests

Individuals who require special assistance or a disability related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting, should contact Nelly Wogberg, Board Clerk, by 10:00 a.m. on the day before the meeting at (nwogberg@peninsulacleanenergy.com). Notification in advance of the meeting will enable PCEA to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

Closed Captioning is available for all PCEA Board meetings. While watching the video broadcast in Zoom, please enable captioning.

CALL TO ORDER / ROLL CALL / APPROVE TELECONFERENCE PARTICIPATION UNDER AB 2449

This item is reserved to approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. Members of the public who wish to address the Committee are customarily limited to two minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

1. [Approval of Minutes from the December 5, 2022 Executive Committee Meeting \(Action\)](#)

REGULAR AGENDA

2. Chair Report (Discussion)
3. CEO Report (Discussion)
4. [Recommend to Board of Directors the Approval of a 3-year Contract with Franklin Energy in an Amount Not-to-Exceed \\$26 Million for the Implementation of a Turnkey Electrification Installation Service for Single-Family Homes \(Action\)](#)
5. [Discussion and Status Update on Peninsula Clean Energy In-House Contact Center \(Discussion\)](#)
6. [Recommendation to Update Community Advisory Committee Recruitment and Appointment Process \(Action\)](#)

ADJOURNMENT

Public records that relate to any item on the open session agenda are available for public inspection. The records are available at the Peninsula Clean Energy offices or on PCEA Website at: <https://www.peninsulacleanenergy.com>.

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

- Please mute your microphone when you are not speaking to minimize audio feedback
- If possible, utilize headphones or ear buds to minimize audio feedback
- If participating via videoconference, audio quality is often better if you use the dial-in option (option 2 below) rather than your computer audio

Options for Joining

- Videoconference with Computer Audio - see Option 1 below
- Videoconference with Phone Call Audio - see Option 2 below
- Calling in via Telephone/Landline - see Option 3 below

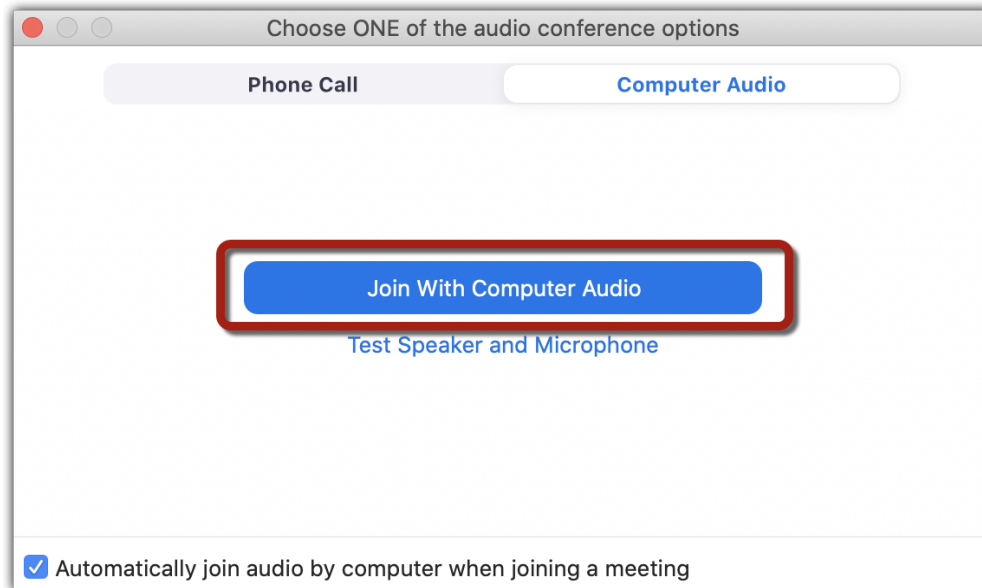
Videoconference Options:

Prior to the meeting, we recommend that you install the Zoom Meetings application on your computer by clicking here <https://zoom.us/download>.

If you want full capabilities for videoconferencing (audio, video, screensharing) you must download the Zoom application.

Option 1 Videoconference with Computer Audio:

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom application will open on its own or you will be instructed to open Zoom.
- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



- Click the blue, "Join with Computer Audio" button.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Option 2 Videoconference with Phone Call Audio

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom Application will open on its own or you will be instructed to Open Zoom.

- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.

Choose ONE of the audio conference options

Phone Call Computer Audio - Connected

Country/Region United States

Dial +1 669 444 9171
+1 346 248 7799
+1 719 359 4580
+1 720 707 2699
+1 253 205 0468

Meeting ID 857 8570 3368

Participant ID

Passcode 2075

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.
- After a few seconds, your phone audio should be connected to the Zoom application on your computer.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Audio Only Options:

Please note that if you call in/use the audio only option, you will not be able to see the speakers or any presentation materials in real time.

Option 3: Calling in via Telephone/Landline:

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- You will be instructed to enter your **Participant ID** followed by #. If you do not have a participant ID or do not know it, you can press # to stay on the line.
- You will be instructed to enter the meeting passcode **2075 followed by #.**



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: February 12, 2024
MEETING DATE: February 12, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Nelly Wogberg, Board Clerk
SUBJECT: Approval of Minutes from the December 5, 2022 Executive Committee Meeting (Action)

RECOMMENDATION

Approve Minutes from the December 5, 2022 Executive Committee meeting.

ATTACHMENTS:

[12-05-2022_EC_Final_Draft_Minutes \(1\).docx](#)



Regular Meeting of the Executive Committee of the Peninsula Clean Energy Authority (PCEA) Minutes

Monday, December 5, 2022
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 10:01 a.m. in virtual teleconference.

ROLL CALL

Participating Remotely:

Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Donna Colson, Burlingame, *Vice Chair*
Giselle Hale, Redwood City
Marty Medina, San Bruno
Rick Bonilla, San Mateo
Jeff Aalfs, Portola Valley

John Keener, Director Emeritus

Absent:

Dave Pine, San Mateo County
Laura Parmer-Lohan, San Carlos
Pradeep Gupta, Director Emeritus

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Bonilla moved, seconded by Director Hale to set the Agenda and approve Agenda Item Numbers 1-3.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings
2. Approval of the Minutes for the November 7, 2022 Executive Committee Meeting
3. Approval of 2023 Executive Committee Schedule of Meetings

MOTION PASSED: 7-0 (Absent: San Mateo County, San Carlos)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Burlingame	Director Colson	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Parmer-Lohan				X
San Mateo	Director Bonilla	X			
Portola Valley	Director Aalfs	X			
	Totals	7			2

REGULAR AGENDA

4. Chair Report

Chair DeGolia announced that the CEO Review Subcommittee will be convening shortly to discuss Jan Pepper's goals for 2023.

5. CEO Report

Jan Pepper, Chief Executive Officer, provided a report that covered the following topics: a staffing update, an update on the Solar and Storage on Public Buildings Program, ongoing annual meetings with each jurisdiction, and that retiring Board Members will be recognized at the December 15, 2023 Board Meeting.

Chair DeGolia added that three Executive Committee members are retiring, leaving vacancies on the Committee and he asked to think about those on the Board and potential recommendations for Board Members or Alternates to join the Executive Committee.

6. Discussion on Annual PG&E Rate Change

Leslie Brown, Director of Account Services, gave a presentation on the 2023 PG&E Rate Change including Peninsula Clean Energy's standard ratemaking process, maintaining the 5% value proposition to new customers, the projected negative Power Charge Indifference Adjustment (PCIA) for some Vintages, an explanation of a negative PCIA, and a rate example for a 2021 PCIA Vintage.

Chair DeGolia said he knows the 2022 PCIA Vintage only applies to most of the Net Energy Metering (NEM) customers in Los Banos which is a small set of customers. He asked about the difficulty in calculating out a third rate with the 2022 PCIA Vintage and how much challenge is there for Staff to have to calculate the two rates before 2022. Leslie explained that it is not so much that it gets complicated, but it is more work to do three rates. She will propose sticking to two rates.

Chair DeGolia asked if this is about removing the 2022 Vintage because it represents a small subset of accounts. Leslie explained no, that the 2022 Vintage does need to be considered, especially because those accounts are generally NEM customers. It would be

bad if the only rates they had that were not a 5% discount were the customers in Los Banos.

Chair DeGolia suggested that since Los Banos is the 2021 vintage and for the 2022 vintage they might look to see which is the best rate for customers and choose for both customers whichever is the best rate. The other solution is to do the same thing with all three of the rates; to look at all three rates and choose which is best. Chair DeGolia would tend to want to be more generous to customers and go to one of those two solutions.

Leslie said they looked into those options and could have one rate just based off the worst PCIA like 2022 and apply that to everybody, but what they settled on which they thought would be the best scenario for PCE to financially be able to provide customers a discount but also making sure they are staying consistent with their stated value proposition of 5%.

Leslie suggested to have one rate for San Mateo County customers and the Los Banos 2021 Vintage customers and then one rate for the Los Banos Vintage 2022 customers. The effective customer discount for each group is the 2022 customers for a 5% discount while the 2021 customers would have a slightly higher than 5% discount. Then, the San Mateo County customers would have at least a 5% discount.

Chair DeGolia recognized that there are about 1,000 customers for Los Banos, and if PCE gave them the same rate as the 300,000 customers, they would have a better discount than 5%, and asked how much it would cost PCE.

Leslie explained, if they made that rate the rate for everyone the 2022 customers would have the 5% discount and then the 2021 and 2016 customers would have more than a 5% discount. The 2021 customers would have the biggest discount.

Director Bonilla and Chair DeGolia shared their enthusiasm for Staff's proposal.

Director Aalfs agreed with proposal, thinks the more than 5% discount for Los Banos customers is a relatively small group of customers and he asked what the overall impact would be by doing this. Leslie explained that they tried to do some of that analysis ahead of time the impact would be about a couple of tenths of a penny, applied to about 13,000 customers, making it incredibly nominal.

Chair DeGolia confirmed the Board meeting is on January 26th, and he said he will make the suggestion to delegate this to the Executive Committee at the December Board meeting and ask to have the Board delegate it to the January Executive Committee meeting. Directors Bonilla and Mates agreed with this.

Director Medina asked what the cost is for that additional percentage. He asked if it is \$200,000 over how many customers.

Kristina Cordero, Chief Financial Officer, explained that as they are discussing what they are seeing in PCIA, projections have dropped in October 2022, this range of the PCIA difference has really changed. It is a rounding error when looking at the overall magnitude of PCE's budget. They calculated out at under \$300,000 as far as the set range which Leslie confirmed is 2/10th of a penny.

Vice Chair Colson liked the process that Chair DeGolia developed in the delegation to the Executive Committee, noting there they will have so much change on the Board of

Directors that they would be presenting twice and might not have many comfortable voting at this level of detail.

Director Aalfs said he is on board with this full approach including coming back to the Executive Committee. In terms of presenting it to the Board in December, he thinks there are a few talking points—one is three rates is a lot harder to do than two and if they are going to differ in discounts it is always better to surprise customers positively than negatively.

Chair DeGolia said he agrees with one qualification; that everyone should remain at minimum 5% discount and make that to the advantage of those who have a different PCIA and end up with a slightly larger discount.

Jan Pepper, Chief Executive Officer, added that Staff would like to get this instituted and moved on as quickly as possible because it will be an addition to their revenue. If they need to wait for a January 26th Board decision and are not able to implement it until February 15th, affecting revenues for the year.

7. Discussion on Net Energy Metering (NEM) 3.0 Proposed Decision

Jeremy Waen, Director of Regulatory Policy, gave a presentation on a proposal from the California Public Utilities Commission (CPUC) to amend the rooftop solar Net Energy Metering (NEM) rules. The CPUC has a Proposed Decision they issued in late November and it is scheduled for a vote with the Commission on December 15th.

The revised Proposed Decision before the CPUC now has made substantial improvements over the draft circulated a year ago noting that the three largest changes are that the prior proposal had a grid access charge that was a dollar per KW flat monthly charge of about \$8/KW based on the size of the solar array installed. Many parties opposed this, stating it was likely an illegal tax on these customers and discriminatory against NEM customers in particular and the CPUC walked back the proposal to include that charge.

Another major change is that the prior proposal had a 15-year early migration requirement for existing NEM 1.0 and 2.0 customers. If these customers' operations have been in operation for 15 years or more, they would be transitioned to the NEM 3.0 rules rather than letting the agreement run its standard length of 20 years. This was a source of contention amongst the solar community and existing NEM customer base. The CPUC has taken that out.

Then, there has been a wide range of good and bad proposals by parties about the manner in which they are compensating for excess generation for export from rooftop solar. The CPUC landed around a concept of using the avoided cost calculator with an adder that would taper off with time to smooth the transition for customers. The cost calculator has sensitivities in terms of times of day when energy is produced and also seasonality, as well. Solar generated in the middle of the day and in the summer has far less value than in winter, so there is some seasonal and timing sensitivity based in this compensation rate proposed along with the adder which is to create a bonus which would taper off over 4 years, 25% at a time to allow for new NEM customers to transition into a direct compensation rate based on the voided cost calculator.

The CPUC is set to vote on this matter on December 15th. There was an opportunity for formal parties in the case to file comments on November 30th and CCAs did participate in a limited comment filing on this Decision, and there is an opportunity for reply due today. The comments Staff submitted last Wednesday included a couple of items. The Proposed Decision contemplates a glide path of 120 days from the adoption of the Decision. During that period, there would still be a chance for NEM customers who get their interconnection approval granted to participate in the NEM 2.0 rate and compensation structure. Past that period, even if the utilities are not ready to bill, someone would be considered a NEM 3.0 customer and billed under 2.0 rates until they are ready to bill you otherwise. Peninsula Clean Energy's (PCE) comments proposed pushing that to a 180-day period and also delaying the start of the clock for that period until the utilities billing systems are in place so they avoid the position of NEM 3.0 customers being billed as 2.0 customers until systems are overhauled which can take years to act on.

Chair DeGolia asked if the only real negative impact, not addressing the timing, for current NEM 2.0 customers is for those generating more electricity they use the rate will go down progressively over 4 years. Jeremy said the transition to this compensation for excess generation would only apply to NEM 3.0 customers.

Chair DeGolia asked if it is calculated monthly or annually, and Jeremy explained the present NEM practice is an annualized true-up of costs, and they are sticking to that as well as non-passable charges are assessed to NEM customers, keeping them consistent between the 2.0 and 3.0 rules.

Chair DeGolia asked about the impact on current NEM 2.0 customers. Jeremy explained that current NEM 2.0 customers are not being directly impacted, but some comments are pushing for changes around that area. Jeremy said they will know more on December 15th when the Board reconvenes and it is likely the CPUC will adopt the Decision on that meeting, with possibly redline edits released right before that decision.

Chair DeGolia said it sounds like if the most significant adverse impact to solar rooftop customers is they get less of a return for excess production under this new system of NEM 3.0, in fact what PCE should advocate for people who install rooftop solar convert from methane gas to electricity.

Vice Chair Colson said during her Council meeting, they had a lot of community interest and many people pushing them to write a strong letter to the Governor. They explained they were not in a position to write the CPUC. For their Burlingame City Council agenda tonight, Mark Hershman and Jeremy helped them draft a short staff report where they explained the balance of issues facing the policy work on this.

Director Aalfs asked if this new cost calculator encourages or discourages storage along with solar systems. Jeremy said it should be encouraging storage. The CPUC in their draft Decision claims with this methodology, solar-only installations should recover their costs in 9 years based on how the CPUC is doing the calculation, and they claim with storage, the repayment period should be even quicker because they can shift excess generation in hours that are substantially more well compensated for.

Director Aalfs asked if the avoided cost calculator would take into account if he had a battery and discharged it from 6 to 9 and he would get a different avoided cost compensation than if he fed it back to the grid between 12 and 3. Jeremy said the

calculator has prices based on time of day. If someone is able to shift that generation, they will get better compensation for it.

Public Comments: None

Director Bonilla said he understands the equity aspect being pronounced in this exercise adding that his understanding that the battery storage is what they need to be looking at.

Director Mates asked if PCE could put something up on the website so she and others could point people to this as opposed to trying to come up with answers.

Jan Pepper, Chief Executive Officer, said at the beginning of the meeting she asked those who are interested in the solar and storage on public buildings to let Staff know of sites as soon as possible. She emphasized they want to try and get this next cohort in under NEM 2.0. If the Decision goes through with the timing as set for December 15th, and 120 days from then is April 15th so they want to get the interconnection applications in before that time, and she noted Peter Levitt and Carlos Moreno are working on Staff's side.

Director Bonilla asked if City/District staff have been reached out on this. Jan replied yes, they sent an email out to all districts and City Managers asking for contact information as to who they should be reaching out to. They will send that again to emphasize the importance.

Jeremy concluded and referred to the linkage to building electrification. The Proposed Decision does allow for the oversizing of rooftop solar arrays by as much as 50% if the customers attest to having plans for further demand growth. He highlighted that the whole compensation mechanism is how the CPUC is proposing the utilities compensate their NEM customers for excess generation. How PCE compensates their customers for excess generation is within the Board's authority.

Jennifer Stalzer shared an update on Agenda Item 6 (Rate Setting): "The JPA states in paragraph 3.3.8 that Board approval is required for '[t]he setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.'"

Chair DeGolia said if they could draft it up so this type of a rate change could be delegated this is still an active decision by the Board to delegate it, and he thinks that would be a good thing. Jennifer agreed to work on some language.

Director Aalfs said it sounds like they should plan as if they will have to have a consent agenda item at the January 26th Board of Directors meeting.

Jan said for this rate change, it will not be able to happen in time, so Staff will try to come to the Board with something direct and simple so they get authority at the December Board meeting and give a range of what they think the impact might be dollar-wise so the Board can approve that. They do not want to have to delay this rate change past February 1st. The JPA can be amended, but every member jurisdiction needs to agree to the amendment to the JPA so it will take longer.

8. Committee Members' Reports

Director Bonilla thanked all Committee members, stating it has been a wonderful and interesting process and they have gone through a lot together over the years.

Director Hale said today is her last meeting and thanked Vice Chair Colson for her comments while Chair DeGolia was away at the last meeting, and said she will try to make the December 15th meeting.

ADJOURNMENT

Meeting was adjourned at 11:38 a.m.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: February 12, 2024
MEETING DATE: February 12, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Alejandra Posada, Program Manager

SUBJECT: Recommend to Board of Directors the Approval of a 3-year Contract with Franklin Energy in an Amount Not-to-Exceed \$26 Million for the Implementation of a Turnkey Electrification Installation Service for Single-Family Homes (Action)

RECOMMENDATION

Recommend to Board of Directors the approval of a 3-year contract with Franklin Energy for the implementation of a turnkey electrification installation service for single-family homes in an amount not to exceed \$26 million.

This program is an extension and expansion of the existing Home Upgrade program. Franklin Energy and their installation contractor partners were selected through an RFP process in the Fall of 2023. \$24 million are Peninsula Clean Energy funds and \$2 million are funds from an anticipated contract with Menlo Park as described below.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions by expanding access to sustainable and affordable energy and energy program solutions. Nearly 30% of GHGs in San Mateo County are from methane gas usage in buildings. Reducing GHG emissions from the existing building stock is critical for achieving decarbonization in Peninsula Clean Energy member agency communities.

In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include measures for building electrification. In May 2020, the Board approved an Existing Building Electrification plan for existing buildings covering appliance incentives, home upgrades for low-income households and innovation pilots. In March 2021, the Board approved a \$2 million contract with RHA, selected through a competitive solicitation, to implement the income-qualified direct-install program, also known as "Home Upgrade". In February 2023, the Board approved an extension of this contract to continue the program in its current form for another year with an additional \$1.5 million. Outcome volumes are detailed below.

In September 2021, the Board adopted a new target supporting the region in reaching 100% decarbonization in buildings and transportation by 2035 and directed staff to analyze the feasibility of that target and return with an assessment and plan. In September 2022, staff presented the findings from the 2035 Decarbonization Feasibility & Plan which included targets and program concepts for the decarbonization of certain building classes. The plan concluded that Peninsula Clean Energy is best positioned to affect change in select areas of transportation and buildings. For existing buildings, “small residential” (single-family and small multi-family residential units) were identified as priority targets. The analysis indicates Peninsula Clean Energy has the technical potential for electrifying 25%-35% of small residential homes within its scope and 2035 timeframe given anticipated budget from all sources. To meet this volume, the equivalent of 560 homes would need to be electrified in 2024 with additional growth to follow. The plan calls for reach codes and regulatory requirements to drive the market. However, for such regulations to be feasible and successful, there must be robust programs in place to support residents in making this transition. The 2035 Plan established that flexible funding incentives, high touch support, and links to finance should be the primary focus of future building electrification programs.

Electrification of the building sector in Peninsula Clean Energy's service territory and California at large is very early in its market development. Per the 2035 analysis, in San Mateo County, 98% of small residential homes have gas water heaters and 68% have gas furnaces, which make up the largest sources of methane gas combustion in the home. Some of the main challenges that customers face in switching to electric systems include high installation costs, lack of familiarity with technology, and limited support from contractors. Peninsula Clean Energy currently offers the following residential building electrification programs to help overcome these challenges:

1. **Rebates:** Up to \$4,500+ in rebates for fuel-switching to heat pump water heating and heat pump HVAC systems with installation by customer-selected contractor.
2. **Zero percent loans:** On-bill finance up to \$10,000 to reduce the upfront cost of heat pump water heater and heat pump HVAC upgrades. Repayment is through customer’s electric bill.
3. **Home Upgrade program:** No-cost direct install of one electrification upgrade (heat pump water heater, electric dryer, or induction stove) and minor repairs per home for income-qualified residents (defined as having an income below 80% the Average Median Income).

The below table summarizes the programs’ status as of the end of January 2024.

Participants	Count
Rebate & loan program participants	1,862
Home Upgrade program participants	281
Appliances installed (all programs)	Count
Heat pump water heaters	1,114
Heat pump HVAC	1,096

Induction cooktop/range	75
Electric dryer	73

The income-qualified Home Upgrade program is currently oversubscribed; all funding currently available has been reserved. The program has received high customer satisfaction (average 4.7 out of 5 satisfaction ranking) and has strong demand despite its very limited promotion. Interested customers are being placed on a waitlist.

The rebate and loan programs, open to all residents, address the cost barrier of electrification by reducing the upfront cost of the upgrades but provide minimal guidance and support. Residents are largely on their own to find a contractor, compare bids, and figure out technical questions. Numerous customers and stakeholders have communicated that more guidance and support is needed, beyond rebates.

To meet the 2035 Decarbonization Plan goals for residential building electrification, more robust program infrastructure is proposed to address customer barriers and make the switch easier for all types of customers, including those who want to manage the details (select products, contractors or “do it yourself-ers”), those who want work done with minimal involvement (turnkey planning and installation), and those who cannot afford to make the upgrades. The following planned services will provide deeper customer assistance than is currently available:

1. **“One-stop shop” virtual services:** website with more robust electrification information including all rebates, bill calculator tool, etc.;
2. **Concierge service:** a hotline for process and technical guidance;
3. **Turnkey installation service:** option that would use pre-selected contractors and products for immediate engagement. The turnkey service would be an extension of the Home Upgrade program, with new services added, and described in more detail below.

Staff is leading the development of the first two services in-house. The one-stop-shop website is led by the Marketing Team but may include using third-party software tools. The concierge will be an in-house service, with a dedicated Programs staff person providing technical support to customers on a scheduled basis. The PCE call center is being explored to support the concierge by handling less technical subjects such as rebate and process questions. For the administration of the turnkey installation service a competitive solicitation was issued as detailed below.

DISCUSSION

In August 2023, staff issued a request for proposals (RFP) to select an implementation team for a multi-year single-family home electrification turnkey installation service. The RFP was developed in collaboration with Silicon Valley Clean Energy (SVCE) as they intend to launch the same services in their territory. In October 2023, five proposals were received, and two of those were shortlisted for interviews. PCE and SVCE selected Franklin Energy and their partners to implement the program. The team is comprised of Franklin Energy as the program administrator, three vetted electrification installation contractors—Enso Buildings Solutions, Electrify My Home, and Fuse Service—and XeroHome, a software technology company with a bill impact and energy modeling tool that will be utilized in the program implementation.

This turnkey installation service will include three components:

1. **Income-Qualified No-Cost Electrification** – this will be an expansion of the existing Home Upgrade program. It will offer income-qualified homeowners the option of “whole-home” electrification and minor home repairs at no cost to them; this would allow the program to address needs the current program is unable to.
2. **Market-Rate Cost-Share Electrification** – this will be a new offering for homeowners who are not income-qualified to access the no-cost service, referred to as “market-rate” customers. It will provide a seamless way for residents to electrify, including home assessments, fixed pricing from a pre-selected contractor, and a single point of contact for the project. Customers would have a “co-pay” which would be the cost of the upgrades minus all rebates they qualify for. This service will not replace the existing rebate program; market-rate customers will continue to have the option to select their own contractor and complete projects on their own and apply for a rebate.
3. **Emergency Water Heater Replacement** – this will be a new service for both income-qualified and market-rate customers. It will provide rapid replacement of failing gas water heaters with heat pump water heaters including innovative use of temporary units to ensure hot water is available while additional remediation is done if necessary.

To focus on quality of delivery and customer experience, staff propose to phase in the services in the order listed above. The income-qualified service would launch in the Spring 2024, first serving the waitlist from the current Home Upgrade program. The other two services would follow in the Summer and early Fall timeframe. It is anticipated that the three services would be branded under a single program—one that provides turnkey installation services to all residents and provides different level of financial support based on income. Franklin Energy would oversee all aspects of the program, including customer support, doing in-person site assessments and providing electrification proposals with cost, contractor oversight, applying for any third-party incentives, and providing reports and analysis for the program.

The turnkey electrification service will leverage local, federal, and state incentives for building electrification (“third party incentives”). Using design approaches developed by PCE to avoid service upgrades and other expenses, the average cost to fully electrify a home under the program is expected to be ~\$32,000 for typical homes, before factoring in any third-party incentives. Third-party incentives will reduce PCE’s costs for income-qualified projects—where it pays for the entire cost—and reduce a customer’s cost in the case of market-rate projects where the customer is paying for the upgrades. PCE has negotiated fixed pricing for a comprehensive list of electrification measures with Franklin Energy and the three participating contractors. Additionally, PCE and Franklin Energy will leverage the scale of the program to seek discounted equipment costs with manufacturers and distributors, with the intent to lower total costs for PCE and its customers. Lastly, in addition to electrification upgrades, some income-qualified homes will also receive minor home repairs, light energy efficiency, and resiliency measures.

The following table outlines the total proposed budget by service and the *minimum* number homes to be served with this budget. This is the number of homes served if every home was fully electrified; however, there will be some homes that only get one or two measures and thus the total number of homes served may be greater. \$19.29M (80%) of the total PCE \$24M budget is for the direct installation cost of electrifying at least 525 income-qualified homes at no cost to them. All installation costs, which account for \$21M of the \$24M budget, will be paid based on the actual number of measures installed and their fixed measure cost. The turnkey

electrification service will pay prevailing wage to all installation contractors in all three program segments. The implementation costs, paid on a time and materials basis, are expected to be lower if SVCE launches the same services. Proposed expenditures are consistent with program department budget forecasts.

In addition, the state of California is awarding a \$4.5 million grant to the City of Menlo Park to support a city-wide electrification project. The City has proposed to partner with PCE to utilize its funds through PCE’s income-qualified no-cost electrification service, pending Council approval. The intention is to leverage the existing program structure and to deliver on Menlo Park’s objectives, which are consistent with PCE’s objectives. An initial \$2.15M is proposed by the City to be allocated to PCE through a formal contract with a mutually agreed upon scope of work. As this contract is imminent and Franklin Energy will be the one implementing the program and paying installation contractors, \$2M from the City is included in the total proposed \$26M contract budget as outlined in the table below. The City’s funds will enable PCE to electrify more income-qualified homes in Menlo Park than PCE’s program could do on its own. The City’s funds will be focused on income-qualified single-family homes in the Belle Haven district and PCE will work with the City to define exact eligibility guidelines.

Budget Estimate:

		FY23-24	FY24-25	FY25-26	FY26-27	Total
Income-Qualified ¹	Count	15	150	180	180	525
	Budget	\$530,000	\$5,300,000	\$6,700,000	\$7,030,000	\$19,290,000
Market-Rate ²	Count	0	30	45	100	175
	Budget	N/A	\$185,000	\$260,000	\$615,000	\$1,300,000
Emergency Water Heaters	Count	0	20	40	67	127
	Budget	N/A	\$60,000	\$120,000	\$190,000	\$400,000
Implementation Costs ³	Budget	\$190,000	\$685,000	\$955,000	\$1,180,000	\$3,010,000
Total PCE Budget		\$720,000	\$6,230,000	\$8,035,000	\$9,015,000	\$24,000,000
Total Menlo Park Budget		\$200,000	\$1,800,000	N/A	N/A	\$2,000,000
Total Contract Amount						\$26,000,000

¹Installation costs (materials and labor) paid by PCE. The count represents the number of homes that can be served with this budget if every home is fully electrified and requires all four main electrification upgrades (water heating, space heating, cooking, and dryer). As there will be homes that only get one or two upgrades, the actual number of homes served is likely to be greater.

²Incentives from PCE to help to reduce the installation costs for market-rate customers, consistent with current incentive levels. Customer co-payments, paid directly to contractor, not included. The count represents the number of homes that can be served with this budget if every home upgrades both water heating and space heating. As there will be homes that only get one upgrade, the actual number of homes served is likely to be greater.

³Refers to any non direct installation costs or incentives, such as customer support, contractor oversight, site assessments, admin, reporting, and more.

FISCAL IMPACT

Contract for not-to-exceed \$26M in FY23-24 through FY26-27. \$24M are Peninsula Clean Energy funds and \$2M are funds from an anticipated contract with the City of Menlo Park as described above. Proposed expenditures are consistent with program department budget forecasts previously approved by the PCE Board of Directors.

STRATEGIC PLAN

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities
- Key Tactic 3: Support workforce development programs in the County

ATTACHMENTS:

[2024.02.22_EC_Programs_-_Franklin_Energy_BE_contact_-_contract_draft.docx](#)

AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND ENERTOUCHE, INC. DBA FRANKLIN ENERGY DEMAND RESPONSE

This Agreement is entered into this [day] day of [month], [year] (the "Effective Date"), by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Enertouch, Inc. dba Franklin Energy Demand Response, a Georgia corporation, hereinafter called "Consultant", each a "Party" and together the "Parties".

* * *

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Consultant be retained for the purpose of implementing the Single-Family Home Electrification Program.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

2. Services to be performed by Consultant

In consideration of the payments set forth in this Agreement and in Exhibit B, Consultant shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Consultant in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Consultant based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if the work does not meet the specification set forth in the applicable scope of work or purchase order; provided, however, PCEA shall notify Consultant, in writing, within five (5) business days of

Revised May 2021

Page 1

discovery of any unacceptable work performance. In no event shall PCEA's total fiscal obligation under this Agreement exceed [write out dollar amount] (\$_____). In the event that the PCEA makes any advance payments, Consultant agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from the Effective Date, through [date].

5. Termination; Availability of Funds

This Agreement may be terminated by Consultant or by the Chief Executive Officer of the PCEA or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Consultant shall be entitled to receive payment for work/services provided prior to termination of the Agreement that are consistent with those services described in Exhibit A and performed to the satisfaction of PCEA. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement. Upon such termination, PCEA will further compensate Consultant for termination costs, including materials, supplies, and software licenses that PCEA approved in writing prior to PCEA's notice of termination and necessary for wind down of Services provided by Consultant to be mutually negotiated at the time of termination.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing prompt written notice to Consultant as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

6. Intellectual Property and Ownership of Work Product

PCEA shall and does own all titles, rights, and interests in all materials, tangible or not, created in whatever medium pursuant to this Agreement, including publications, promotional or educational materials, reports, manuals, specifications, drawings and sketches, computer programs, software and databases, schematics, marks, logos, graphic designs, notes, matters and combinations therefore, and all forms of intellectual property ("Work Products") created by Consultant and any subcontractors under this Agreement. Consultant hereby assigns all titles, rights, and interests in all Work Products to PCEA. At the end of this Agreement, or in the event of termination, all Work Products shall be promptly delivered to PCEA.

Consultant may not sell, transfer, or permit the use of any Work Products without the express written consent of PCEA. Consultant

Notwithstanding the foregoing and unless specified otherwise Exhibit A to this Agreement, Consultant retains ownership of all right, title, and interest in and to Consultant's pre-existing intellectual property rights, including, without limitation: (i) reports, writings, abstracts, summaries, drawings, flow charts, images, artwork documents, know-how, technology, inventions, discoveries, processes, techniques, methods, methodologies, business processes, ideas, concepts, research, proposals, materials, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Consultant solely or jointly with others; (ii) all computer programs (both source code and object code), software, firmware, designs, application programs, operating systems, scripts, animation sequences, interfaces, programming code, applets, executables, objects, formats or page descriptions, data, databases, computer architecture or hierarchies, files and utilities; (iii) all supporting documentation for any of the foregoing, including input and output formats, listings, narrative descriptions, operating instructions and training documentation; and (iv) all tangible media upon which any of the foregoing are recorded, including, without limitation, disks, CDs, tapes, chips or photographs (collectively "Pre-Existing Intellectual Property"). All Intellectual Property rights in and to Consultant's Pre-Existing Intellectual Property shall be owned exclusively by Consultant and its licensors. Consultant and its licensors shall also exclusively own all right, title, and interest in and to any and all enhancements, improvements, modifications, and any other derivative works of Consultant's Pre-Existing Intellectual Property, whenever conceived, developed or otherwise created, either before or during the Term of this Agreement, or after its termination or expiration. For clarity, Consultant and its licensors shall retain ownership of all Pre-Existing Intellectual Property incorporated into the Deliverables, as well as the rights to any pre-existing third-party software or other works licensed by Consultant from third parties that may be contained in any of the Deliverables. Consultant grants the Company a limited, irrevocable, perpetual, fully paid-up, royalty-free non-transferable, non-sublicensable, non-exclusive license to use, reproduce, display, distribute, transmit, modify (including to create derivative works) Pre-Existing Intellectual Property to the extent incorporated in the Deliverables. All other rights in and to Pre-Existing Intellectual Property are expressly reserved by Consultant. The aforementioned license does not include the right to use any of the Pre-Existing Intellectual property separately or independently from the Deliverables. Consultant.

7. Relationship of Parties

Consultant agrees and understands that the work/services performed under this Agreement are performed as an independent Consultant and not as an employee of PCEA and that neither Consultant nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

8. Hold Harmless

a. General Hold Harmless

Consultant shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all third party claims, suits, or actions directly arising from a material breach of this Agreement by Consultant, the performance of any work or services specified for Consultant to complete, bodily injury or death, or on account of, the following:

(A) injuries to or death of any person, including Consultant or its employees/officers/agents;

(B) damage to any tangible by such third party bringing a claim.

(C) any sanctions, penalties, or claims of damages resulting from Consultant's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Consultant's duty to indemnify and save harmless under this Section shall be apportioned pursuant to each party's liability as determined by a court of competent jurisdiction, provided that Consultant shall not be responsible for such indemnification when a court of competent jurisdiction determines that there is apportioned responsibility for the indemnification claim at issue. .

The duty of Consultant to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. Release and Hold Harmless in Customer/Subcontractor Contracts

PCEA shall have the opportunity to review, prior to their execution, any contracts executed by Consultant to implement this Agreement. PCEA shall review and respond to Consultant within 7 business day of receiving the contract for review. In addition,

unless waived in advance in writing by PCEA, any such contracts shall contain the following terms:

Required clause to be included in Flow Down Terms. Subcontractor Release of Claims Against, and Hold Harmless of, Peninsula Clean Energy Authority

/Consultant/Subcontractor used by Franklin Energy to provide services for PCE ("Subcontractor") discharges and releases the Peninsula Clean Energy Authority (PCEA) and its officers, employers, employees, and agents from and against any and all claims, demands, liabilities, obligations, damages or chose in action, legal or equitable, of whatever kind or nature, including negligence by PCEA, in which Consultant/Subcontractor, and Consultant/Subcontractor's successors in interest, heirs, estates or personal representatives, or family members, now may have or assert, or may have had in the past or may have in the future, against PCEA as the result of, based upon, arising out of, or connected with PCEA's involvement with the Project. Consultant/Subcontractor is on notice of and hereby specifically and expressly waives the provisions of California Civil Code § 1542, which provides that a "general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Consultant's indemnification obligations under this Agreement are conditioned on (i) PCEA providing timely notice of any claim or proceeding to the Consultant under which it intends to seek to enforce the indemnification obligations; provided, however, that an PCEA failure to notify the Consultant under this Section will relieve the Consultant of its obligations under this Section 8 only if and only to the extent the Consultant was prejudiced by not receiving timely notice of the claim, and (ii) PCEA fully cooperating with the Consultant, including making all defenses available to the Consultant that would be available to PCEA. The obligations of Consultant to indemnify and hold the PCEA harmless under Section 8 exclude Losses resulting from proven and adjudicated grossly negligent acts or omissions attributable to PCEA.

Consultant/Subcontractor also agrees to indemnify and hold harmless PCEA from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees and costs, brought as a result of PCEA's involvement with the Project, and to reimburse PCEA for any such expenses incurred.

For purposes of this provision, PCEA is hereby intended to be a third-party beneficiary of any and all contracts executed by Consultant to implement this Agreement, pursuant to California Civil Code § 1559.

LIMITATION OF LIABILITY; EXCLUSION OF DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT, LOSS OF REVENUE OR LOSS OF OPPORTUNITY IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY'S LIABILITY FOR DIRECT DAMAGES RELATED TO THIS AGREEMENT EXCEED THE AMOUNT PAID BY THE COMPANY TO SERVICE PROVIDER DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THESE LIMITATIONS OF LIABILITY APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES.

9. Assignability and Subcontracting

Consultant shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Consultant under this Agreement without the prior written consent of PCEA. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice. Notwithstanding the foregoing, Consultant may in its discretion assign this Agreement or any of its rights under this Agreement to any parent, subsidiary or affiliated business entity of the Consultant in the event of a merger, acquisition or sale. In the event of a merger, acquisition, or sale Consultant shall notify PCEA thirty (30) days prior to the merger, acquisition, or sale.

10. Payment of Permits/Licenses

Consultant bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Consultant's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

11. W-9 Form and Submission of Invoices

Invoices shall only be submitted by electronic form by sending an email to both the **PCEA project contact's email address** and to **PCEA's Finance email address** (finance@peninsulacleanenergy.com). Consultant shall submit a completed W-9 form

electronically to the same email addresses. Consultant understands that no invoice will be paid by PCEA unless and until a W-9 Form is received by PCEA.

12. Insurance

a. General Requirements

Consultant shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, with such approval not to be unreasonably withheld, and Consultant shall use diligence to obtain such insurance and to obtain such approval. Consultant shall furnish PCEA with certificates of insurance evidencing the required coverage pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCEA of any cancellation of the policies, or ten (10) days' notice for any cancellation due to non-payment of premium.

b. Workers' Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Consultant certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Consultant shall maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Consultant and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Consultant's operations under this Agreement, Consultant. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Yes	Comprehensive General Liability (Applies to all agreements)	\$1,000,000
-----	--	-------------

Yes	Motor Vehicle Liability Insurance	\$1,000,000
-----	-----------------------------------	-------------

Consultant shall also carry the following if applicable:

Yes/No	Professional Liability Insurance (Yes, if Consultant is a licensed professional)	\$1,000,000
--------	---	-------------

Except for Professional Liability Insurance, PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement if such breach is not cured within thirty (30) days of written notice of such breach to Consultant.

13. Compliance With Laws

All services to be performed by Consultant pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or

regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Consultant will timely and accurately complete, sign, and submit all necessary documentation of compliance.

14. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Consultant shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Consultant's equal employment policies shall be made available to PCEA upon request.

c. Section 504 of the Rehabilitation Act of 1973

Consultant shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to Consultants who are providing services to members of the public under this Agreement.

d. Employee Benefits

With respect to the provision of benefits to its employees, Consultant shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Consultant and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination

against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Consultant must check one of the two following options, and by executing this Agreement, Consultant certifies that the option selected is accurate:

No finding of discrimination has been issued in the past 365 days against Consultant by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.

Finding(s) of discrimination have been issued against Consultant within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Consultant shall provide PCEA with a written explanation of the outcome(s) or remedy for the discrimination.

g. Reporting; Violation of Non-discrimination Provisions

Consultant shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 13, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Consultant that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Consultant to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Consultant from being considered for or being awarded a PCEA contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or

- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Consultant under this Agreement or any other agreement between Consultant and PCEA.

15. Prevailing Wage

It is PCEA's requirement that the Consultant, including both its assignees and Subcontractors, that install the equipment described in "Exhibit A" pay prevailing wage as determined by the California Department of Industrial Relations latest prevailing wage determinations applicable to San Mateo County and Los Banos (Merced County). With PCEA's approval, Consultant shall develop a written compliance mechanism including reporting and auditing capabilities for PCEA. Consultant shall be responsible for ensuring Subcontractor/assignee compliance during the Contract Term and shall notify PCEA of any noncompliance at soon as it is discovered. At PCEA's discretion, PCEA may require Consultant to remove a Subcontractor from performance of work pursuant to the Agreement if it is found to be noncompliant with this section.

16. Confidential Information

(a) Contractor shall maintain in confidence and not disclose to any third party or use in any manner not required or authorized under this Agreement any and all Confidential Information held by PCEA.

(b) The term "Confidential Information" includes all information, documents, and materials owned by PCEA, including technical, financial, business, or PCEA customer information which is not available to the general public, as well as information derived from such information. Information received by Contractor shall not be considered Confidential Information if: (i) it is or becomes available to the public through no wrongful act of Contractor; (ii) it is already in the possession of Contractor and not subject to any confidentiality agreement between the Parties; (iii) it is received from a third party without restriction for the benefit of PCEA and without breach of this Agreement; (iv) it is independently developed by Contractor; (v) it is disclosed pursuant to a requirement of law, including, but not limited to, the California Public Records Act (Cal. Gov't Code Section 7920, et seq.); or (vi) is disclosed to or by a duly empowered government agency, or a court of competent jurisdiction after due notice and an adequate opportunity to intervene is given to PCEA, unless such notice is prohibited.

(c) As practicable, PCEA shall mark Confidential Information with the words “Confidential” or “Confidential Material” or with words of similar import, or, if that is not possible, PCEA shall notify the Contractor (for example, by cover e-mail transmitting an electronic document) that the material is Confidential Information. PCEA’s failure or delay, for whatever reason, to mark or notify Contractor at the time the material is produced shall not take the material out of the coverage of this Agreement.

(d) Contractor will direct its employees, contractors, consultants, and representatives who have access to any Confidential Information to comply with the terms of this Section.

(e) Upon termination or expiration of this Agreement, Contractor shall, at PCEA’s exclusive direction, either return or destroy all such Confidential Information and shall so certify in writing, provided, however, any Confidential Information (i) found in drafts, notes, studies, and other documents prepared by or for PCEA or its representatives, or (ii) found in electronic format as part of Contractor’s off-site or on-site data storage/archival process system, will be held by Contractor and kept subject to the terms of this provision or destroyed at Contractor’s option. The obligations of this provision will survive termination or expiration of this Agreement.

17. Data Security

If, pursuant to this Agreement, PCEA shares with Consultant personal information as defined in California Civil Code Section 1798.81.5(d) about a California resident (“Personal Information”), Consultant shall maintain reasonable and appropriate security procedures to protect that Personal Information and shall inform PCEA immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. Consultant shall not use Personal Information for direct marketing purposes without PCEA’s express written consent. For purposes of this provision, security procedures are “reasonable and appropriate” when they (i) adequately address all reasonably foreseeable threats to Personal Information, (ii) are appropriate to the quantity, sensitivity, and type of Personal Information accessed and the way that information will be accessed, and (iii) comply with all laws, regulations, and government rules or directives applicable to the Consultant in connection with its access of Personal Information.

18. Retention of Records; Right to Monitor and Audit

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending

matters are closed, and Contractor shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Contractor agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed. Such audit shall take place during Consultant's normal business hours at Consultant's pace of business at the sole cost of PCEA.

19. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the most stringent reading term shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

20. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

21. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email

to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Jan Pepper, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-260-0100
Email: jpepper@peninsulacleanenergy.com

In the case of Consultant, to:

Name/Title: Dean Laube, Regional Vice President
Address: 102 N. Franklin Street, Port Washington, WI 53074
Telephone: 715-304-0366
Email: dlaube@franklinenergy.com

With a copy to:

Name/Title: Corporate Counsel
Address: 102 N. Franklin Street, Port Washington, WI 53074
Email: legal@franklinenergy.com

22. Electronic Signature

PCEA and Consultant wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

23. No Recourse Against PCEA's Member Agencies

Except as otherwise stated in the Limitation of Liability provision in Section 8, Consultant acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken

solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Consultant waives any recourse against PCEA's member agencies.

DRAFT

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY AUTHORITY

By: _____

Chief Executive Officer, Peninsula Clean Energy Authority

Date: _____

CONSULTANT ENERTOUCH, INC. DBA FRANKLIN ENERGY DEMAND RESPONSE

Consultant's Signature

Date: _____

Exhibit A – Scope of Work

In consideration of the payments set forth in Exhibit B, Consultant shall provide the following services:

Overview

Peninsula Clean Energy's (PCE) mission is to reduce greenhouse gas (GHG) emissions and reinvest in the San Mateo County and Los Banos community. The Single-Family Home Electrification Turnkey and Direct Install Service ("Single-Family Service") installs building electrification¹ measures in single-family residences or multi-family residences, up to four units, with no central systems. Customers will include both residential customers receiving market-rate services and low-income customers receiving no-cost direct-install services. At PCE's discretion, some residences may receive limited energy efficiency, minor home repair, solar, and/or battery storage in addition to building electrification measures.

The Single-Family Service will include three program elements:

1. **Income-qualified direct install electrification ("Direct Install")** – This element will provide direct installation services² for electrification measures to eligible low-income customers living in single-family residences. This service will build upon PCE's existing Home Upgrade program to provide whole-home and partial electrification and minor home repair at no cost to the homeowner.
2. **Cost-share turnkey electrification ("Cost-share Turnkey")** – This element will provide turnkey installation services³ for electrification measures to market-rate customers living in single-family residences. Wiring, circuitry, plumbing, carpentry, and other services required to enable the installation of the equipment will be included in the installation.
3. **Emergency Water Heater Replacement** - This element will provide rapid replacement of failing natural gas water heaters with a heat pump water heater under qualified conditions. If remediation is required, such as an electrical circuit, a loaner gas water heaters may be installed to ensure there is no service interruption while work proceeds through the Direct Install and Cost Share Turnkey services.

¹ Defined as the replacement of methane "natural" gas equipment for space heating, domestic hot water, stove/oven, and clothes drying with efficient electric alternatives.

² Direct installation means start-to-finish installation of equipment at no cost to the customer.

³ Turnkey installation means start-to-finish installation of equipment, which includes a co-payment contribution from the customer

ENERTOUCH, INC. Dba Franklin Energy Demand Response (“Consultant”) administers PCE’s Single-Family Service. Consultant subcontracts with installation contractors (“Subcontractors”) approved by PCE to install the equipment described in Exhibit B. Consultant subcontracts with XeroHome, a software technology company, to assist with customer targeting and home assessment tasks. XeroHome’s scope of work and services as part of this program are outlined in Exhibit D.

Program Goals and Objectives

1. Ensure an affordable and easily accessible option for PCE customers to electrify their homes, including for emergency replacements.
2. Provide safer, healthier, resilient, zero carbon homes with improved indoor air quality, resilience, and lower energy bills.
3. Electrify low-income homes in PCE territory with a target of at least 525 heat pump water heaters and 525 heat pump HVAC systems in three years.
4. Establish dedicated crews of trusted, experienced installers with high quality equipment capable of whole home electrification using advanced methods to minimize the need to upgrade PG&E service lines.
5. Encourage establishment of sustainable and diverse electrification workforce.
6. Leverage all possible local, state, and federal electrification incentives to reduce PCE and/or customer’s direct costs.
7. Support PCE’s load-shaping needs.

Service Level Expectations (SLE)

The Single-Family Service SLEs sets minimum requirements for how a customer receives program services. The intent of the SLEs is to deliver timely, quality services and maintain high customer satisfaction. Consultant will track and aim to achieve the following SLEs:

1. Emergency replacements or loaners equipment must be installed within 48 hours of customer call including weekends and holidays.
2. For homes receiving a single electrification measure, install and energize equipment within 30 days of customer enrollment⁴, barring PG&E service upgrade delays or building department mandated delays regarding planning or building department permit review.
3. For homes receiving whole-home electrification⁵ and/or minor home repair, install and energize all equipment within 60 days of customer enrollment, barring PG&E service upgrade delays.

⁴ Customer enrollment is determined upon receiving the customer’s signed and completed Program Participation Agreement

⁵ Whole-home electrification means space heating, domestic hot water, clothes drying, and stoves/ovens are all-electric post-installation.

4. When functioning gas-fired appliances and equipment (water heater, space heater, stovetop, clothes dryer) are electrified through the program, electric replacements must be installed, functional, and operating within 48 hours of the gas appliance(s) removal.
5. Achieve 90% satisfaction rating for program services from customer surveys.

Consultant Tasks

1 Program Design and Set Up

1.1 Kickoff and Check-in Meetings

Consultant will develop an agenda and lead a program kickoff meeting with PCE to review program goals and objectives, budget, timeline, and administrative processes at a mutually determined date following contract execution.

After the kickoff meeting, the Consultant will set up check-in meetings on a biweekly recurring schedule for the duration of the period of performance, unless more frequent meetings are necessary as determined by PCE. For check-in meetings, Consultant will work with the PCE contract administrator(s) to determine the agenda at minimum one day prior to the meeting. Meetings will focus on program progress updates, reviewing deliverables, and determining expected milestones for the next meeting.

Task 1.1 Deliverable: Meeting agendas and meeting minutes

1.2 Provide Compliance Documentation

Consultant will provide PCE with documentation of insurance, all legally required certifications, and other requirements including for all subcontractors. If any materials are renewed or subcontractors changed, updated documents must be provided at that time, in accordance with the terms of the Agreement. Consultant will provide all subcontracts to PCE for review and approval to verify compliance with contract terms prior to execution.

Major supplementary documentation developed while delivering these services must also be provided as determined by PCE. This supplementary documentation shall be defined as: executed subcontracts, technical designs, permits, photographs of installed equipment, and materials developed for PCE and Consultant use.

Task 1.2 Deliverable: Compliance documentation, including for all subcontractors

1.3 Finalize Program Design and Strategy

Consultant will assist PCE in finalizing the program strategy, plan, and design. Prior to program launch, Consultant will:

- 1.3.1 Develop a detailed project timeline prior to kickoff meeting.
- 1.3.2 Refine plan for incorporating underserved community opportunities in workforce.

- 1.3.3 Co-develop with PCE refinements to Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement services as needed.
- 1.3.4 Finalize Eligible Measures List, including measures outlined in Exhibit C. At PCE's discretion, the Eligible Measure List may include additional measures as described in Task 7 and agreed upon by PCE and Consultant.
- 1.3.5 Determine cost-share pricing structure and operations for Cost-Share Turnkey customers.
- 1.3.6 Determine approach for procuring equipment including selecting high-quality equipment providers with strong customer ratings for selected equipment and method for securing preferential pricing and any stocking needs.
- 1.3.7 Finalize staffing plan based on final services and program rollout timing.

1.4 Develop Program Handbook

Consultant will draft a Program Handbook for use by PCE and the Consultant. The Program Handbook will describe in greater detail the design, implementation, and policies of the Single-Family Service. Consultant will submit a draft of the Program Handbook to PCE for review and approval before finalizing. Consultant will provide written revisions and update to the Program Handbook upon PCE request. The Program Handbook will include the following:

- 1.4.1 Customer and property eligibility requirements for Direct Install, Cost-Share Turnkey, and Emergency Replacement.
- 1.4.2 The terms and conditions for eligible customers to participate in the program.
- 1.4.3 The process for enrolling customers in the program, including customer journey, operational steps, and developing program referrals.
- 1.4.4 Eligible Measures List as outlined in Exhibit C, and any additional measures added as part of Task 7
- 1.4.5 List of third-party programs that can be co-delivered/leveraged through the program, including measures and incentive amounts, and process for how they are applied for and accounted for through the program.
- 1.4.6 Home Assessment methodology including the following:
 - 1. List of criteria that would deem a project ineligible for planned services by equipment type or issue (e.g., water heaters in locations too small for a heat pump water heater, knob and tube wiring in home, electric service capacity issues, etc.)
 - 2. Testing and assessing procedures and required certifications, as appropriate.
- 1.4.7 Field verification standards for Eligible Measures, including handling of hazardous materials (e.g., asbestos and lead safe practices).
- 1.4.8 The process for getting building permits, including considerations that may be unique to particular jurisdictions.

- 1.4.9 The process for installing equipment, including manufacturer's and workmanship warranty documentation processes, health and safety protocols, and quality assurance.
- 1.4.10 The process for emergency replacement processing that enables a restoration of hot water within 48 hours of customer notice, and results in an electrified appliance at the end of the project.
- 1.4.11 The process for collecting customer payments for the Cost-Share Turnkey and Emergency Water Heater Replacement services, including customer invoices and payment schedule.
- 1.4.12 Dispute resolution policies including process for handling customer and/or Subcontractor issues..
- 1.4.13 The process for providing Program Progress Reports (Task 1.10) and Monthly Expense Reports (Task 1.11).
- 1.4.14 The mechanism and process for ensuring prevailing wage compliance for Subcontractors, including reporting and auditing capabilities for PCE.

Task 1.4 Deliverable: Program Handbook

1.5 Develop and Maintain Technical Design Guidelines

The Technical Design Guidelines will be used by Consultant to guide the development of each participating home's Scope of Work (Task 5.5.1).

The Technical Design Guidelines will be based on the following principles:

1. Maximizing decarbonization with high cost-effectiveness;
2. Favoring installation and operation simplicity and reliability;
3. Delivering operating cost, comfort and air quality benefits to homeowners, while mitigating adverse conditions such as noise;
4. Designing for grid benefits and resilience where possible;
5. Permitting requirements of the local jurisdictions; and
6. Avoiding service upgrades through power-efficient, whole system design whenever possible. All program contractors will be expected to be trained on this topic.

In collaboration with PCE, Consultant will develop and maintain Technical Design Guidelines. Consultant will:

- 1.5.1 Draft the Technical Design Guidelines to PCE for review and approval before finalizing. Technical Design Guidelines shall, at a minimum, include the following:

1. Installation guidelines and diagrams, if applicable, for Eligible Measures outlined in Exhibit C, and any additional measures added as part of Task 7. Eligible Measures will also include minor home repair measures and, in some cases, energy efficiency and resilience measures.
 2. Installation guidelines and diagrams, if applicable, for approved New Program Measures, Technologies and Methods (Task 7).
 3. Home scenarios and a decision tree.
 4. Process and guidelines for decommissioning gas equipment, capping gas lines, and if appropriate or necessary coordination with PG&E to remove gas meter.
- 1.5.2 Monitor industry best practice through associations such as ASHRAE and other forums.
- 1.5.3 Provide written revisions and updates to the Technical Design Guidelines based on industry best practices, learnings from the Program, and any additional measures added as part of Task 7 every 12 months or as mutually deemed appropriate
- 1.5.4 Design Technical Design Guidelines to be public-facing and consistent with PCE's Branding Guidelines.

Task 1.5 Deliverable: Technical Design Guidelines

1.6 Develop Home Assessment Template

Consultant will create a Home Assessment Template for PCE review and approval before use. Consultant will perform an in-home or virtual assessment and use the Home Assessment Template to document existing home conditions and equipment and determine measures' suitability to develop a customized Scope of Work (Task 5.5.1). The Home Assessment will include the following elements regarding equipment and appliances located at the residential property:

- 1.6.1 An inventory of physical conditions, age, and estimated remaining lifespan(s) of equipment, appliances, and home conditions.
- 1.6.2 Evaluation of the condition and capacity of the existing electrical systems and recommended upgrades that may be necessary to enable the proposed measures.
- 1.6.3 Analysis of panel capacity for recommended measures and whole-home electrification (either meter-based or electric load calculations as needed) to ensure home can electrify on service capacity and determine appropriate approach to electrical layout.
- 1.6.4 Recommended locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.
- 1.6.5 Photos and diagrams (site, equipment, etc.).

Task 1.6 Deliverable: Home Assessment Template

1.7 Develop Project Scope of Work Template

In coordination with PCE, Consultant will draft a Project Scope of Work template for PCE review and approval before use. The Project Scope of Work will be provided by the Consultant to the homeowner and will include information necessary for the homeowner to understand the electrification opportunities available to them. The Project Scope of Work will be provided in electronic format, and available via paper upon customer request. Consultant will provide revisions and updates to the Project Scope of Work template upon PCE request. The Project Scope of Work template shall include the following elements:

- 1.7.1 Customer contact information (name, address, email, phone number)
- 1.7.2 Program contact information (email, phone number)
- 1.7.3 Recommended Eligible Measures (measure, quantity, cost)
- 1.7.4 Incentives (PCE and third-party rebates and incentives)
- 1.7.5 Financing options (PCE and third party financing)
- 1.7.6 Cost (total and net of incentives)
- 1.7.7 Proposed workplan and timeline that will be executed if customer opts to receive services

Task 1.7 Deliverable: Scope of Work Template

1.8 Develop Program Participation Agreement

In coordination with PCE, the Consultant will draft a Program Participation Agreement(s) that includes terms and conditions of the program and grants the Consultant and its subcontractors permission to perform activities necessary to participate in the Program including site visits, building evaluations, equipment installation, and evaluation, measurement and verification (EM&V). The Program Participation Agreement will be developed in paper and electronic formats. The Participation Agreement shall be signed by homeowners at the time of enrollment.

Task 1.8 Deliverable: Program Participation Agreement

1.9 Enroll in State or Local Programs

Complementary regional, state, and federal electrification incentive programs (“third-party programs”) will be available during the program term, including but not limited to BayREN Home+, TECH Clean CA, CA Smart Energy Homes, GoGreen Financing, and the Inflation Reduction Act (IRA) electrification rebates. Maximizing third-party program incentives is necessary to reduce project costs across the Single-Family Service. Some third-party programs require enrollment as a qualified contractor to be eligible for incentives. As such:

- 1.9.1 Consultant and/or its Subcontractors shall enroll in third-party programs as directed by PCE and provide PCE with proof of enrollment.
- 1.9.2 During the program term, Consultant shall complete and submit applications for third-party programs for projects completed.

- 1.9.3 Consultant and/or its Subcontractors shall capture incentives from third-party programs and report on funds received and net PCE costs on Monthly Expense Report.

Task 1.9 Deliverable: Proof of enrollment in other incentive programs as directed by PCE.

1.10 Setup Customer Relationship Management (CRM) System & Data Exchange

A customer relationship management (CRM) system is critical to manage the pipeline of projects in an easily searchable and reportable way and analyze program performance. Consultant shall:

- 1.10.1 Set up an electronic customer relationship management (CRM) for the Program.
- 1.10.2 With PCE, jointly define all the data elements to be captured., Data elements shall include the following:
1. Customer contact information (name, address, phone, email);
 2. Customer enrollment in Direct Install, Cost Share Turnkey, or Emergency Water Heater Replacement program element(s) and status for receiving services, including whether projects were declined by customer or infeasible with rationale;
 3. Scheduled program activities, including date and time of site assessments, installations, inspections, etc.;
 4. Customer Scope of Work and resulting job orders;
 5. Photos or diagrams of site conditions prior to installation;
 6. Equipment and measures installation costs (quoted, actual);
 7. Completed customer forms and records, including Program Participation Agreement, building permits, and inspection reports;
 8. Customer payments collected as shown on contractor invoicing;
 9. Installed equipment and measures (quantity, model, wattage);
 10. Third-party rebate and funding sources utilized (program name, incentive amount, measure).
- 1.10.3 Transfer data to PCE's Salesforce CRM. With PCE, jointly define data to be transferred and the method and frequency of the automated data transfer.
- 1.10.4 Ensure data systems meet industry-standard security and that data is encrypted, at rest and in transit.

Task 1.10 Deliverable: Customer Relationship Management system and data exchange method

2 Administrative Reporting Tasks

2.1 Develop and Provide Program Process Reports

Consultant will provide monthly Program Progress Reports. Consultant will share the report findings at the biweekly check-in meeting with the PCE contract administrator. Program

Progress Reports will include at minimum: program performance towards goals and objectives, successes and challenges (e.g., technical problems, implementation barriers, or customer issues, if any), and next steps.

On a regular schedule, but no less than quarterly, review SLEs and participant surveys collected by PCE to assess performance of the program, Consultant and subcontractors, work completed, and recommend to PCE program improvements.

Task 2.1 Deliverable: Program Progress Report

2.2 Develop and Provide Monthly Expense Reports

Consultant will develop a Monthly Expense Report Template for PCE review. After PCE approval of the Monthly Expense Report Template, Consultant will provide Monthly Expense Reports including all associated invoices, including by subcontractors, by a mutually determined day of the month to receive payment for services provided for the previous month. The Expense Report Template will include at minimum the following:

- 2.2.1 Measures installed (quantity, description, model number, cost);
- 2.2.2 Administration labor (task, subtask, hours, rate, total);
- 2.2.3 Project incentives from third-party rebate programs (program name, measure, total revenue);
- 2.2.4 Customer co-payments, collected by Subcontractors;
- 2.2.5 Total expenses for the reporting period by program element (i.e., Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement);
- 2.2.6 Total program expenses by program element (i.e., Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement); and
- 2.2.7 Remaining program budget.

Task 2. Deliverables: Monthly Expense Report Template and Ongoing Monthly Expense Reports

2.3 Manage Prevailing Wage Compliance and Documentation

Consultant will be responsible for all prevailing wage compliance, including for all Subcontractors. Consultant will develop a written compliance mechanism prior to program launch (Task 1.4, 1.4.14) and abide by those terms during the contract term. Consultant shall:

- 2.3.1 Provide compliance verification documentation by auditing first invoice of each Subcontractor and one randomly selected invoice of each Subcontractor per year and provide reports to PCE on a regular basis;
- 2.3.2 Provide auditing capabilities for PCE, including access to any third party platforms used for compliance verification;
- 2.3.3 Notify PCE of any noncompliance as soon as it is discovered;

- 2.3.4 At PCE's discretion, remove Subcontractor from program if they are found to be noncompliant.

2.4 Develop Annual Program Report

Consultant will develop an Annual Program Report consistent with PCE Branding Guidelines for public distribution within 3 months after completion of each 12-month period. Consultant will draft the Annual Program Report for PCE review and approval prior to public distribution. The Annual Report will include at minimum the following:

- 2.4.1 Executive summary;
- 2.4.2 List of outcomes for each Program Objective;
- 2.4.3 List of any additional accomplishments;
- 2.4.4 Summary of each project including home characteristics, measures installed, completion date, project duration, funding sources, costs;
- 2.4.5 Summary of average project costs for each equipment type, and lessons learned broken down by project type;
- 2.4.6 Evaluated conclusions drawn from the project including lessons learned and recommendations for future work; and
- 2.4.7 Financial summary comparing expenditures to the project budget.

3 Marketing and Outreach

3.1 Coordinate Marketing and Outreach Activities

PCE has in-house marketing and communications professionals. PCE's Communications Team will be primarily responsible for marketing and outreach to customers via emails, mailers, digital ads, and messaging at public events and forums. Additionally, PCE will engage with community-based organizations (CBOs) partners to provide pre-qualified customer leads for the Direct Install element of the program. Consultant will:

- 3.1.1 Work closely with PCE staff to ensure alignment with existing marketing and communications practices, including but not limited to branding guidelines and writing styles.
- 3.1.2 Participate in regular meetings (anticipated as quarterly) with PCE's Communications Team to discuss marketing approach, program progress, and marketing needs.
- 3.1.3 As needed, propose additional materials needed for the program and co-develop webpages, flyers, enrollment forms, educational forms, and other program materials with PCE's Communications Team.

- 3.1.4 Assist in the development of an outreach strategy that targets homes that are most likely to benefit from the services based on electric and gas meter data, building characteristics, demographics and other criteria as mutually determined.

3.2 Develop Case Studies

Consultant will produce two to four case studies per year (2-4 pages each) throughout the program period. The case studies are intended for public distribution and will highlight successes, challenges, costs, and best practices with transition to all-electric construction.

Task 3.2 Deliverable: Case Studies

4 Direct Install Implementation

4.1 Screen, Enroll, and Educate Customers

Consultant will:

- 4.1.1 Intake customer leads via online interest form hosted on PCE's website. Form will allow customer to specify preferred communication method (phone, text, email).
- 4.1.2 Screen customer leads based on Program Handbook (Task 1.4).
- 4.1.3 Respond to customers by their preferred communication channel within three (3) business days to enroll them in the program, which includes collecting eligibility verification documentation, such as income documentation, and scheduling a Home Assessment (Task 4.2).
- 4.1.4 Manage all customer communications in both English and Spanish by project staff. As needed, offer access to interpretation service for other priority languages (e.g., Mandarin, Cantonese, and Tagalog).
- 4.1.5 Provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes.
- 4.1.6 Where appropriate, refer customers to other non-electrification programs, such as energy efficiency and home repair programs that customers may qualify for.

4.2 Perform Home Assessment, Develop Customer Project Scope of Work, and Execute Program Participation Agreement

After completing Task 4.1 with the customer, Consultant will:

- 4.2.1 Serve as the enrolled customer's principal point of contact for the Program, provide ongoing support, and resolve any customer issues.
- 4.2.2 Perform an in-person or virtual Home Assessment in eligible customer's homes and update CRM (Task 1.10).

1. If an electrification plan was previously produced for the customer by PCE or a third-party, the electrification plan may be used as initial guidance for the Home Assessment but should be adapted as conditions and professional evaluation dictate.
- 4.2.3 Using data gathered from the Home Assessment, develop a proposed Project Scope of Work that is consistent with the Technical Design Guidelines (Task 1.5).
1. If within Program budget, whole home electrification scope is to be encouraged with the property owner. Property owner may decline measures, but at least one major electrification measure (i.e., water heater or space heating and cooling) is required to receive services.
- 4.2.4 Deliver Project Scope of Work to customer. Consultant will offer to review the Scope of Work with customer to explain findings, address any questions, and begin planning any installations.
- 4.2.5 Provide an unsigned version of the Program Participation Agreement (Task 1.8) to customer for their signature.

4.3 Install Measures and Provide Post-Installation Quality Control

Upon receiving the customer's signed Program Participation Agreement, the Consultant will:

- 4.3.1 Oversee Subcontractor who shall apply for building permits on behalf of the customer.
- 4.3.2 Oversee installation and manage Subcontractors installing measures outlined in the customer's Project Scope of Work (Task 1.7)
1. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications and permitting requirements.
 2. Consultant will notify PCE of any delays which may result in an installation start date later than 120 days from the customer's signed Program Participation Agreement.
- 4.3.3 Periodically, as mutually determined with PCE, perform quality control procedures to evaluate Subcontractors' performance and implement changes as mutually deemed appropriate.
1. Where an inspection has been provided by the local Authority Having Jurisdiction (AHJ,) provide inspection report, which may be used as type of quality control for that installation. Consultant shall perform site visits in 5% of homes that didn't have an inspection report and provide reports to PCE on quarterly basis.

2. Additionally, PCE may request, upon five (5) days written notice site visits of up to 10 homes receiving services. Consultant shall participate in project site visits with the designated PCE staff member(s) at a mutually determined date.

- 4.3.4 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.
- 4.3.5 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation that are supplied with the equipment by the manufacturer. PCE may pay for customer's extended warranty terms on select measures, as defined and priced in Exhibit C.
- 4.3.6 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction, provided that Consultant shall not provide any product warranty in addition to that which has already been provided by the manufacturer.

4.4 Manage Program Funds and Third-Party Rebates

After completing the customer's installation, Consultant will:

- 4.4.1 Submit application(s) for third-party program(s) the project is eligible for to reduce project costs.
- 4.4.2 Pay invoices for equipment, labor, and Subcontractor services.
- 4.4.3 Provide Monthly Expense Reports (Task 2.2) to receive payment for Program services.

4.5 Provide Supporting Documentation for Completed Projects

Proper record-keeping is critical for the success of the Single-Family Service. As such, Consultant must timely and accurately make the following items available for each project in Consultant's CRM in order to receive payment for Services under this Agreement:

- 4.5.1 Customers' Scope of Work;
- 4.5.2 Photos, Permits, and Final Inspection Report;
- 4.5.3 Executed Program Participation Agreement;
- 4.5.4 Project Installation Data

5 Cost-Share Turnkey Implementation

5.1 Screen, Enroll, and Educate Customers

Consultant will:

- 5.1.1 Intake customers leads via online interest form hosted on PCE's website. Form will allow customer to specify preferred communication method (phone, text, email).

- 5.1.2 Screen customer leads based on Program Handbook (Task 1.4).
- 5.1.3 Respond to customers by their preferred communication channel within three (3) business days to enroll them in the program, which includes collecting eligibility verification documentation, if any, and scheduling a Home Assessment (Task 4.2).
- 5.1.4 Manage all customer communications in both English and Spanish by project staff. As needed, offer access to interpretation service for other priority languages (e.g., Mandarin and Cantonese, Tagalog).
- 5.1.5 Provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes.

5.2 Perform Home Assessment, Develop Customer Project Scope of Work, and Execute Program Participation Agreement

After completing Task 5.1 with the customer, Consultant will:

- 5.2.1 Serve as the customer's principal point of contact for the Program, provide ongoing support, and resolve any customer issues.
- 5.2.2 Perform an in-person or virtual Home Assessment in eligible customer's homes and update the CRM (Task 1.10)
 - 1. If an electrification plan was previously produced for the customer by PCE or a third-party, the electrification plan may be used as initial guidance for the Home Assessment but should be adapted as conditions and professional evaluation dictate.
- 5.2.3 Using data gathered from the Home Assessment, develop a proposed Project Scope of Work (Task 1.7) that is consistent with the Technical Design Guidelines (Task 1.5).
 - 1. If within Program budget, whole home electrification scope is to be encouraged with the property owner. Property owner may decline elements but at least one major electrification measure (i.e., water heater or space heating and cooling) is required to receive Program services.
- 5.2.4 Deliver Project Scope of Work (Task 1.7) to customer which includes pricing of services, and information on all relevant rebates and financing options. Consultant will offer to review the Scope of Work to explain findings, address any questions, and begin planning any installations.
- 5.2.5 Provide an unsigned version of the Program Participation Agreement (Task 1.8) to customer for their signature.

5.3 Install Measures and Provide Post-Installation Quality Control

Upon receiving the customer's signed Program Participation Agreement, the Consultant will:

- 5.3.1 Oversee Subcontractor who shall apply for building permits on behalf of the customer.

- 5.3.2 Oversee installation and manage Subcontractors installing measures outlined in the customer's Project Scope of Work.
1. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications and permitting requirements.
 2. If electrical service capacity upgrade is required, Subcontractor coordinate with PG&E on service and panel upgrades.
 3. Consultant will notify PCE of any delays which may result in an installation start date later than 120 days from the customer's signed Program Participation Agreement
- 5.3.3 Periodically, as mutually determined with PCE, perform quality control procedures to evaluate subcontractors' performance and implement changes as mutually deemed appropriate.
1. Where an inspection has been provided by the local Authority Having Jurisdiction (AHJ,) provide inspection report, which may be used as a type of quality control for that installation. Consultant shall perform site visits in 5% of homes that didn't have an inspection report and provide reports to PCE on quarterly basis.
 2. Additionally, PCE may request site visits of up to 10 homes receiving services. Consultant shall participate in project site visits with the designated PCE staff member(s) at a mutually determined date.
- 5.3.4 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.
- 5.3.5 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation that are supplied with the equipment via the manufacturer. Customer may choose to pay for extended warranty terms on select measures, as defined and priced in Exhibit C.
- 5.3.6 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction.

5.4 Manage Program Funds, Third-Party Rebates, and Customer Payments

After completing the customer's installation, the Consultant's Subcontractors will:

- 5.4.1 Collect customer cost-share payments. Cost-Share Turnkey projects shall be paid by the customer and PCE. Customers will have a co-payment contribution, based on a fixed cost per measure after applicable incentives are applied. The Subcontractor performing the work shall be responsible for collecting customer co-payments.
- 5.4.2 Submit application(s) for third-party program(s) the project is eligible for to reduce project costs. Where feasible, third-party program incentives shall be applied for by Consultant on behalf of the customer to reduce the cost of the customer's co-payment contribution.

- 5.4.3 Submit documentation to PCE on third-party rebate and incentive sources such as amount captured per month and net PCE cost after third-party rebates.
- 5.4.4 Pay Subcontractor invoices for equipment incentives provided by PCE upon receiving PCE payments.
- 5.4.5 Provide Monthly Expense Reports (Task 2.2) to receive payment for Program services.

5.5 Provide Supporting Documentation for Completed Projects

Proper record-keeping is critical for the success of the Single-Family Service. As such, Consultant must timely and accurately make the following items available for each project in Consultant's CRM in order to receive payment for Services under this Agreement:

- 5.5.1 Customers' Scope of Work;
- 5.5.2 Photos, Permits, and Final Inspection Report;
- 5.5.3 Executed Program Participation Agreement;
- 5.5.4 Project Installation Data

6 Emergency Water Heater Replacement Implementation Tasks

Most water heater replacements are performed after the equipment has failed, and customers expect access to hot water within 1 to 3 days of failure. The Emergency Water Heater Replacement element of the Single-Family Service will be available to both Direct Install and Cost-Share Turnkey participants. When a gas water heater fails, there are three common emergency replacement scenarios:

1. **On-Site Electrification** – This scenario allows for immediate installation of a heat pump water heater on the day of the site visit.
2. **Gas Loaner Electrification** - Electrification is not feasible on the day of the site visit, typically due to the need to coordinate with an electrician. In this scenario, PCE envisions an installation of a temporary gas loaner unit while electrical services are coordinated.
3. **Infeasible** - Electrification is infeasible at the site due to criteria developed in Technical Design Guidelines (e.g., physical constraints, constrained PG&E service line, or other factors).

6.1 Coordinate Emergency Water Heater Replacement Services

Consultant will:

- 6.1.1 Provide a dedicated phone number (i.e., hotline) with dedicated PCE branded messaging for customers to call and schedule emergency water heater replacements. The hotline will be managed by Consultant and appropriate Subcontractors 7 days a week from 8 AM – 6 PM including holidays.

- 6.1.2 When customers call the hotline, Consultant will promptly perform an over-the-phone initial screening to determine if an emergency replacement is feasible. If feasible, Consultant will schedule site visit.
- 6.1.3 Perform in-person site visit within 24 hours of customer call to determine the emergency replacement scenario and applicable approaches (Tasks 6.2, 6.3, and 6.4)
- 6.1.4 Provide and manage gas water heaters for the “loaner” equipment to meet program volume.

6.2 Install Heat Pump Water Heater for On-Site Electrification Scenario

Installation Subcontractors will be responsible for going on site to determine if it is feasible to install a heat pump water heater on the day of the customer site visit. If installation is feasible on the day of the customer site visit Subcontractor will:

- 6.2.1 Select equipment sizing, model, and configure in accordance with Technical Design Guidelines (Task 1.5)
- 6.2.2 Perform electric load calculations or other assessments as needed.
- 6.2.3 Propose a Scope of Work (Task 5.5.1) for the heat pump water heater including pricing services with information on all relevant third-party program rebates and financing options.
- 6.2.4 Coordinate installation of system within 48 hours of customer call.
- 6.2.5 Install heat pump water heater in accordance with all applicable federal, state, and local laws, building codes, manufacturer’s specifications and permitting requirements.
- 6.2.6 Apply for building permit and coordinate with the AHJ to obtain final inspections and complete job closure paperwork.
- 6.2.7 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.
- 6.2.8 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation with paper documents in a durable envelope attached to the unit.
- 6.2.9 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction.
- 6.2.10 Offer Customers the Direct Install or Cost-Share Turnkey Services (Tasks 4 and 5), as applicable.

6.3 Install Loaner Gas Water Heater for Gas Loaner Electrification Scenario

If Subcontractor determines it is feasible to install heat pump water heater after additional upgrades to the home are made, Subcontractor will:

- 6.3.1 Install a temporary gas water heating “loaner” equipment.
- 6.3.2 Subcontractor to Invoice Cost-Share Turnkey Customer for emergency loaner deposit. The deposit will be put towards the cost of the heat pump water heater purchase. In the rare event that the heat pump water heater installation does not move forward, the deposit will cover the labor cost of installing loaner. Direct Install customers will not need to pay a deposit.
- 6.3.3 If heat pump water heater installation does not move forward, Consultant will:
 1. Remove gas water heating loaner equipment and return to loaner stock.
 2. May provide estimate and coordinate with customer on installation of replacement equipment as a service outside the scope of this Program.
- 6.3.4 Within 6 weeks of loaner installation, create and provide to customer a Scope of Work (Task 5.5.1) for heat pump water heater installation.
- 6.3.5 Coordinate heat pump water heater installation as specified in Task 6.2. Remove gas water heating loaner equipment and return to loaner stock.
- 6.3.6 Offer Customers the Direct Install or Cost-Share Turnkey Services (Tasks 4 and 5), as applicable.

6.4 Referral for Infeasible Scenario

If Subcontractor determines it is infeasible to install a heat pump water heater, Subcontractor will:

- 6.4.1 Provide information to resident, including reason why installation of heat pump water heater is infeasible.
- 6.4.2 If there is a local code requirement, complete future, PCE-developed, worksheet recording that site was considered infeasible for electrification and provide to customer as required.
- 6.4.3 Provide a referral to a qualified installer for a replacement gas unit. If Subcontractor is able to install a replacement gas unit, Subcontractor may offer this service outside the scope of this Program.

7 New Program Measures, Technologies, and Methods

A goal of the Program is to fully decarbonize homes and transportation in PCE service territory while providing exceptional customer experience at the lowest installation cost. To that end, PCE and Consultant may propose new measures, technologies and methods for inclusion in the Program. Any new measures, technologies, or methods adopted shall be incorporated into the Program Handbook (Task 1.4) and Technical Design Guidelines (Task 1.5). In the event that the addition of new measures require additional scope or budget, this shall be formalized in a

mutually negotiated and executed amendment as a New Scope of Work. Area of interest include:

7.1 Solar and Storage

- 7.1.1 Develop with PCE, criteria and program delivery methods for deploying solar-only and solar and storage systems where deemed appropriate with the intention of incorporating this element in the second year of the program.
- 7.1.2 Approaches to program delivery may include directly subcontracting with qualified solar and storage installers and/or recommending that PCE directly contract with such providers.
- 7.1.3 Solar and storage systems are anticipated to be financed through lease or power-purchase agreements unless customers opt for direct purchase (in the Cost-Share Turnkey service). However, PCE may elect at its discretion to pursue its own financing structures.

7.2 120 Volt Systems and Space + Water Heating Combo Systems

- 7.2.1 Assess innovative technologies such as 120-volt space heating systems and induction ranges and combo space and water heater systems.
- 7.2.2 Develop with PCE criteria and program delivery methods for deploying these systems as lower cost alternatives to traditional 240-volt systems under conditions that satisfy resident comfort needs.

7.3 Energy Resilience

- 7.3.1 Develop with PCE criteria and program delivery methods for deploying low-cost methods relevant across PCE climate zones for addressing heat wave and power outage measures which may include:
 - 1. Heat Wave: Ceiling fans, evaporative cooling, awnings/shading, window tints, etc.
 - 2. Power outages: oversized water heater tanks, battery enabled appliances, portable batteries and uninterruptable power supplies, etc.

7.4 Virtual Power Plant

- 7.4.1 Develop with PCE criteria and program delivery methods for deploying load shaping technologies such as smart thermostats and water heaters with the intention of incorporating this element on a mutually determined schedule.
- 7.4.2 Develop with PCE methods for aggregating grid-enabled systems into dispatchable "VPP" groups on a mutually determined schedule.
- 7.4.3 Incorporate storage systems into the VPP systems.

7.5 Panels and Service Capacity

- 7.5.1 To keep costs down, PCE seeks an approach that avoids service upgrades where possible. Identify or develop tool or process for National Electrical Code (NEC) 220.83 and/or 220.87 calculations which will assist with upgrading homes without requiring a PG&E service upgrade.

DRAFT

Exhibit B - Compensation

In consideration of the services provided by Consultant described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Consultant based on the following fee schedule and terms:

The maximum budget for this program is \$26,000,000. Table 1 illustrates the budget breakdown for the category and invoicing and payment terms. Consultant is responsible for tracking expenditure and ensuring neither the maximum amounts per category, nor the total maximum budget are exceeded. PCEA may approve in writing the transfer of funds between budget categories listed in Table 1.

Table 2 illustrates the hourly rates of Consultant staff. Consultant shall use these hourly rates to invoice PCEA for categories paid based on Consultant time.

Exhibit C illustrates the reimbursement rates for program measures. Consultant shall use these rates to invoice PCEA for categories paid based on measures installed. PCEA may approve in writing the addition of new program measures and their reimbursement rates, which shall be incorporated into the Program Handbook Program Handbook (Task 1.4).

Consultant is working with XeroHome to perform some of the services in Exhibit A. Table 1 illustrates total XeroHome’s cost and payment terms. These costs shall be paid by the Consultant and reimbursed by PCEA. Exhibit D further details the XeroHome scope of work and payment terms.

PCEA shall pay all invoices within thirty (30) days of invoice date. PCEA shall have the right to dispute in good faith the amount of any invoice or a portion thereof, provided that PCEA raise the dispute within five (5) business days of receiving the invoice. PCEA will withhold the disputed amounts and inform Consultant of such withholding in writing specifying the reasons for disputing the withheld amounts.

Table 1 – Budget

Budget Category	Not-To-Exceed (\$)	Invoicing and Payment Terms
Income-Qualified Projects	\$19,290,000	Monthly - invoiced based on number of measures installed in that month per Exhibit C, as invoiced by Subcontractors
Market-Rate Projects	\$1,300,000	Monthly - invoiced based on number of measures installed in that month per Exhibit C, as invoiced by Subcontractors
Emergency Water Heater Replacement Projects	\$400,000	Monthly - invoiced based on number of measures installed in that month per Exhibit C, as invoiced by Subcontractors

Implementation Costs (Tasks 1 – 6)	\$3,010,000	Monthly - invoiced based on time & hourly rates in Table 2 and materials approved by in writing by PCE
Menlo Park Budget for Income-Qualified Projects	\$2,000,000	Monthly - invoiced based on number of measures installed in that month per Exhibit C, as invoiced by Subcontractors; and Monthly - invoiced based on time & hourly rates in Table 2
Total Maximum Budget	\$26,000,000	

Table 2 – Consultant Hourly Rates

Title	Rate
Program Administrator, Project Manager	\$195.75
Regional Director	\$173
Operations Project Manager	\$162.25
Program Manager	\$108.25
Energy Advisor II	\$123.5
Energy Advisor III	\$84.5
Project Coordinator	\$134
Database Specialist	\$195.75

Exhibit C – Eligible Measures List and Pricing

Program measures shall be paid based on the Total Measure Cost (column two) outlined in Tables 1 through 9. PCEA may approve in writing the addition of new program measures and their reimbursement rates, which shall be incorporated into the Program Handbook Program Handbook (Task 1.4).

Table 1 – Electrification Measures

Measure Name	Total Measure Cost	5 Year Warranty	Optional Premium Upgrade
Heat pump water heater (80 gallon, 240V)	\$7,050.00	\$675.00	N/A
Heat pump water heater (65 gallon, 240V)	\$6,350.00	\$675.00	N/A
Heat pump water heater (50 gallon, 240V)	\$5,850.00	\$675.00	N/A
Heat pump water heater (80 gallon, 120V)	\$7,050.00	\$675.00	N/A
Heat pump water heater (65 gallon, 120V)	\$6,350.00	\$675.00	N/A
Emergency loaner cost	\$400.00	N/A	N/A
Heat pump HVAC, (ducted, inverter-driven) 2 Ton	\$10,900.00	\$750.00	\$2,000.00
Heat pump HVAC, (ducted, inverter-driven) 3 Ton	\$12,300.00	\$750.00	\$2,250.00
Heat pump HVAC, (ducted, inverter-driven) 4 Ton	\$14,200.00	\$750.00	\$2,500.00
Heat pump HVAC, (ducted, inverter-driven) 5 Ton	\$17,300.00	\$750.00	\$2,750.00
Heat pump mini-split system (Ductless, inverter-driven,) one zone	\$5,750.00	\$400.00	\$2,000.00
Heat pump mini-split system (Ductless, inverter-driven,) two zone	\$9,800.00	\$500.00	\$2,250.00

Measure Name	Total Measure Cost	5 Year Warranty	Optional Premium Upgrade
Heat pump mini-split system (Ductless, inverter-driven,) three zone	\$13,400.00	\$600.00	\$2,500.00
Heat pump mini-split system (Ductless, inverter-driven,) four zone	\$18,435.00	\$700.00	\$2,750.00
Electric induction range	\$2,450.00	\$500.00	\$1,000.00
Electric induction cooktop	\$3,050.00	\$400.00	\$1,000.00
High efficiency electric clothes dryer	\$2,000.00	\$500.00	\$1,000.00
Condensing combo washer-dryer	\$1,000.00	\$500.00	\$1,000.00

Table 2 – Electrical Services Measures

Measure Name	Total Measure Cost
Electric panel replacement - Minor*	\$4,850.00
Electric panel replacement - Moderate*	\$6,850.00
Electric panel replacement -Major*	\$9,450.00
Service upgrade	\$800.00
Sub-panel replacement / installation	\$1,600.00
Electrical Repair Minor	\$800.00
Electrical Repair Moderate	\$1,600.00
Electrical Repair Major	\$2,400.00
Add 230 Volt Circuit (Homerun) Minor	\$1,200.00
Add 230 Volt Circuit (Homerun) Moderate	\$1,600.00
Add 230 Volt Circuit (Homerun) Major	\$2,000.00
Add 120 Volt Circuit (Homerun) Minor	\$800.00
Add 120 Volt Circuit (Homerun) Moderate	\$1,200.00

Measure Name	Total Measure Cost
Add 120 Volt Circuit (Homerun) Major	\$1,600.00
Rare Breaker Adder Minor	\$50.00
Rare Breaker Adder Moderate	\$75.00
Rare Breaker Adder Major	\$100.00
Circuit sharing device	\$3,000.00
Circuit throttling/pausing device	\$3,300.00
Smart panel	\$9,050.00
Tandem breaker	\$200.00

Table 3 – Efficiency Measures

Measure Name	Measure Cost per Metric
Attic Insulation Final R 38-44	2.5 per Sq Ft
Subfloor or Platform Duct Sealing & Return Sizing Corrections	1500 Per Home
Deeply Buried Ducts	3.6 Per Sq Ft
High Performance Installation Verification (HPIV)	900 Per System
HPIV Additional System	300 Per System

Table 4 – Health & Safety Measures

Measure Name	Total Measure Cost
CO Detector 10 year	\$50.00
Smoke Detector Minor	\$50.00
Smoke Detector Hardwire Minor	\$150.00
Smoke Detector Hardwire Moderate	\$250.00
Smoke Detector Hardwire Major	\$400.00
ERV Minor	\$2,000.00

Measure Name	Total Measure Cost
ERV Moderate	\$2,850.00
ERV Major	\$3,600.00
Add 2" Filter HVAC Minor	\$40.00
Add 2" Filter HVAC Moderate	\$80.00
Add 2" Filter HVAC Major	\$120.00
Add 2" Filter BOX Minor	\$300.00
Add 2" Filter BOX Moderate	\$500.00
Add 2" Filter BOX Major	\$750.00
Fix Water Leak (exterior cladding) Minor	\$600.00
Fix Water Leak (exterior cladding) Moderate	\$1,000.00
Fix Water Leak (exterior cladding) Major	\$1,500.00
Fix Water Leak (interior plumbing) Minor	\$250.00
Fix Water Leak (interior plumbing) Moderate	\$600.00
Fix Water Leak (interior plumbing) Major	\$1,000.00
Fix Drainage Gutters & Downspouts Minor	\$500.00
Fix Drainage Gutters & Downspouts Moderate	\$1,000.00
Fix Drainage Gutters & Downspouts Major	\$1,500.00
Pest Infestation Remediation Minor	\$500.00
Pest Infestation Remediation Moderate	\$1,500.00
Pest Infestation Remediation Major	\$3,000.00
Asbestos Abatement Minor	\$4,000.00
Asbestos Abatement Moderate	\$8,000.00
Asbestos Abatement Major	\$12,000.00
Mold Remediation Minor	\$500.00
Mold Remediation Moderate	\$1,500.00
Mold Remediation Major	\$3,000.00

Measure Name	Total Measure Cost
Debris Removal Minor	\$400.00
Debris Removal Moderate	\$800.00
Debris Removal Major	\$1,500.00
Moving Person Items Minor	\$400.00
Moving Person Items Moderate	\$800.00
Moving Person Items Major	\$1,200.00

Table 5 – Structural Remediation Measures

Measure Name	Total Measure Cost
Roofing Repair Minor	\$800.00
Roofing Repair Moderate	\$2,000.00
Roofing Repair Major	\$4,000.00
Exterior Door Replacement Minor	\$1,500.00
Exterior Door Replacement Moderate	\$2,500.00
Exterior Door Replacement Major	\$3,000.00
Whole House Weather Stripping Minor	\$500.00
Whole House Weather Stripping Moderate	\$750.00
Whole House Weather Stripping Major	\$1,000.00
Window Replacement Minor	\$1,250.00
Window Replacement Moderate	\$1,600.00
Window Replacement Major	\$2,000.00
Drywall Repair Minor	\$400.00
Drywall Repair Moderate	\$800.00
Drywall Repair Major	\$1,200.00
Plaster Repair Minor	\$600.00
Plaster Repair Moderate	\$1,200.00

Measure Name	Total Measure Cost
Plaster Repair Major	\$1,800.00

Table 6 – Air Quality Remediation Measures

Measure Name	Total Measure Cost
Media Filter Upgrade Minor	\$150.00
Media Filter Upgrade Moderate	\$200.00
Media Filter Upgrade Major	\$300.00
Kitchen Vent Hood Replace Minor	\$200.00
Kitchen Vent Hood Replace Moderate	\$300.00
Kitchen Vent Hood Replace Major	\$400.00
Kitchen Vent Hood New Minor	\$600.00
Kitchen Vent Hood New Moderate	\$800.00
Kitchen Vent Hood New Major	\$1,000.00
Bathroom Fan Replacement Minor	\$400.00
Bathroom Fan Replacement Moderate	\$600.00
Bathroom Fan Replacement Major	\$800.00
Bathroom Fan New / Nonexisting Minor	\$700.00
Bathroom Fan New / Nonexisting Moderate	\$900.00
Bathroom Fan New / Nonexisting Major	\$1,100.00
Exterior Vent Installation Minor	\$700.00
Exterior Vent Installation Moderate	\$900.00
Exterior Vent Installation Major	\$1,100.00

Table 7 – HVAC Optimization Measures

Measure Name	Total Measure Cost
Ductwork Repair Minor	\$300.00

Ductwork Repair Moderate	\$600.00
Ductwork Repair Major	\$900.00
Ductwork Replacement	\$500.00
New / Replacement Line Set Minor	\$400.00
New / Replacement Line Set Moderate	\$650.00
New / Replacement Line Set Major	\$900.00
Sheet Metal Fabrication Minor	\$400.00
Sheet Metal Fabrication Moderate	\$650.00
Sheet Metal Fabrication Major	\$900.00
Low Resistance Register Grilles Minor	\$400.00
Low Resistance Register Grilles Moderate	\$650.00
Low Resistance Register Grilles Major	\$900.00
New Register Cut In (per each)	\$275.00
Attic Infrastructure (bringing up to code) Minor	\$900.00
Attic Infrastructure (bringing up to code) Moderate	\$1,600.00
Attic Infrastructure (bringing up to code) Major	\$2,800.00
Attic Hatch Retrofit Minor	\$450.00
Attic Hatch Retrofit Moderate	\$600.00
Attic Hatch Retrofit Major	\$750.00

Table 8 – HPWH Optimization Measures

Measure Name	Total Measure Cost
Water Heater Duct In Minor	\$600.00
Water Heater Duct In Moderate	\$750.00
Water Heater Duct In Major	\$900.00
Water Heater Enclosure Minor	\$400.00

Measure Name	Total Measure Cost
Water Heater Enclosure Moderate	\$500.00
Water Heater Enclosure Major	\$600.00
Water Heater Relocation Minor	\$900.00
Water Heater Relocation Moderate	\$1,600.00
Water Heater Relocation Major	\$2,800.00

Table 4 – Permitting Fees (with HERS Verification Included)

Permitting Fees (w/ HERS verification included)	Total Measure Cost
1st Unit	\$750.00
Additional Unit(s)	\$300.00

DRAFT



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: February 12, 2024
MEETING DATE: February 12, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Leslie Brown, Director of Account Services; Rafael Reyes, Senior Director of Energy Programs

SUBJECT: Discussion and Status Update on Peninsula Clean Energy In-House Contact Center (Discussion)

BACKGROUND

Currently, Peninsula Clean Energy contracts for and oversees multiple customer support channels through various vendors. Customers have approximately 10 different "touch points" to outside (non-PCE) customer support depending on the specific request or program. These include: 1) our 1-800 phone line for account and billing questions handled by a Calpine subcontracted call center, 2) two separate email channels (info@ and programs@) supported by different PCE departments for different needs, and 3) multiple direct and siloed channels provided by Peninsula Clean Energy vendors serving different programs (e.g. EV rebates, Home Upgrade, Appliance incentives, etc.).

Elevation and scaling of Peninsula Clean Energy's services will require a move from a transactional service approach (i.e. a single rebate or billing need) to a fully integrated customer-centric approach where deeper relationships are cultivated through a comprehensive customer journey with a "360 degree" view of the customer at every step from initial marketing through repeated program participation across all programs.

One aspect of improved customer service – bringing contact center services in house – has been evaluated and implemented in different capacities by a number of our peer agencies (MCE, CleanPowerSF, and Sonoma Clean Power). This in-house customer service center approach can provide a more integrated, efficient and positive customer experience in that a single customer representative can assist customers with a variety of queries that may arise on a given call, rather than having multiple service providers and customers having to speak with a myriad of people for different topics and inquiries. In the "in-house" scenario, the call center, or "customer support center," could respond to a full range of customer needs including billing questions, program navigation and eligibility, rebate status, and contractor referrals across all programs. Ultimately, we believe this will be a far superior experience for the customer and will help PCE scale its programs by cross marketing programs that may be relevant to a certain customer.

DISCUSSION

Current Status:

PCE staff has been researching various options regarding an in-house customer service center, and our preliminary assessment is that we should be able to make the transition from external vendor support to internally staffed support fairly seamless by maintaining much of the existing technology and infrastructure in use today by Calpine and their call center provider. CleanPower SF and Sonoma Clean Power have both implemented solutions to this effect and Calpine has been a willing partner in the effort. That said, to support other aspects of our building electrification one-stop-shop, concierge technical services, and our existing Salesforce-based platform for program incentives, we may need to layer on some additional cloud-based tools in order to successfully integrate a PCE customer service center.

Next Steps:

PCE staff is working to identify external consulting/contract expertise to evaluate/audit our existing contracted call center solution and various other customer support channels over the next couple of months. This evaluation will also include a detailed proposed plan and budget for transitioning and offering these services in-house. PCE staff has identified a candidate through Robert Half & Associates, a technical staffing firm, who has over ten years of experience developing and leading high performing call centers and customer support teams for multiple industries across multiple states. This next phase will involve a deep dive into our existing, disparate systems, a technology needs assessment, and budgetary and staffing needs. Once this work is complete, PCE staff will return to the Board – likely in the May timeframe – with a detailed plan, budget and projected timeline to begin the customer service center transition later this year if a decision is made to move forward.

FISCAL IMPACT

Funding for consultant services and temporary staff to perform a formal assessment and project plan to transition contact center services in-house is included in the current Account Services budget for a not-to-exceed amount of \$100,000.

STRATEGIC PLAN

Evaluation and enhancement of our contact center capabilities supports PCE's strategic plan goals of ensuring high customer satisfaction and retention through expanding our capabilities to effectively support the development of, and communication about, programs and services.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: February 12, 2024
MEETING DATE: February 12, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Kirsten Andrews-Schwind, Senior Manager of Community Relations

SUBJECT: Recommendation to Update Community Advisory Committee Recruitment and Appointment Process (Action)

RECOMMENDATION

Approve staff's recommendation to update the Community Advisory Committee recruitment and appointment process as per the rationale and approach outlined below.

BACKGROUND

The Peninsula Clean Energy Board of Directors founded its Community Advisory Committee (originally named the Citizens Advisory Committee) in 2017. The Board has tasked this committee to:

- Advise on substantial public-facing program initiatives before they are presented to the Board for approval, as practical given timeliness and staff and CAC capacity.
- Engage in outreach to the community and advocate for Peninsula Clean Energy mission, goals, and programs.
- Advise on high-level legislative and regulatory direction of the organization.
- Provide a forum for community discussions on a wide variety of strategies in conjunction with staff and board.
- Form working groups, as recommended by the CAC membership, to assist Peninsula Clean Energy's staff and Board with projects of importance to the organization.

The Board called for the Community Advisory Committee (CAC) to be comprised of 11 to 15 members drawn from the community and appointed by the PCE Board. Members might be affiliated with a community group, but do not formally represent any group on the CAC. The Community Advisory Committee is subject to the Brown Act. Meetings are publicly noticed and open to the public in an accessible location.

Other guidance from the Board of Directors includes:

Composition and Qualifications for the Committee

- Reside or work in the Peninsula Clean Energy service territory.

- From geographically diverse areas of the County.
- Have a relevant background in or expertise related to one or more of the following fields: electricity, community outreach and engagement, or policy advocacy.
- Have the capability to build connections to local communities.
- A personal commitment of time and energy to attending CAC and PCE meetings and to helping the organization attain its full potential.

Terms

- Inaugural members of the PCE CAC will serve one, two, or three year terms, so that one third of the committee members' terms expire each year. Initial term lengths for each member will be chosen randomly after the initial cohort is selected.
- Subsequent CAC members will serve three-year terms.
- Committee members may serve a total of two terms (this was changed from three terms in 2023)
- CAC members serve at the pleasure of the Board.

Attendance Policy

A member of the CAC shall be deemed to have automatically resigned from office if:

- a. The member has unexcused absences from any three consecutive regular meetings of the CAC;
- b. The member has unexcused absences for more than 25% percent of the total number of regular CAC meetings in any calendar year; or
- c. The member has unexcused absences for more than 25% percent of the total remaining number of regular meetings in that calendar year if the member was appointed to fill a vacancy.

For the purpose of this section, the following shall be considered an excused absence:

- a. An absence due to illness for the member, illness or death of a member's immediate family, or a family emergency;
- b. An absence due to pre-authorized CAC business; or
- c. An absence due to a member's performance of required business as an elected official.

DISCUSSION

Staff proposes to make some changes to our CAC recruitment and application process to make better use of staff and Board member time and to provide a better experience for applicants.

Current CAC Recruitment Process

Typically the CAC has 1-5 seats open up each year due to members terming off or resigning partway through their term. To date, staff has used the following process and timeline each year to fill vacancies:

February

- Board of Directors forms an Ad Hoc Committee for CAC recruitment.
- Ad Hoc Committee reviews application.
- Staff posts and advertises application form online.

- Open application period usually runs through the end of March.

April-May

- Staff screens applicants for conflicts of interest.
- Staff schedules times for the Ad Hoc Committee to interview applicants and supports the interview process.
- Ad Hoc Committee decides which candidates to recommend for appointment.
- Ad Hoc Committee makes recommendations to full Board of Directors at the May meeting, where the Board approves or amends recommendations.

June

- New CAC members are offered an orientation and sworn in.
- All other applicants are informed that they were not appointed.

Mid-term vacancies on the CAC were usually left open until annual appointments were made in May.

Challenges

As Peninsula Clean Energy has become more established, our Community Advisory Committee has grown in popularity. In the past three years, the number of applicants has nearly doubled each year. This is good news but has brought with it some new challenges.

Year	Number of Applications
2021	6
2022	13
2023	22

Increased staff and Board member time: As a result of increasing numbers of applicants, reviewing applications, scheduling, and conducting interviews with the members of the Ad Hoc Committee has become a much greater time impact on both staff and participating Board members.

Turning down more good applicants: With more competition for relatively few CAC openings, we are turning down more and more enthusiastic and highly qualified applicants. This can leave a negative impression on community members who have made significant effort and are primed to be our champions.

Proposal

To reduce burden on staff and Board members, provide a better experience for CAC applicants, and fill CAC vacancies more quickly, PCE staff proposes the following changes to the current CAC recruitment process:

1. Make use of our existing pool of talent and interest. Revisit the large 2023 pool of qualified CAC applicants to fill vacancies in 2024 instead of opening up another full recruitment cycle.
2. Rank and maintain a list of top runner-up applicants so that they may be appointed, if still interested and available, as vacancies open on the CAC.

3. Run a full recruitment cycle as described above every 2-3 years instead of annually. This will allow PCE to form a pipeline of qualified candidates and will allow candidates who may not have been selected in one round to still be considered in another. Given the number of qualified applicants for relatively few seats each year, this seems like a more volunteer-friendly approach than turning candidates away and asking them to reapply and repeat the process the next year.

FISCAL IMPACT

Reduction of staff time required to support CAC recruitment.