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**CALIFORNIA ALTERNATIVE ENERGY  
AND ADVANCED TRANSPORTATION  
FINANCING AUTHORITY (CAEATFA)**

**REQUEST FOR PROPOSAL-Secondary  
CONTRACT NO. CAEATFA04-17  
Master Servicer for the California Hub for Energy Efficiency  
Financing (CHEEF) Pilot Programs**

**Notice to Prospective Proposers**

October 11, 2017

You are invited to review and respond to this Request for Proposal (“RFP”) Number CAEATFA04-17. The California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) seeks to retain a qualified firm (“Master Servicer” or “Contractor”) to provide assistance to the Authority with the administration of the California Hub for Energy Efficiency Financing (“CHEEF”) Pilot Programs. Interested firms are invited to submit proposals in response to this RFP. In submitting your proposal, you must comply with these instructions.

Proposals for these services must comply with the instructions included in the RFP. The RFP includes the Sample Standard Agreement the selected firm will be expected to execute. The agreement that will be entered into with the State of California (“State”) will include by reference the General Terms and Conditions and Contractor Certification Clauses which may be viewed and downloaded online at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>. If you do not have Internet access, a hard copy can be provided by contacting the person listed below. The General Terms and Conditions and all Exhibits that are a part of the Sample Standard Agreement are not negotiable. By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP.

In the opinion of CAEATFA, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

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Questions regarding this RFP must be submitted in writing no later than October 17, 2017 at 12:00 p.m. (noon). Responses to the questions will be posted within several days on the Department of General Services (“DGS”) website and the CAEATFA website.

Please note that no verbal information provided will be binding upon the State unless such information is issued in writing as an official addendum.

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## **A. PURPOSE AND DESCRIPTION OF SERVICES**

### **1. Introduction**

The California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) seeks proposals from which to select a qualified firm (“Master Servicer” or “Contractor”) to provide assistance to the Authority with the administration of several Statewide Energy Efficiency Financing Pilot Programs (“Pilot Programs”), authorized by the California Public Utilities Commission (“CPUC”), which are currently in various stages of implementation and development, as described below.

The selection of the Master Servicer will be based not only on the reasonableness of the proposed fees, but also on assurances that the selected firm will provide competent and responsive service to CAEATFA in all subject areas described in the Scope of Services (Section A.4.), and will meet or exceed the Minimum Qualifications for Proposers (Section B). The ideal proposer possesses knowledge of, and experience with, most or all of the following: account administration; energy efficiency financing; data management and protection of personally identifiable information; working in a regulated environment; credit enhancement (“CE”) fund flows; reporting; and development and maintenance of financial product servicing data files to enable off-bill and on-bill repayment. Demonstration of relevant experience should focus on similar services. The firm must be free from actual conflicts of interest not only at the time of selection, but throughout the term of the Master Servicer Contract (“Contract” or “Agreement”) as well. The firm must be immediately available to provide the services that will be set forth in the Contract.

This RFP solicits responses from firms qualified to provide services to support California’s new Pilot Programs that operate within the territories of the California investor-owned utilities: Pacific Gas and Electric Company (“PG&E”), San Diego Gas & Electric Company (“SDG&E”), Southern California Edison Company (“SCE”), and Southern California Gas Company (“SCG”) (each an “IOU,” and collectively, the “IOUs”). Broadly, these services fall into four major areas:

- Receive and enroll (as described in the Scope of Services) financings (e.g. loans, leases, energy service agreements) from participating financial institutions (“PFIs” or “lenders”); verify borrower, project and financing eligibility; collect appropriate program data; and apply loss reserves and credit enhancements based on Pilot Program regulations;
- Acquire customer financing data (from financings) from participating financial institutions, and provide such data to the IOUs for placement on the customer’s utility bill;
- Receive customer payment data and funds from IOUs and distribute to PFIs by establishing the accounts and processes to ensure a secure cash-flow. Notify PFIs and IOUs, as appropriate and subject to relevant laws or regulations, of exceptional events such as payment delinquency, account termination, and similar events; manage the transfer of funds as described in the Scope of Services; and
- Provide comprehensive program reporting to CAEATFA and others as further described in the Scope of Services.

All proposals submitted to perform these services must explain the experience and qualifications of the firm which demonstrate the firm’s ability to provide these services. Failure to provide all of the requested information, or deviation from the required format, may result in disqualification. CAEATFA reserves the right to reject any or all proposals.

CAEATFA anticipates entering into a two-year contract (the “Contract” or “Agreement”) with the allowance for a one-year extension, for a total contract term of up to three years. The Contract

amount **may not exceed \$1,500,000.00 (One Million Five Hundred Thousand Dollars)** for the entire service term, including all optional extensions.

Attached as Section F is a proposed sample contract that will be the result of this RFP. It includes the STD 213 Standard Agreement and other standard contract provisions to which the Master Servicer will be bound.

## **2. CAEATFA Background and Overview**

The California Alternative Energy and Advanced Transportation Financing Authority, a public instrumentality, was created in 1980 to assist specified entities by providing credit enhancements, access to low-cost financing through private activity tax-exempt bonds and loans, and other forms of financial assistance.

CAEATFA staff takes direction from its Board in deciding which projects to assist. The Board consists of five members: the State Treasurer, who serves as chairperson of the Authority; the State Controller; the Director of the Department of Finance; the Chairperson of the California Energy Commission (“CEC”); and the President of the California Public Utilities Commission (“CPUC”).

The enabling legislation is contained in the California Alternative Energy and Advanced Transportation Financing Authority Act, Division 16 (commencing with Section 26000) of the California Public Resources Code.

## **3. Energy Efficiency Financing Pilot Programs Background and Overview**

The California Hub for Energy Efficiency Financing was first authorized by the California Public Utilities Commission in Decision (D.) 13-09-044 (September 2013), as later modified by D. 15-06-008, D. 15-12-002, and D. 17-03-026. The financing pilots were established to “test new and innovative strategies...to help leverage ratepayer and private financing to assist in achieving our aggressive energy efficiency goals, as later articulated by Senate Bill 350 (DeLéon, 2015) which calls for a doubling of energy efficiency in buildings by 2030.”<sup>1</sup> The pilots focus on attracting and leveraging private capital, given that we cannot meet the State’s energy efficiency goals using traditional approaches of IOU rebates and incentives, or on ratepayer or taxpayer dollars alone.

The design of the California Hub for Energy Efficiency Financing creates a centralized and standardized platform to develop an open-market infrastructure to encourage additional private capital investment, while lowering financing costs and expanding access to capital for Californians. The Pilot Programs may offer various forms of credit enhancements (“CEs”) to provide additional security to participating financial institutions, thereby attracting more private capital to energy efficiency finance and expanding consumer access to enhanced loan or financing terms. The pilots will also include on-bill repayment (“OBR”) functionality and mechanisms, which will “test whether payment on the utility bill increases debt service performance across market sectors.” Both CEs and OBR are implemented across multiple sectors, as further described in the Pilot Program descriptions below. Primarily, the pilots are designed to:

- (a) attract a greater amount of private capital to the energy efficiency retrofit market by reducing risk to lenders;
- (b) broaden the availability of financing to individuals who might not have been able to access it otherwise; and
- (c) address the upfront cost barrier to energy efficiency retrofit projects.

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<sup>1</sup> D. 17-03-026, page 2.

A collaborative effort between CAEATFA, the California Public Utilities Commission and the investor-owned utilities it regulates, the statewide platform will provide over \$30 million in credit enhancements; \$10 million in marketing, education and training; on-bill repayment (OBR) functionality and a centralized data portal. The CHEEF programs encompass multiple market sectors with different approaches to each market:

- **The Residential Energy Efficiency Loan (“REEL”) Assistance Program** supports energy efficiency loans for borrowers upgrading residential on single family properties (four units or less).<sup>2</sup> A loss reserve fund encourages broader access and lower cost financing for residential energy efficiency retrofits; with a deeper incentive for low-and-moderate income borrowers. REEL currently has four active lenders participating in the program, and enrolled its first loan in 2016, reaching over one million dollars in loans as of October 1, 2017.
- **The Affordable Multifamily Financing Program** is expected to offer a credit enhancement on financings for energy efficiency and demand response improvements on affordable housing properties. This pilot is expected to launch in 2018, and will support loans, leases and energy service agreements.
- **The Small Business Program** includes a credit enhancement to help small businesses lower their energy costs. This pilot is expected to launch in 2018, and will support loans, leases and energy service agreements.
- **On-Bill Repayment (OBR) Functionality** will also be offered to test whether this service is an effective tool to strengthen lender and borrower participation in energy efficiency retrofits for large commercial, multifamily and MUSH buildings. This on-bill repayment functionality will also be provided in the affordable multifamily and small business pilots. There is also a REEL sub-pilot in PG&E territory with a modified version of on-bill repayment authorized as the Energy Finance Line Item Charge (“EFLIC”).

The Pilot Programs are in various stages of program implementation and development. Each program has been authorized for an initial two-year period, as they are launched sequentially. After the two year period, each Pilot Program will be evaluated and the CPUC will consider its continuation and/or potential modifications. At this time, each Pilot Program is expected to continue to be implemented through its evaluation period (estimated to range from six to 12 months).

While the CPUC has approved longer term funding for the program, CAEATFA’s legislative budget authority is currently approved through FY 17-18 (June 30, 2018). CAEATFA anticipates receipt of the future legislative reimbursement and expenditure approval, and the CPUC has committed to funding the pilots throughout their administration period (anticipated to be 10 years after the last loan is enrolled). In addition, several State policy leaders have indicated an interest in leveraging the pilot infrastructure for additional programs using alternative funding sources. The term of the Agreement will be for a two-year period with the option for CAEATFA to extend for one additional year.

**The Contract amount for this RFP may not exceed \$1,500,000.00 (One Million Five Hundred Thousand Dollars) for the entire service term, including all optional extensions.**

Attached, in Section F hereof, is a proposed sample contract for the services to be provided pursuant to this RFP. It includes the STD 213 Standard Agreement and other standard contract provisions to which the selected Contractor will be bound.

#### CAEATFA’s Role

CAEATFA assumed the role of the administrator of the California Hub for Energy Efficiency Financing (CHEEF). As the CHEEF, CAEATFA serves as a facilitator among a multitude of

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<sup>2</sup> This program can also support up to four units in a larger residential complex (e.g. condominiums).

stakeholders, including the CPUC, the IOUs, lenders and energy efficiency retrofit contractors. This includes, but is not limited to, management of the flow of funds and data for the Pilot Programs, and provision of an over-arching structure through which those stakeholders can participate in a standardized “open market” that facilitates financing of energy efficiency projects in California. CAEATFA promulgates regulations for the Pilot Programs through a public rulemaking process, and develops pro forma program documentation for use by lenders, contractors and borrowers. The CPUC further directed the IOUs to contract with CAEATFA to establish procedures, terms and conditions for the primary CHEEF functions of fund management, financial product data and borrower data management, and on-bill repayment (OBR) mechanisms.

In addition, CAEATFA will enter into contracts for services necessary to implement the Pilot Programs, including the services contemplated by this RFP. Other contractors will include the Data Manager, which will organize and publicly present certain data elements provided by the Master Servicer for the Pilot Programs and by other program administrators for additional energy efficiency financing programs in a way that ensures the security and legality of data sharing on a public portal; as well as the Pilot Programs’ trustee (“Trustee”), which holds and transfers all CE funds between accounts, at the direction of CAEATFA (or its delegates), on behalf of the IOU ratepayers and the PFIs. CAEATFA also contracts with a Contractor Manager(s) that assists with program-specific training, enrolling and oversight of energy efficiency retrofit contractors participating in certain Pilot Programs. CAEATFA also receives design and implementation assistance from various technical assistance providers and industry experts.

#### The Energy Efficiency Financing Pilot Programs

As noted above, the Pilot Programs encompass multiple market sectors with different approaches to each. Broadly, however, the Pilot Programs use one or more tools to incent lenders to participate by providing CEs and/or servicing assistance. Pilot Programs may offer one or more of the following: (1) credit enhancements that cover some portion of the risk of default and/or delinquency on customer payments; (2) on-bill repayment through which customers repay financing charges via the utility bill; and (3) on-bill repayment through which the IOU’s customer service disconnection process is tied to the customer’s failure to make financing repayments.

#### Credit Enhancement Structures

The Pilot Programs will predominantly use a loss reserve structure to offset Participating Financial Institutions’ (PFIs’) losses on charged-off financings, mitigating lenders’ risk. CAEATFA may develop other credit enhancement structures to address gaps in specific markets during the program development period.

A loss reserve sets aside a certain amount of money (reserve) for each eligible financing into a pool to cover potential losses in case the lender ultimately charges off a financing for non-payment. The lender’s loss share (an agreed percentage of the loss) of the total financing may be recovered by the lender from its total loss reserve portfolio. The lender remains at risk for the remainder, as well as for aggregate losses in excess of its pool limit. As noted above, the loss reserve structure is currently the predominant credit enhancement that will be used under the pilots, however, other structures may be developed as a result of the public stakeholder process and program design.

Operational Reserve Fund: The operational reserve fund (“ORF”) is designed to cover unintended delays in remittances of customer payments to lenders that participate in the on-bill repayment pilots, resulting from a variety of circumstances.

While this RFP includes common terms such as “borrower”, “lender”, “loans”, “leases”, and “financings” these programs can support multiple types of financing products, including but not limited to: loans, leases, equipment finance agreements, retail installment contracts and energy service agreements. The programs will also partner with various types of financing providers,

including but not limited to: banks, credit unions, community development financial institutions, finance lenders, lease companies, and energy service companies.

The table below includes the estimated budgets for credit enhancements under each Pilot Program.

These estimated CE funds available can be used to extrapolate the potential size of the various Pilot Program(s) that might develop. However, CAEATFA does not guarantee any volume estimates for actual Pilot Program activity. In addition, CAEATFA was recently provided with the authority to 1) shift funds between programs as needed in order to address demand in any specific pilot during the implementation period, and 2) explore various program structures within pilots.

| Pilot Program              | Estimated CE Funds Available <sup>3</sup> |
|----------------------------|---|
| Single Family Loan Program | \$20,998,913                              |
| Multi-Family Program       | \$2,127,008                               |
| Small Business             | \$9,910,103                               |
| Non-Res OBR w/o CEs        | N/A                                       |

Below is the anticipated timeline for developing the necessary infrastructure for CHEEF functions, and launching the remaining Pilot Programs. Note that the timeline below is a high-level overview of the anticipated implementation period for each pilot. Coordination with the lenders, IOUs, PUC, Master Servicer, trustee, contractor manager, and marketing firm all play into the actual timeline for completion of each of these milestones.

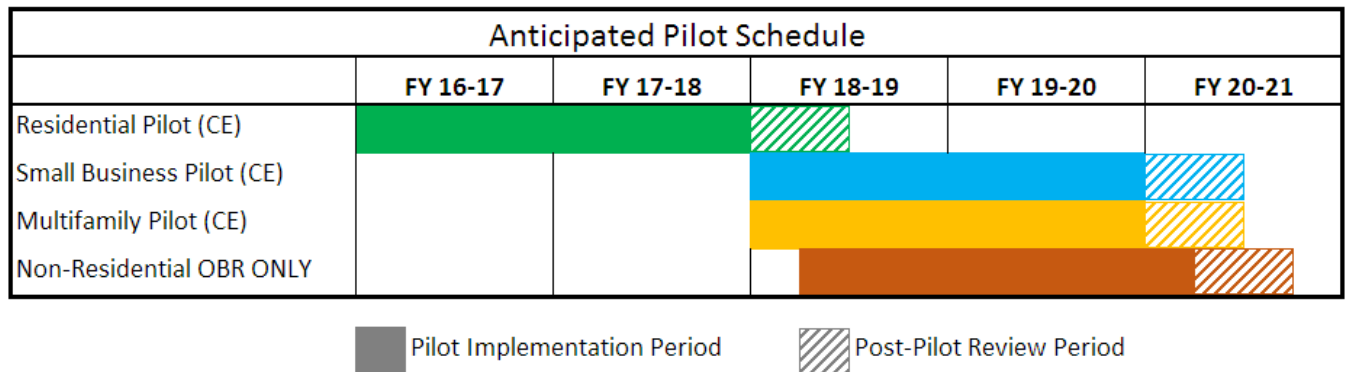


Figure 1 and Figure 2 (following) describe the roles of the parties involved in the Pilot Programs. Figure 1 shows the roles of parties in the off-bill Pilot Programs, while Figure 2 describes roles when financing charges are collected via the utility bill (OBR).

<sup>3</sup> The estimates for CE funds available draw from the initial budgets included in the IOUs' Program Implementation Plans submitted to the CPUC, and are subject to change.

Figure 1. Off-Bill Pilot Program Roles

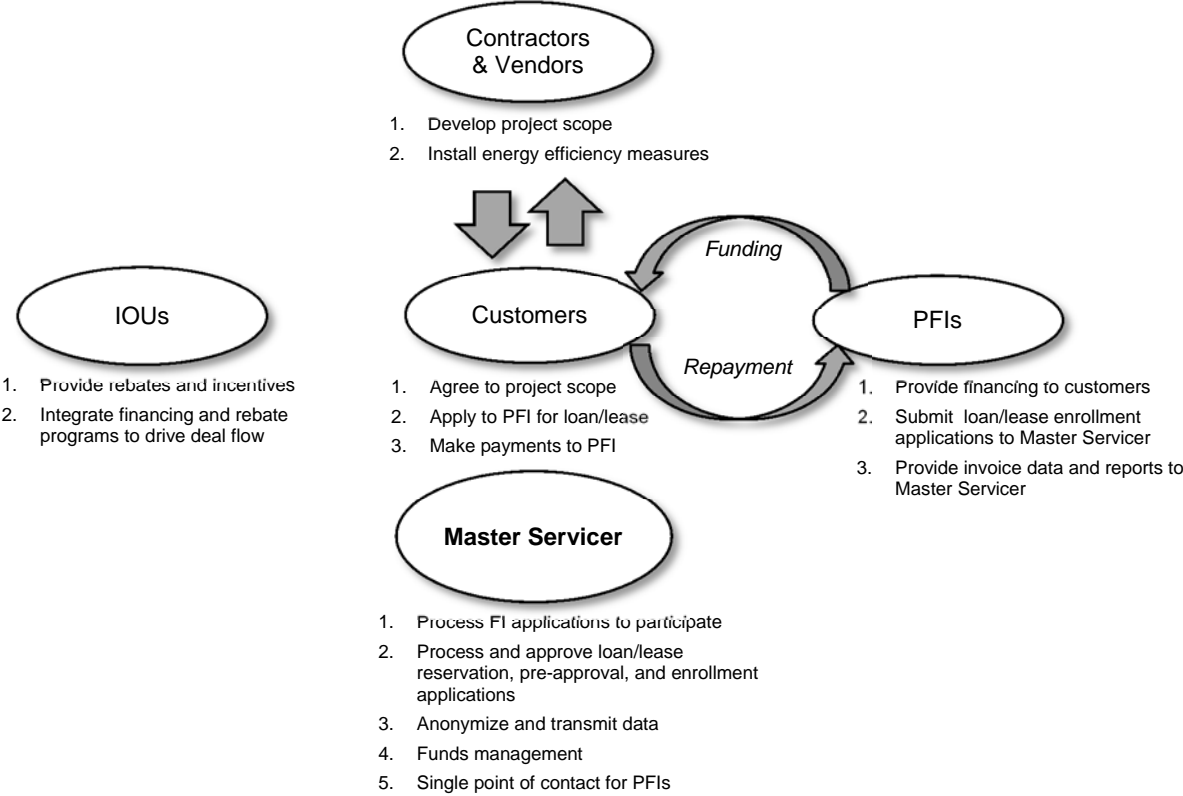
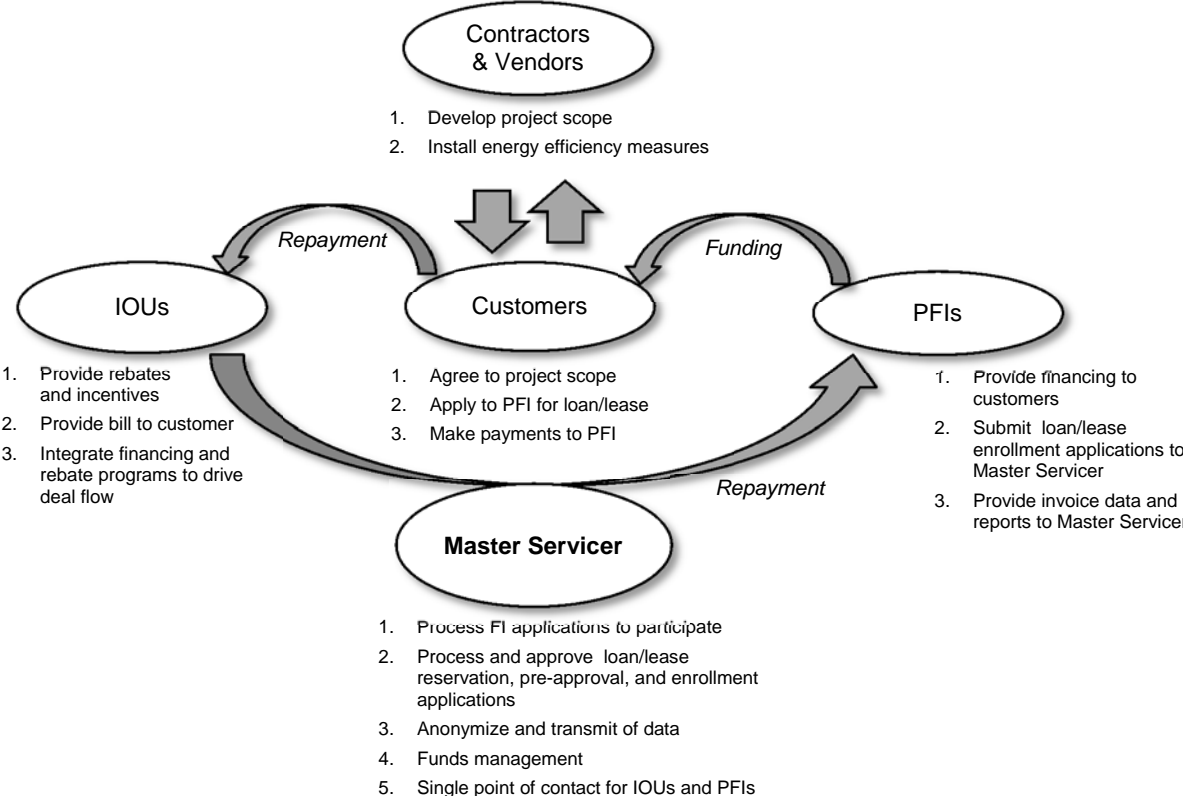


Figure 2. On-Bill Repayment Pilot Program Roles





#### 4. Scope of Services

Under the general direction, in writing, of the Executive Director of CAEATFA, or his or her designee, the Master Servicer agrees to provide services as described below. Note the pilots are in various stages of program implementation; the specific workload and deliverables associated with a specific pilot will correspond to those stages once the Master Servicer is under contract.

Given the various stages of development, and the rigorous public process CAEATFA will undertake to develop the Pilot Programs, it should be noted that while scope of work is described below the selected Master Servicer should expect some variances to operational processes to accommodate stakeholder input and lessons learned in pilot design. In addition, the selected Master Servicer will be expected to provide input and recommendations on operational functionality for the pilots currently under development.

It's currently anticipated that the majority of early activity under the pilots will be off-bill, with on-bill repayment servicing being offered as an optional functionality.

##### a. Implementation of Servicing Systems and Development of Policies and Procedures.

Prior to commencing operations, the Master Servicer will be required to adjust or customize its existing servicing systems and develop policies and procedures necessary to perform the Master Servicer functions laid out below. To the maximum extent possible, whenever it will achieve efficiencies and increased program effectiveness each process should be automated and should leverage existing infrastructure and systems. The Master Servicer will provide policy and procedures manuals defining and documenting its processes to CAEATFA by no later than the end of the fourth week of service under the Contract for all active programs.

As of September 2017, only the Residential Energy Efficiency Loan (REEL) Assistance Program has been launched. Information about the program and its corresponding regulations – including loan or financing enrollment documentation – can be found at [www.thecheef.com](http://www.thecheef.com) or <http://treasurer.ca.gov/caeatfa/cheef/index.asp>.

Specific to on-bill repayment, the Master Servicer will be required to adjust and customize its existing information technology infrastructure and processes that support the specific multidirectional data exchanges of financing and related customer information among Master Servicer, IOUs, and PFIs. These systems include:

- i. Master Servicer and IOU Automated Data Exchanges. The Master Servicer's system must support daily asynchronously transmission of datasets with all four IOUs. The Master Servicer's system must comply with predefined file layout specifications and sequencing protocols known as the CHEEF IOU Data Exchange Protocol ("IOU-DEP").
  - (a) Most of the file transmissions follow a two-way request-reply pattern while some are one-way exchanges that report the occurrence of an event or serve reconciliation purposes.
  - (b) The file characteristics of the IOU-DEP include: plain text data contents; character delimited, fixed or variable length column structures without header row; each row represents a distinct dataset; includes trailer record for error detection.
  - (c) The files must be securely encrypted at rest and while in transit.
  - (d) The Master Servicer's system must be capable of supporting Secure FTP for these data exchanges.

- (e) At CAEATFA's direction, prior to commencing operations, the Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its design and customization. This demonstration may be conducted with each of the four IOUs (and potentially the PFIs).
- ii. Master Servicer and PFI Automated Data Exchanges. The Master Servicer's system must support daily asynchronous transmission of datasets with all participating lenders. The Master Servicer's system must comply with predefined file layout specifications and sequencing protocols known as the CHEEF Lender Data Exchange Protocol ("Lender-DEP").
  - (a) The file transmissions are one-way exchanges that report current financing summary level information and the occurrence of a remittance transaction or relevant event. The datasets and transmissions are tightly coupled with the IOU-DEP data exchanges.
  - (b) The file characteristics of the Lender-DEP include: plain text data contents; character delimited, variable length column structures with header row; each row represents a distinct dataset; includes trailer record for error detection.
  - (c) The files must be securely encrypted at rest and while in transit.
  - (d) The Master Servicer's system must be capable of supporting Secure FTP for these data exchanges.
  - (e) At CAEATFA's direction, prior to commencing operations, the Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its design and customization. This demonstration may be conducted with each of the PFIs (and potentially the four IOUs).

The Master Servicer will coordinate the functions described in this RFP with the IOUs, PFIs and with CAEATFA, as directed by CAEATFA. Ultimately, the Master Servicer's system must be capable of completing the following primary processes:

- iii. PFI Enrollment. The Master Servicer will onboard PFIs, which will have applied and been approved by CAEATFA pursuant to each program's governing regulations. Once the PFI is enrolled, the Master Servicer will establish appropriate accounts and interface with each lender.
- iv. Customer Account Boarding and Financial Servicing Data Processing. The Master Servicer's system must include account initiation and financial servicing data processing capability to perform the following tasks:
  - (a) Receive financing origination files from a PFI and board (enter) that new customer data (including financing and project data) to an account servicing system;
  - (b) Accommodate changes in the ownership of a financing, including changes in servicing and data transmission requirements;
  - (c) In the case of OBR or EFLIC, for each individual financing, receive servicing files from PFIs.
  - (d) For OBR projects that include both gas and electric measures and are located within a split utility-service territory, OBR charges will be placed on the bill of the IOU with the associated measures that have the higher cost. The Master Servicer will be provided with a methodology to determine this allocation;

- (e) In the case of OBR or EFLIC financing, receive confirmation of charge placement on utility bill from IOUs and transmit such confirmation to PFIs;
  - (f) Receive other relevant data from PFIs for transmission to IOUs; and
  - (g) In the case of OBR or EFLIC financing, receive information regarding various events (e.g., service disconnection, customer bankruptcy, death) from IOUs and forward to PFI.
- v. Financing/Loan/Lease Enrollment Processing.
- (a) Intake of PFI requests to enroll a financing for credit enhancement under a Pilot Program.
  - (b) The Master Servicer will establish processes and procedures to ensure that all enrollment requests meet requirements defined in the applicable Pilot Program regulations. Such processes and procedures must include verification of the following, and may include additional eligibility checks as defined in the applicable Pilot Program regulations:
    - (1) The borrower is a customer of an investor-owned utility.
    - (2) The measures installed match a list of eligible measures provided to the Master Servicer by CAEATFA, or are eligible as indicated by a different methodology as identified by CAEATFA. The Master Servicer may rely upon contractor representations and submission of required project data as discussed in subsection (5) below.
    - (3) The contractor for the project is eligible to become a participating contractor, as defined in the applicable Pilot Program regulations.
    - (4) The financing meets the minimum underwriting criteria, as defined in the applicable Pilot Program regulations.
    - (5) The PFI has submitted all supplemental documentation required for the financing enrollment, as defined in the applicable Pilot Program regulations. Such documentation is expected to include, but may not be limited to: a copy of utility bill(s); certificates of completion signed by the borrower, contractor and any appropriate quality assurance providers, energy efficiency retrofit project and cost information; a release form provided by the investor-owned utilit(ies),<sup>4</sup> and a release form provided by CAEATFA.
  - (c) In the event a PFI receives a project pre-approval, the Master Servicer must establish processes and procedures to compare the information approved in the corresponding pre-approval with that received at the time of financing enrollment.
  - (d) Notification to CAEATFA of the Master Servicer's determination of project eligibility and its recommendation with regard to financing enrollment in the Program. If the PFI received a project pre-approval, the Master Servicer must also notify CAEATFA of any changes to the project that impact the allocation of credit enhancement funds reserved.

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<sup>4</sup> At program inception, pursuant to CPUC direction, the IOUs required a release form from the Borrower to share its energy consumption and/or energy savings data related to the project under the program. In early 2017, CAEATFA began exploring more effective approaches to obtaining the energy savings data on enrolled projects with the CPUC; this process is currently ongoing. At this time, CAEATFA does not anticipate the need for such an IOU release form, however it is included in the Scope of Services in case it is ultimately required.

- (e) CAEATFA's authority to approve financing enrollment, approval of credit enhancements and communication with the Trustee may ultimately be delegated to the Master Servicer.
- vi. Coordination with IOU Systems. The Master Servicer's process may include coordination with each of the four IOUs' unique processes to provide:
  - (a) PFI inquiry response, confirming a financing is an IOU customer.<sup>5</sup>
  - (b) Receipt of customer release of billing and payment history data forms from a PFI and transmission to the appropriate IOU. Note that the Master Servicer will not receive pre-project customer billing and payment history data.
  - (c) Confirmation that a financing applicant enrolling in OBR or EFLIC is current on utility bill payments;
  - (d) A means to establish and transmit to PFI and IOU a unique identifier for each financing and its related customer.
- vii. Fund Remittance Processing. The Master Servicer's system must include secure fund remittance capability to support OBR and EFLIC payment processes. CAEATFA recognizes that the Master Services may need the services from a secure cash flow bank to provide these services. Ultimately, its system must have the capability to:
  - (a) Receive electronic fund remittances from IOUs into a segregated account or accounts established for the sole purpose of received such customer payments. Funds received represent customer payments for financing repayments and related charges that are made through customer utility bills;
  - (b) Within one business day of an electronic fund remittance from an IOU clearing, direct and forward customer fund payments to PFIs along with associated data files linking each fund transfer with a specific enrolled financing;
  - (c) Reconcile customer payments received from the IOU and provide appropriate notifications to the applicable PFI regarding possible actions for consideration by the PFI.
  - (d) Provide the necessary and appropriate security and controls to enable a secure flow of funds. Develop processes that govern the flow of customer remittances such that these remittances flow from IOUs into segregated accounts that restrict the flow of the account in a way that: (i) allows CAEATFA to approve process or templates governing the flow of funds out of the accounts, (ii) restricts the remittances from such accounts that only CAEATFA approved PFIs are able to received such funds, and (iii) restricts remittances from such account so that the Master Servicer will be unable to transfer funds to any account other than such CAEATFA-approved account.
- viii. Operational Reserve Fund (ORF) Management. For OBR and EFLIC projects, the Master Servicer's process will include reviewing and reconciling daily reports from each IOU with customer payments remitted by each IOU. The Master Servicer is responsible for identifying when the ORF will be used consistent with the program regulations, and is responsible for managing and causing the transfer of funds.<sup>6</sup> The Master Servicer's process must include notification to CAEATFA each time it directs the use of the ORF in

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<sup>5</sup> This may be a review of the customer's utility bill.

<sup>6</sup> It is anticipated that the ORF funds will be held at the secure cash flow bank.

this manner. Upon subsequent receipt of funds from an IOU, the Master Servicer will be required to transmit such funds to the ORF account, along with directions to replenish the appropriate operational reserve fund. The Master Servicer's process must include notification to CAEATFA of such receipt and transfer. The Master Servicer will also provide recommendations as to when additional funds for the ORF may be necessary, relying on experience in program implementation.

- ix. Credit Enhancement Management. Many of the Pilot Programs include the utilization of a credit enhancement. The Trustee is responsible for holding the funds being used for the credit enhancement. However, the Master Servicer will play a vital role in CE management by reviewing applications for project pre-approvals/reservations, financing enrollments, and the assignment of credit enhancements under the various program regulations. The Master Servicer will develop and document a process for credit enhancement management that provides specifically for:
- (a) Loss reserve management. Most of the Pilot Programs have a loss reserve in place that will cover a portion of a PFI's charged off financing, up to a maximum amount. For example, a loss reserve might cover 80% of the remaining principal balance of a charged-off financing, and up to 10% of the enrolled portfolio of financings for the PFI. The Master Servicer will develop processes to manage this loss reserve structure, as described further below.
  - (b) Project Pre-Approval and Loss Reserve Reservation. The Master Servicer will have the ability to intake PFI requests to pre-approve projects and reserve loss reserve funds prior to actual closing and funding of a financing. PFIs may, at their option, choose to pre-approve projects and reserve loss reserve funds at the time of financing application. The Master Servicer will establish processes and procedures to ensure that all project pre-approval requests meet requirements defined in the applicable Pilot Program regulations. Such processes and procedures include verification of the following, and may include additional eligibility checks as defined in the applicable Pilot Program regulations:
    - (1) The borrower is a customer of an investor-owned utility, and meets the requirements defined in the applicable Pilot Program regulations.
    - (2) The proposed measures installed match a list of eligible measures or other appropriate methodology for approving eligible project measures as provided to the Master Servicer by CAEATFA. The Master Servicer may rely upon contractor representations and submission of required project data as discussed in subsection (v) below.
    - (3) The contractor for the project is a participating contractor, as defined in the applicable Pilot Program regulations.
    - (4) The proposed financing meets the minimum underwriting criteria, as defined in the applicable Pilot Program regulations.
    - (5) The PFI has submitted all supplemental documentation required for project pre-approval, as defined in the applicable Pilot Program regulations. Such documentation is expected to include, but may not be limited to: a copy of the borrower's utility bill(s); a description of project measures and estimated cost; a release form provided by the investor-owned utilit(ies), and a release form provided by CAEATFA.

The Master Servicer must incorporate in its processes and procedures a notification to CAEATFA of its determination of project eligibility to receive a pre-approval, along with its recommendation for processing the request.

Upon subsequent financing funding, the Master Servicer will receive notification from the PFI of such funding via the PFI's submission of a financing enrollment application. For all projects that receive a project pre-approval, the Master Servicer must establish processes and procedures to compare the information approved in the corresponding pre-approval with that received at the time of financing enrollment. If the information differs, the Master Servicer must establish processes and procedures to verify that the information submitted at the time of financing enrollment complies with the applicable Pilot Program regulations. Should the PFI fail to provide documentation of financing funding within a period of time to be specified in the Pilot Program regulations, the Master Servicer must have the capacity to notify CAEATFA of such failure so that CAEATFA may direct the Trustee to release the reserved funds.

CAEATFA's authority to approve these requests may ultimately be delegated to the Master Servicer.

- (c) Claim Reimbursement Processing. Intake and review of requests from PFIs for claim reimbursements. Upon receipt of such requests, the Master Servicer will notify CAEATFA and recommend action (e.g., reimburse funds, reject request, or request further information).
- (d) Provision of Supporting Documentation for Financings/Loans/Leases. Upon CAEATFA's request, provision of full financing enrollment supporting documentation. CAEATFA anticipates that this additional review is likely to take place more frequently during the early stages of each Pilot Program.
- x. Project Database Management. In a separate solicitation process, CAEATFA will select a Data Manager with responsibility for presenting data to the public on project and financial performance (subject to all legal and regulatory requirements related to protection of confidential information and Personally Identifiable Information ("PII")). The Master Servicer will be responsible for collecting and storing data on project installation, financing origination, terms, and performance, and potentially energy savings or consumption data related to the project/financing. Examples of data elements that may be collected are included in Attachment 5 to this RFP. CAEATFA will inform the Master Servicer of data requirements in writing after collaboration with the IOUs, relevant stakeholders and the Master Servicer. The Master Servicer will also be responsible for transmitting anonymized data to the Data Manager on a regular basis, as established in coordination with CAEATFA and the Data Manager. The Master Servicer's system and processes must have the capability to:
  - (a) Coordinate with the Data Manager's data system.
  - (b) Identify financing origination data from origination files provided by each PFI, expected to be provided daily. Extract financing performance data from servicing files provided by each PFI or IOU, expected to be provided daily, for later transmission to the Data Manager in anonymized form.
  - (c) Identify project installation scope and cost information associated with each financing, as provided by PFIs or IOUs.
  - (d) Remove all PII from such files.
  - (e) Aggregate resulting data sets according to guidelines provided by CAEATFA, and prior to distributing data to other parties.
  - (f) Secure PII data in conformity with the California Information Practices Act.

- (g) Comply with IOU data security requirements as specified in Exhibit F to the Sample Standard Agreement (Section F).
  - (h) Receive, store, and transmit data to the Data Manager in a manner that fully protects confidential information and PII (consistent with applicable laws and regulations).
  - (i) Standardize format and framework for information transmitted to the Data Manager such that all customer data is presented consistently and fits into an appropriate data schema.
  - (j) Upon direction from CAEATFA, provide project data to the Contractor Trainer/Manager as required in Pilot Program regulations.
- xi. Data Exports and Reporting. The Master Servicer must also develop and document processes and report templates for tracking and reporting to CAEATFA on transaction activity and financing performance, as described below:
- (a) New Projects Transaction Report(s). This report will be provided to CAEATFA and include data on all of the new transactions per the various Pilot Programs. The frequency of the report may be on a weekly or monthly basis.
  - (b) Program Activity by IOU(s). This report will be provided to CAEATFA and the IOUs, and will include data on Pilot Program activity within IOU territories. The frequency of the report will likely be on a monthly basis.
  - (c) Reservation/Pre-Approval(s). This report will be provided to CAEATFA and will include data on any reservations/pre-approvals. The frequency of the report will may be on a weekly or monthly basis.
  - (d) Monthly Activity Report(s) for Marketing Efforts. This report will include activity data that will assist in informing the marketing efforts and will be provided to the marketing implementer identified pursuant to the CPUC Decision. The frequency of the report will likely be on a monthly basis.
  - (e) Activity Report(s) for the Contractor Manager(s). This report will provide project and borrower data to the selected Contractor Manager(s) to enable it to carry out the contractor and project quality control and oversight under its contract. The frequency of this report may be weekly or monthly.
  - (f) Master Activity Report(s). This will include accumulative data, including loan performance, of all enrolled financings per the various Pilot Programs, and will be provided to CAEATFA. The frequency of this report will be monthly.
  - (g) Claim Activity Report. This report will include data on claims and will be provided to CAEATFA.
  - (h) Receive Lender Reports. The Master Servicer will also receive reports from lenders on a regular basis reflecting financing activity and performance.
  - (i) Receive Contractor Management Reports. The Master Servicer may receive reports identifying the participating contractors under the various programs. The frequencies of these reports is anticipated to be weekly.
  - (j) Additional reporting as requested in writing by CAEATFA.

- xii. Transfer of Functionality and Data. The Master Servicer shall ensure that its systems, policies, and procedures facilitate the transfer of all data collected under this Contract to CAEATFA or its designee at the end of the Agreement term.
- b. Operational Functionality.
- On a daily, weekly, monthly or quarterly basis (depending on the task), the Master Servicer will be required to perform the following tasks (using the systems described above):
- i. PFI Enrollment.
- (a) PFI Account Setup. Once CAEATFA approves a PFI to participate in a program, the Master Servicer will create a system account for each PFI and will establish an automated interface. The Master Servicer will respond to technical issues, if any, within two business days until the interconnection is established.
- ii. Coordination with IOU Systems.
- (a) Custom Data Fields. The Master Servicer's system must be capable of tracking, storing and reporting CAEATFA, IOU, and PFI custom data fields for each financing and customer account.
- (b) Unique Customer Identifier. At the first PFI request regarding a unique customer (initial IOU customer eligibility check, credit enhancement reservation application, project pre-approval application, or financing enrollment application) the Master Servicer shall create a unique identifier associated with that customer. The Master Servicer will then transmit that unique identifier to the applicable PFI (and IOU(s) if applicable). Future transactions associated with that customer should use the same identifier, and allow for a distinction. The identifier must be unique within the existing program and consistent in format with the existing technical specification.
- (c) On-Bill Repayment Customer and First Charge Enrollment. Each time the Master Servicer receives a request from a PFI to enroll a financing in the EFLIC sub-pilot or a Pilot Program that includes on-bill repayment, the Master Servicer will through the IOU-DEP process transmit the specified customer account information to the IOU for enrollment. The Master Servicer will receive through the IOU-DEP process a response transmission accepting or rejecting the customer's enrollment. An acceptance response will also identify the customer's estimated bill cycle day. The Master Servicer will report to the PFI the outcome of the enrollment attempt through the Lender-DEP process. The Master Servicer will through the IOU-DEP process transmit the monthly OBR charge amount to the IOU on the next occurring bill cycle day as established by the enrollment acceptance. The Master Servicer will report to the PFI the outcome of the first monthly OBR charge transmission attempt through the Lender-DEP process.
- (d) On-Bill Repayment Recurring Monthly Charge. The Master Servicer must continue to transmit the monthly OBR charge amount to the appropriate IOU each month on the bill cycle day of each customer enrolled in the EFLIC sub-pilot or a Pilot Program that includes on-bill repayment. The Master Servicer must design and implement controls to ensure only one (1) monthly OBR charge transmission is accepted by the IOU in a rolling 30-day period for each enrolled customer. The Master Servicer must track and store modifications to the monthly OBR charge amount as received from PFI through a process it must establish. The Master Servicer must track and store each customer's bill cycle day as first received from the IOU through the IOU-DEP process. The bill cycle day may be modified at any time by the IOU through the IOU-DEP process.



- (e) On-Bill Repayment Charge Remittances. Each business day where there is OBR or EFLIC payment activity, the Master Servicer will receive from the IOUs through the IOU-DEP process a transmission detailing transactions associated with the EFLIC or OBR payment activity. The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process as a function of the Master Servicer's fund management and reconciliation obligations described in the subsections above and below.
- (f) On-Bill Repayment Billing Delays. Each business day where the IOU is unable to bill the customer as intended, the Master Servicer will receive from the IOUs through the IOU-DEP process a transmission identifying the impacted account(s). The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process. The Master Servicer shall take steps to trigger an Operational Reserve payment and reimbursement when appropriate, as described in subsection 4.b.v. "Operational Reserve Fund Management" below.
- (g) On-Bill Repayment Servicing Exceptions. The IOUs will notify the Master Servicer through the IOU-DEP process of certain information pertaining to enrolled EFLIC or OBR customer's utility bill repayment status. This information is defined by the IOU-DEP and includes but is not limited to: past due account notices, disconnection warnings, and notice of service disconnection or severance. The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process. The Master Servicer's system must also interpret this data and under specific conditions initiate the customer removal process from the EFLIC or OBR program. Note that service disconnection is not a feature of the EFLIC program, so notices for EFLIC will relate only to customer utility bill payment delinquency.
- (h) On-Bill Repayment Removal. The Master Servicer may also receive requests from PFIs or IOUs to remove the customer from the EFLIC or OBR program and the subsequent customer finance charges from the utility bill. The IOU will notify the Master Servicer through the IOU-DEP process. The PFI will notify the Master Servicer through a process it must establish. Upon receiving notice the Master Servicer will use the IOU-DEP process to remove the customer and the charge from the utility bill. The Master Servicer must track and store the change in customer EFLIC or OBR enrollment status and report to the PFI through the Lender-DEP process.
- (i) On-Bill Repayment IOU Customer Eligibility. The Master Servicer will verify that the borrower is an IOU customer and in a rate class eligible for participation in the requested Pilot Program and the IOU customer is current on its utility bill payments (not past due).
- (j) IOU Customer Billing and Payment History. At financing origination, a PFI may, at its option, request to receive a customer's utility billing and payment history using the appropriate customer release form. When this occurs, the Master Servicer will receive this request and transmit it to the relevant IOU. No further action on the part of the Master Servicer shall be required.
- (k) Customer Energy Consumption or Energy Savings Data. IOUs may provide, on an annual basis during the life of the financing, data associated with the related unique customer ID, showing customer energy consumption for the previous 12 months. At the time of the initial energy consumption request, the IOUs will provide up to 12 month of pre-installation consumption data along with the post-installation usage. While not contemplated at this point, the Master Servicer may receive energy use/ savings data. This data will be with an individual financing that is later provided to the Data Manager. This process is currently being deliberated by the CPUC, and it is CAEATFA's intention

that this energy data will bypass the Master Servicer and be provided directly to the Data Manager.

- iii. Customer Account Boarding and Invoice Processing. At the first PFI request regarding a unique customer (initial IOU customer eligibility check, credit enhancement reservation application, project pre-approval application, or financing enrollment application) the Master Servicer shall establish a new financing data account within one business day.
- iv. Fund Remittance Processing.
  - (a) Fund management, reconciliation and notification. The Master Servicer will perform all fund management and reconciliation functions consistent with its conduit function, transferring customer financing payments between IOUs and PFIs, and will deliver all associated notifications to IOUs, CAEATFA and PFIs.
  - (b) Receive daily files or reports from IOUs. On each business day where there is OBR or EFLIC activity, the IOUs shall transmit to the Master Servicer a daily report showing, for OBR and EFLIC, all funds received by the IOU, and all funds remitted to the Master Servicer (via its secure cash flow bank), with each amount associated with the unique customer identifier described above. The Master Servicer shall take appropriate action as described in subsection (d) (Daily Fund Remittance Processing) below and in Section 4.b.v. (Operational Reserve Fund Management) below.
  - (c) Daily Fund Remittance Processing. Upon receiving notice of a fund remittance into a segregated account from any IOU, including the associated IOU daily report file, the Master Servicer will acknowledge receipt of the file and funds. The Master Servicer will separate the funds into the amount due to each PFI, and initiate the transfer of such funds to the appropriate PFI within one business day of clearing such funds from the IOU. The Master Servicer must also use the Lender DEP process to notify the PFI of the transfer of funds.
    - (1) The Master Servicer will transfer the available amount as appropriate and determine whether to trigger the Operational Reserve based on its analysis of information that the IOU provides in its daily report:
    - (2) The Master Servicer shall trigger an Operational Reserve payment and reimbursement as described in subsection 4.b.v. "Operational Reserve Fund Management" below and further delineated by CAEATFA's future program regulations and procedures.
- v. Operational Reserve Fund Management. In the case of OBR or EFLIC, the Master Servicer shall review daily all IOU remittance reports received from IOUs to determine if the aggregate net dollar amount of full, partial, and returned payments reported to the Master Servicer by an IOU will be sufficient to fund the PFIs corresponding to the amount each customer has paid, identified in the remittance report. The Master Servicer shall direct the transfer of funds from the Operational Reserve to the appropriate PFI if sufficient funds are not received from the IOU. The Master Servicer shall notify CAEATFA each time it directs the transfer of funds in this manner. Upon subsequent receipt of funds from an IOU, the Master Servicer will be required to transmit such payments to the appropriate operational reserve fund. The Master Servicer shall notify CAEATFA of such receipt and transfer.

Prior to commencing operations, the Master Servicer will be required to adjust or customize its existing servicing and cash management systems and develop policies and procedures necessary to perform the operational reserve fund management functions laid out above. To the maximum extent possible to the extent it creates efficiency and increases program effectiveness, each process should be automated and should leverage existing infrastructure and systems. At CAEATFA's direction, prior to commencing operations, the

Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its design and customization. This demonstration may be conducted with each of the four IOUs, and PFIs.

- vi. Credit Enhancement Management. CE funds will be provided by IOUs for projects within their combined service territories and Pilot Programs. In addition, upon CAEATFA's request, the Master Servicer shall provide CAEATFA with financing enrollment supporting documentation to enable CAEATFA staff to conduct appropriate due diligence. CAEATFA anticipates that this additional review is likely to take place more frequently during the early stages of each Pilot Program (e.g. 100% of first 10 enrollments per PFI per program, 75% of next 15 enrollments, etc).

CAEATFA may over time delegate its authority over these processes to the Master Servicer.

- (a) Loss Reserve Reservation/Pre-Approval. Upon receipt of a reservation request from a PFI, the Master Servicer will review the request for compliance with the applicable program regulations and notify CAEATFA of its recommendation to either approve or deny the request within one business day. For all projects that receive a project pre-approval, the Master Servicer will compare the information approved in the corresponding reservation with that received at the time of financing enrollment. If the information differs, the Master Servicer must verify that the information submitted at the time of financing enrollment complies with the applicable Pilot Program regulations.

The Master Servicer's recommendation must include the IOU territory and program in which the financing will be enrolled and the estimated amount of CE funds to be reserved, based upon criteria specified in the corresponding Pilot Program regulations and provided to the Master Servicer by CAEATFA. CAEATFA may, in turn, make amendments to and/or communicate all such requests to the Trustee. Once CAEATFA has approved the loss reserve reservation, and informed the Master Servicer, the Master Servicer shall inform the PFI that CAEATFA has reserved funds for the requested financing.

Should a PFI fail to submit documentation of financing funding within an amount of time specified in the corresponding Pilot Program regulations, the Master Servicer shall inform CAEATFA of such failure, and CAEATFA shall instruct its Trustee to cancel the reservation of loss reserve funds. CAEATFA may direct the Master Servicer to place an upper limit on the total amount of reservations that one PFI may request, if required by Pilot Program regulations.

Note that this loss reserve reservation step will be optional, so not all PFIs will make a loss reserve reservation request for all projects.

- (b) Financing/Loan/Lease Enrollment and Loss Reserve Allocation. Upon completion of an eligible project, the PFI shall submit to the Master Servicer a financing Enrollment Application to request a loss reserve allocation. The Master Servicer shall review each request for completeness and eligibility in accordance with Pilot Program regulations. The Master Servicer will inform the PFI if a financing enrollment package is incomplete.

The Master Servicer shall communicate a request for loss reserve allocation, including a recommended action for approval or denial, to CAEATFA within two business days of receiving a complete financing Enrollment Application. If the loss reserve allocation request is approved, CAEATFA shall issue instructions to the Trustee to transfer funds to the appropriate PFI program subaccount that will be established with the Trustee. The Trustee shall then inform CAEATFA and the Master Servicer that funds have been transferred accordingly, and the Master Servicer shall inform the PFI of such transfer.

- (c) Claim Reimbursement. If an eligible financing is charged off by a PFI, pursuant to Pilot Program regulations, the PFI may issue a claim request to the Master Servicer for reimbursement of the allowable loss reserve amount, or a portion thereof, from the Trustee. Master Servicer shall review each claim request for completeness and compliance with program rules and shall communicate within two business days to the PFI whether the claim request is deemed complete or requires additional information. The Master Servicer shall notify CAEATFA with a recommended action to reimburse or reject such claim request based on the claim's eligibility. CAEATFA shall determine its action and issue appropriate instructions to the Trustee and notify the Master Servicer. The Master Servicer shall notify the PFI of the status of its claim request.

CAEATFA may permit a PFI to submit up to two claim requests for a single financing. If an eligible claim amount exceeds the funds available for the corresponding Pilot Program and reserve type for that PFI, CAEATFA will direct the Trustee to transfer funds to reimburse the PFI up to the amount of the available funds. If the PFI increases the loss reserve account balance by enrolling additional financings for the corresponding Pilot Program, it may then submit one additional claim request for the outstanding claim amount or a portion thereof. The Master Servicer shall process such subsequent claim requests in accordance with the Pilot Program requirements, using the process outlined above. In no case shall the PFI receive more than the maximum CE amount for a single financing.

- (d) Recovery of Claim Reimbursements. If a PFI subsequently recovers funds from a financing for which it received a loss reserve claim reimbursement, then the PFI will refund the appropriate amount to Trustee with notification to the Master Servicer in accordance with the applicable Pilot Program regulations.

vii. Project Database Management.

- (a) Establish Data Schema. Using a set of data elements and data dictionary provided by CAEATFA, the Master Servicer will develop methodology for transmitting and storing data elements. The schema will be consistent with current data management practices (e.g., flat file/excel, XML/WSDL and SOAP or JSON/REST) and will allow the non-breaking change flexibility to modify data elements, minimize cost and technical requirements to sources of data collected (IOUs and financial institutions), and allow substantial scalability.
- (b) Establish Data Platform. The Master Servicer will have a data platform for maintaining the data and interfacing with data providers (e.g., IOUs and PFIs (large and small)) and the Data Manager.
- (c) Merge Data. The Master Servicer will receive and periodically (at financing/loan/lease closing and annually through the life of the financing/loan/lease) upload individual customer financial data – and potential energy data -- matching the individual data to create one data record of both energy and financial data information. The result will be a single database of individual records that includes information about the customer, the property, the project, pre- and post-installation energy consumption, the financing. This data will be associated with the unique customer identification number referenced earlier.
- (d) Anonymize Data. The Master Servicer will develop a process to ensure that all customer data (such as, billing, program participation, or account information) at the level of an individual customer is scrubbed or altered such that an individual customer cannot reasonably be re-identified before transmitting any data to the Data Manager or to other parties at CAEATFA's direction.

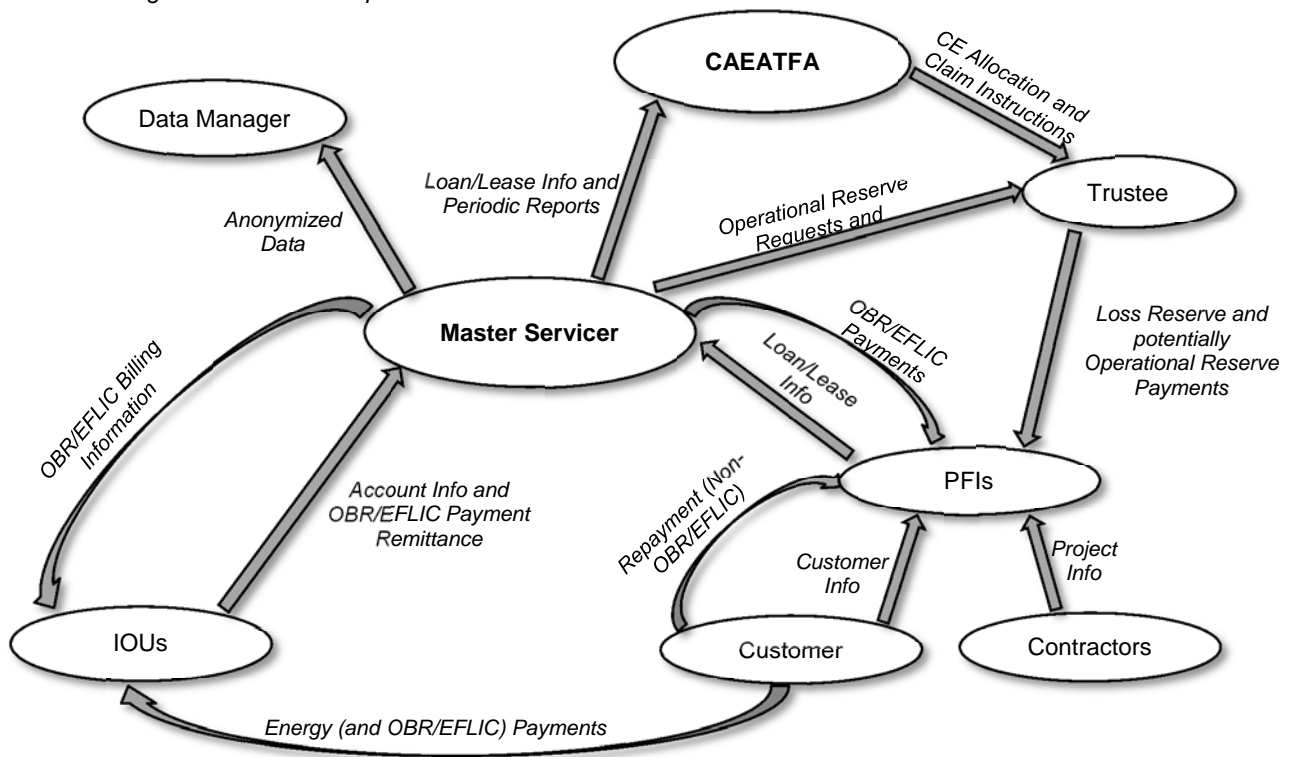
- (e) Aggregate Data. The Master Servicer shall have the capacity to aggregate previously anonymized data at CAEATFA's direction. This aggregation may be requested before data is sent to the Data Manager.
- (f) Delete Data. The Master Servicer shall have the capacity to delete data received from a PFI upon instructions from CAEATFA that will include the triggering event (e.g. loan application file received but loan not funded) and a specific period of time after that triggering event (e.g., 120 days) and the specific data fields to be destroyed (e.g., PII data such as customer name or contact information).

c. Other Tasks.

- i. The Master Servicer will be required to on-board an existing portfolio of financings that are enrolled in REEL, and customize its servicing to implement the Master Servicer and IOU Automated Data Exchanges that have been adopted by the IOU stakeholders as described above.
- ii. The Master Servicer will assist and work with CAEATFA staff to ensure the most effective design of its operations related to the scope of this agreement, keeping in mind the user experience (PFIs, IOUs, and CAEATFA).
- iii. This program is a pilot, and Master Servicer should assume that modification to processes will be necessary from time to time during the pilot and implementation period to incorporate lessons learned.
- iv. The Master Servicer will work with CAEATFA to respond to any Public Records Act ("PRA") requests presented.
- v. The Master Servicer is not expected to directly receive or respond to any consumer complaints but will be available to consult with and support CAEATFA as necessary.
- vi. The Master Servicer will attend meetings and collaborate with CAEATFA and stakeholders, such as IOUs, CSE, and PFIs, to discuss and provide guidance on integration with the broader program processes and protocols.
- vii. The Master Servicer will develop a work plan, in coordination with CAEATFA staff, to demonstrate how it intends to implement the items set forth in the Scope of Services on a timeline consistent with the Key Action Dates provided below. Given the various pilots and sequential development and launch of the pilots, specific work will be governed by task orders.

Figure 3 (following) provides an overall view of all functions performed through these Pilot Programs, with Master Servicer roles specifically set forth.

Figure 3. Pilot Program Roles and Responsibilities



## 5. Term of Agreement

The term of the Agreement will be for a two-year period with the option for CAEATFA to extend for one additional year. The effective date is either the proposed award date (Section C, Item 1), or the date of approval of the Agreement by the Department of General Services. No work shall commence until the effective date.

Any customer accounts that require ongoing servicing after the Agreement ends will be transferred to an alternate master service provider as directed by CAEATFA. Master Servicer will be required to assist and support the transfer of servicing functions and data to the alternate provider.

## B. MINIMUM QUALIFICATIONS FOR PROPOSERS

The firm must have, at a minimum, the following qualifications and experience:

1. Firm must be licensed to do business in the State of California prior to execution of the Contract.
2. Firm must ensure compliance with the National Automated Clearing House Association (NACHA) Operating Rules.

3. **Firm must have been in operation for a minimum of three (3) years providing the types of services required under the Contract, and must possess:**
  - a. Experience operating as a Master Servicer or with on-bill repayment with multiple utilities.
  - b. Proven ability to manage data securely, including annual (SSAE 16 (Standards for Attestation Engagements No. 16, American Institute of Certified Public Accountants (AICPA)) Type II reports on the firm’s internal controls (or an equivalent independent review of data security measures acceptable to CAEATFA).
4. **A written set of policies related to Quality Assurance and Controls.**

**C. PROPOSAL REQUIREMENTS AND INFORMATION**

**1. Key Action Dates**

All firms are hereby advised of the following schedule and will be expected to adhere to the required dates and times. Note: dates may be subject to change due to administrative processing.

| <u>Date</u>                           | <u>Action</u>  |
|---------------------------------------|--|
| October 11, 2017<br>(Wednesday)       | RFP Advertisement – California State Contracts Register (CSCR). RFP available to prospective Proposers.  |
| October 17, 2017<br>(Tuesday)         | Written questions must be received by CAEATFA by 12:00 noon PST. Responses will be posted within several days on the DGS and CAEATFA websites. |
| October 31, 2017<br>(Tuesday)         | Proposals are due and must be received at the CAEATFA office at 915 Capitol Mall, Room 538, Sacramento, CA 95814, by 4:00 p.m.                 |
| October 31, 2017–<br>November 3, 2017 | Evaluation and selection of firm by evaluation committee. Determination of responsive proposals.   |
| November 14, 2017<br>(Tuesday)        | CAEATFA Board Meeting  |
| November 15, 2017<br>(Wednesday)      | Notice of Intent to Award  |
| December 15, 2017<br>(Friday)         | Proposed Award Date (or upon approval of Agreement by DGS)   |

**Contract Milestones**

**Day One = A (Approved)**

|            |  |
|------------|--|
| A + 1 week | First meeting between CAEATFA and Contractor. CAEATFA will provide additional background materials on programs, and jointly establish timeframes for servicing functionality |
| A + 2 week | First meeting between CAEATFA, IOUs, and Contractor to discuss on-bill repayment infrastructure.   |
| A + 3 week | Master Servicer provides work plan to accomplish deliverables within timeframes to CAEATFA   |

|                           |   |
|---------------------------|---|
| A + 4 week                | Work plan and timetable adjusted as needed, submitted to CAEATFA for approval.  |
| A + 4 week                | Contractor provides CAEATFA with first draft of processes and procedures for REEL ( <i>Approximately 3 weeks to complete task</i> )   |
| <i>Ongoing, As Needed</i> | Continued working meeting between Master Servicer, CAEATFA, IOUs and PFIs to establish EFLIC and OBR functionality  |
| A + 5 week                | Contractor provides CAEATFA with final draft of processes and procedures for REEL ( <i>Approximately 4 weeks to complete task</i> ). The interface with existing REEL lenders is established. |
| A + 6 week                | Capable of processing applications for financing/loan enrollment. Begin processing REEL loan enrollment applications ( <i>These are ongoing tasks</i> )                                       |
| Q2 –Q3 2018               | First meeting between CAEATFA, Data Manager, and Contractor. Begin coordination with Data Manager to establish processes and procedures for transferring data.                                |
| TBD (est. Q3 2018)        | Contractor provides CAEATFA with first draft of processes and procedures for transfer of data to Data Manager   |
| TBD (est. Q3 2018)        | Contractor provides CAEATFA with final draft of processes and procedures for transfer of data to Data Manager   |
| TBD (est. Q3/Q4 2018)     | Transfer of data between Contractor and Data Manager begins ( <i>This is an ongoing task</i> )  |
| TBD (est. Q1 2018)        | Contractor provides draft and final procedures and has capability to implement the Small Business Pilot   |
| TBD (est. Q1 2018)        | Contractor provides draft and final procedures and has capability to implement the Affordable Multifamily Pilot   |
| TBD (est. Q1 2018)        | Contractor provides CAEATFA with first draft of processes and procedures for OBR Pilot Programs   |
| TBD (est Q1/Q2 2018)      | Contractor provides CAEATFA with final draft of processes and procedures for OBR Pilot Programs   |
| TBD (est. Q2 2018)        | Capable of processing applications for PFI enrollment in the OBR Pilot Programs ( <i>This is an ongoing task</i> )  |

## 2. Content and Format of Proposals

This RFP, the evaluation of the proposals and the award of any resultant contract will be governed generally by the rules of this section and applicable State policy. The Bidder Instructions (<http://www.documents.dgs.ca.gov/pd/modellang/GSPD451-110911.pdf>) provide general information for potential bidders describing how to provide a responsive bid.

Proposals must be organized in the format shown below and contain all of the information listed:

- a. Table of Contents.
- b. Executive Summary. Summarize the highlights of the proposal and address areas for the types of services required.



c. Qualifications and Experience of the Contractor Firm.

Briefly and specifically describe the overall experience of your firm that demonstrates your ability to successfully meet the Minimum Qualifications for Proposers (Section B).

i. Firm Qualifications and Experience.

- (a) Specify the way(s) in which your firm meets each of the Minimum Qualifications for Proposers as set forth in Section B. Include the locations of firm offices as well as the name, title and telephone number of a contact for the firm.
- (b) List your firm's master servicer engagements during the last three (3) years and provide a brief description of each scope of work. Include a description of the types of financial instruments, amounts, and terms, total number of accounts serviced/underwritten, geographic service area and number of financing/loan/lease originators involved in financing/loan/lease portfolio. Discuss experience in providing services for other government programs, if any, and for other agencies or utilities with similar projects. Include a discussion of any unique strengths possessed by your firm. Discuss all processes to be used for Quality Assurance and Quality Controls. Describe all processes and systems used for storing of confidential and/or personally identifiable information.
- (c) Provide information on whether your firm has been rated by a credit rating agency and, if applicable, submit the latest rating report of such agency.
- (d) Provide information related to your data security, privacy, and any experience working within financial institution regulatory requirements, as well as experience with both bank and non-bank (e.g., credit union) partners, backup/redundancy protocols and capabilities. An annual SSAE16 Type II audit review of relevant operations is required.
- (e) Provide a listing of other state or local governments or utilities for which the firm has acted, or is currently acting as a Master Servicer; the length of time engaged on such projects; the nature of services provided; and a contact person with address and telephone number.
- (f) Describe any experience your firm has with the energy or renewable/efficiency industries.
- (g) Identify any proposed subcontractors and the functions to be assigned to each of them.

ii. Personnel Experience and Qualification.

- (a) Include an organization chart showing functions, positions, and titles of professionals in your firm, including any subcontractor firm(s) that your firm intends to use in performance of its duties under the Contract. Identify the role of each staff member who will perform services pursuant to the Contract, his/her title, and the percentage of the total firm effort under this contract that shall be provided by that individual
- (b) Provide detailed resumes for individuals who will be directly involved in providing services under the Contract, including any proposed subcontractor firms and their employees.
- (c) Complete Attachment 3, Key Personnel and Experience, including partners and associates who will be directly involved in providing the services required under the contemplated Contract. Provide a brief description of the background and experience of each individual, including years and type of experience with programs that utilize a Master Servicer, if any, and similar types of programs.

- iii. Process Flow Chart. To demonstrate comprehension of and ability to provide the above-described Scope of Services, include a diagram(s) demonstrating the firm's understanding of the process flow and the Master Servicer's role in the Pilot Programs.
- iv. Conflicts of Interest. Firms must disclose any business relationships which may be construed to be potential conflicts of interest or which are actual conflicts of interest. CAEATFA may request interviews of firms for the purpose of clarifying any situations that could be construed to be a conflict of interest, and has the sole and exclusive authority to disqualify a firm if CAEATFA determines a conflict exists or may exist in the future.
- v. Legal Actions. Describe any and all instances within the past 24 months of your firm's or any of its principals' involvement in any litigation, arbitration, disciplinary or other official actions arising from the firm's business.
- vi. Investment of Public Funds. Please identify any known restrictions and/or limitations your firm may have regarding the investment of public funds.
- vii. Fee Schedule. The fee schedule (Attachment 5) shall be the basis for the cost portion of the evaluation and selection process. Proposals must include the firm's fee schedule for tasks that will be required of the Master Servicer as set forth in this RFP. As the Pilot Programs are new and therefore have no track record of transaction volume or actual participation metrics, the fee schedule should provide fee estimates based on the criteria listed below, and assuming the following scenario:

In order to be considered responsive, proposals must be submitted with fee schedules in compliance with these requirements, and with a total cost under the maximum agreement cost of \$1,500,000.00. Proposals **may not exceed \$1,500,000.00** for the entire service term, including all optional extensions.

For purposes of estimating maximum potential activity under the Pilot Programs, refer to the table on page 5 and consider the following:

- CAEATFA may offer up to a 20% credit enhancement per financing/loan/lease. Details on the credit enhancement structures will be provided in regulations.
- Average loan size for the REEL may be approximately \$10,000; average financing/loan/lease size for small business may be approximately \$250,000; average loan size for multifamily is \$250,000

#### Scenario

This scenario is given only for purposes of evaluating the fees portion of your proposal. Actual transaction volume under the Agreement may vary considerably. For maximum volume please see the table of CE funds on page 5 of this RFP.

- Four (4) Investor-Owned Utilities ("IOUs");
- Eleven (11) Participating Financial Institutions ("PFIs"), across the four (4) Pilot Programs in the four (4) IOU territories. Two (2) PFIs each participate in two (2) Pilot Programs;
- 1,310 loans total, split out amongst the Pilot Programs as follows:
  - REEL: 1,000 loans (50% pre-approval)
  - EFLIC: 20 loans
  - Affordable Multifamily Financing: 25 loans
  - Small Business Loan: 400 loans (50% pre-approval)
  - Non-Residential OBR: 25 loans
- Five (5) loss reserve claims; one (1) recovery/reimbursement
- Two Percent (2%) of loans paid off early

In addition, please provide estimated costs for the following deliverables, as applicable:

- (a) Program set-up charge (total price to complete all set-up functionality required for implementing the Scope of Services).
- (b) Annual operations base fee (total annual price to operate the program regardless of financing volume).
- (c) Cost for managing funds associated with on-bill repayment (OBR) and the operational reserve fund (ORF).
- (d) Annual variable price adjustment related to financing volume (additional charge per residential loan and per non-residential loan/lease processed).
- (e) Transfer of data, policies, and procedures to CAEATFA or a third party at the end of the Contract term.
- (f) Outline of other reimbursable expenses, if applicable.

The following formula will be used for the award of cost points:

The lowest-cost proposal is awarded the maximum cost points (30 points). Other proposals are awarded cost points based on the following calculation:

$$\begin{aligned} & (\text{Lowest Bidder's Cost/Other Bidder's Cost}) = (\text{factor}) \\ & \text{Cost points for other Bidder} = (\text{factor}) \times \text{maximum cost points} \end{aligned}$$

**EXAMPLE:** A maximum of 30 points is available

$$\begin{aligned} \text{Lowest Bidder's Cost Proposal} &= \$7,500 \\ \text{Other Bidder's Cost Proposal} &= \$10,000 \end{aligned}$$

$$\begin{aligned} (\text{Lowest cost proposal} / \text{Other cost proposal}) &= \$7,500 / \$10,000 = \frac{3}{4} \\ (\text{Cost points awarded to other proposal}) &= \frac{3}{4} \times 30 = 22.5 \text{ points} \end{aligned}$$

- d. Required Attachments. For the proposal to be considered responsive, all required Attachments 1 through 14 must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section C, Item 1).

### 3. Submission of Proposals

- a. Proposals should provide straightforward and concise descriptions of the firm's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.
- b. All proposals must be submitted under **sealed** cover and sent to CAEATFA by the date and time shown in Key Action Dates (Section C, Item 1). Proposals received after this date and time will not be considered.
- c. A minimum of one original and four (4) copies of the proposal must be submitted.
- d. The original proposal must be marked "**ORIGINAL COPY.**" All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the firm. All additional proposal sets may contain photocopies of the original package.
- e. The proposal envelopes must be plainly marked with the RFP number and title, the firm name and address; marked with "DO NOT OPEN" and mailed or delivered to the address shown in the following example:

Subject – Request for Proposals – “CHEEF Master Servicer”  
**RFP# CAEATFA04-17**

California Alternative Energy and  
Advanced Transportation Financing Authority  
Attn: Jennifer Gill  
915 Capitol Mall, Room 538  
Sacramento, CA 95814

**DO NOT OPEN**

- f. If the proposal is made under a fictitious name or business title, the actual legal name of the firm must be provided.
- g. Proposals not submitted under sealed cover and marked as indicated may be rejected.
- h. All proposals must include the documents identified in Section E: Required Attachments. Proposals not including the required attachments shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
- i. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- j. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CAEATFA may reject any or all proposals and may waive any immaterial deviation in a proposal. CAEATFA's waiver of an immaterial deviation shall in no way modify the proposal document nor excuse the proposer from full compliance with all requirements if awarded the contract.
- k. Costs for developing proposals and in anticipation of award of the Agreement are entirely the responsibility of the proposer and shall not be charged to CAEATFA or the State of California.
- l. An individual who is authorized to bind the proposing firm contractually shall sign the Proposal/Proposer Certification Sheet (Attachment 2). The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m. A firm may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. The submission of a new proposal must comply with requirements of this section. Proposal modifications offered in any other manner, oral or written, will not be considered.
- n. A firm may withdraw its proposal by submitting a written withdrawal request, signed by the proposer or an authorized agent, to CAEATFA at the address identified in Item 3.e above. A firm may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause after the proposal submission deadline.
- o. CAEATFA may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received an RFP package.
- p. CAEATFA reserves the right to reject all proposals. The agency is not required to award an agreement.
- q. Before submitting a response to this solicitation, firms should review such response, correct all errors and confirm compliance with the RFP requirements.

- r. Where applicable, the firm should carefully examine work sites and specifications. No additions or increases to the Contract amount will be made due to a lack of careful examination of work sites and specifications.
- s. More than one proposal from an individual, firm, partnership, corporation or association, under the same or different names, will not be considered.
- t. CAEATFA will not accept alternate contract language from the firm. A proposal with such language will be considered a counter-proposal and will be rejected. The General Terms and Conditions (GTC-610) are not negotiable.
- u. No oral understanding or agreement shall be binding upon either party.
- v. Conflict of Interest: The bidder/Contractor needs to be aware of the provisions regarding current or former state employees. If a bidder/Contractor has any questions on the status of any person rendering services or involved with the Contract, CAEATFA must be contacted immediately for clarification. (See Attachment 7, Contractor Certification Clauses (CCC 04/2017)).

#### **4. Evaluation Process**

- a. Each proposal will be date- and time-stamped as it is received; additionally, it will be verified that each proposal arrives properly sealed. Late proposals will not be accepted. Proposals shall remain confidential until the review process begins. At the time of proposal opening, each proposal shall be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b. CAEATFA staff shall evaluate each proposal to determine how responsive the firm is to the specific requirements contained in this RFP. Each proposal will be examined for the presence of required information as specified in the submission requirements of this RFP. The submission requirements are mandatory and failure to fully comply may be deemed grounds for automatic rejection.
- c. It is the firm's responsibility to provide sufficient information in the proposal to permit CAEATFA staff to make an accurate assessment of the firm's ability to provide the services needed.
- d. If during the evaluation process CAEATFA staff is unable to assure itself of the firm's ability to perform under the contract, (if contract is awarded), CAEATFA staff has the option of requesting from the firm any information deemed necessary to determine the firm's qualifications. The firm shall be notified if such information is required, and shall be permitted five working days to submit the requested information.
- e. If the information submitted by the firm is insufficient to satisfy CAEATFA staff as to the firm's suitability, CAEATFA staff may ask for additional information or reject the statement. The Authority's determination of the firm's qualifications shall be final.
- f. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer, may be rejected.
- g. CAEATFA shall evaluate only those proposals from firms meeting the Minimum Qualifications for Proposers as defined in Section B as well as the Proposal Requirements in Section C.
- h. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- i. Award, if made, will be to the highest-scored responsive proposal.

- j. The proposals that meet the Minimum Qualifications for Proposers in Section B and the Proposal Requirements in Section C will be evaluated and scored according to the criteria indicated below. A minimum of 85 points must be achieved to be considered responsive (a responsive proposal is one which meets or exceeds the requirements stated in this RFP). The selection will be made by an evaluation committee of CAEATFA on the basis of the following weighted factors (maximum points available for each criterion are noted).

| <b>Rating/Scoring Criteria</b>  | <b>Maximum Possible Points</b> |
|---|--------------------------------|
| i. <u>Qualifications of the Firm</u> . CAEATFA will evaluate the firm's overall experience demonstrating its ability to successfully complete the Scope of Services as described in Section A.4, including master servicer experience.  | 35 Points                      |
| ii. <u>Qualifications of Key Personnel</u> . CAEATFA will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work including experience as a master servicer and with similar types of programs.                                     | 10 Points                      |
| i. <u>Flow Chart and Description</u> . CAEATFA will evaluate the firm's understanding of the process flow and the Master Servicer's role in the Pilot Programs.   | 25 Points                      |
| ii. <u>Fee Schedule (Cost)</u> . CAEATFA will evaluate the actual fees proposed, including the reasonableness of the composite annual rates and cost detail (given value of services to be obtained), and cost effectiveness (given experience and qualifications of firm and its personnel). | 30 Points                      |
| <b>Maximum Total Possible Points</b>  | <b>100 Points</b>              |

As part of its final evaluation process, CAEATFA may request oral presentations. If this option is exercised, CAEATFA shall provide the firms with at least a 72-hour notice. Presenters from the firm(s) must include the personnel who shall have primary responsibility for the account(s).

CAEATFA reserves the right to:

- Request an interview with, and additional information from, firms prior to final selection of the Contractor.
- Select the firm that, in CAEATFA's judgment, shall best meet the needs of CAEATFA and the CHEEF Programs, regardless of differences in estimated costs between firms.
- Consider information about a firm in addition to the information submitted in the proposal or interview.

**5. Award and Protest**

- a. Notice of the proposed award(s) shall be posted in a public place in the office of CAEATFA, 915 Capitol Mall, Sacramento, CA 95814 and on the following Internet site for five (5) working days prior to awarding the Contract(s): <http://www.treasurer.ca.gov/CAEATFA>.
- b. If any firm, prior to the award of the Contract(s), files a protest with CAEATFA and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, West Sacramento, CA 95605, on the grounds that the (protesting) firm would have been awarded a

contract had CAEATFA correctly applied the evaluation standard in the RFP, or had CAEATFA followed the evaluation and scoring methods in the RFP, the Contract(s) shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that the firm submit any protest by certified or registered mail.

- c. Within five (5) days after filing the initial protest, the protesting firm shall file with the Department of General Services, Office of Legal Services and CAEATFA a full and complete written statement specifying the grounds for the protest. It is suggested that the firm submit this complete written statement by certified or registered mail.
- d. Upon award of the Contract(s), the firm must complete and submit to the awarding agency the Payee Data Record (STD 204, made part of the RFP as Attachment 6), to determine if the firm is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. No payment shall be made unless a completed STD 204 has been returned to CAEATFA.
- e. Upon resolution of the protest and award of the Contract, Contractor must sign and submit to the awarding agency page one (1) of the Contractor Certification Clauses (CCC 04/2017), included as Attachment 7.

## **6. Disposition of Proposals**

- a. Upon proposal opening, all documents submitted in response to this RFP will become the property of CAEATFA and the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents. However, the contents of all proposals, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a proposer's proposal shall be held in the strictest confidence until the letter of Intent to Award Contract is posted.

## **7. Agreement Execution and Performance**

- a. Performance shall start not later than thirty (30) days after the express date set by CAEATFA and the selected firm, after all approvals have been obtained and the Agreement is fully executed. Should the firm fail to commence work at the agreed-upon time, CAEATFA, upon five (5) days' written notice to the firm, reserves the right to terminate the Agreement. In addition, the firm shall be liable to CAEATFA for the difference between the firm's proposal price and the actual cost of performing work by another contractor.
- b. All performance under the Agreement shall be completed on or before the termination date of the Agreement.

## **D. PREFERENCE PROGRAMS**

### **1. Small Business or Microbusiness Preference ([www.pd.dgs.ca.gov/smbus/default.htm](http://www.pd.dgs.ca.gov/smbus/default.htm))**

A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the bid is submitted. The firm MUST include an updated copy of its Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual bids. Once each bid has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring bid is added to the total "earned" points for each bid submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring bid.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (“OSDS”) at (916) 375-4940 or can be found at the website listed above.

## 2. Non-Small Business Preference ([www.pd.dgs.ca.gov/smbus/default.htm](http://www.pd.dgs.ca.gov/smbus/default.htm))

A five percent (5%) bid preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the bid response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net bid price with one or more California certified small businesses. Each listed certified small business must perform a “commercially useful function” in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the bid response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the bid due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net bid price shall be 5% of the highest responsive, responsible firm’s total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

## 3. Disabled Veteran Business Enterprise (DVBE) Incentive Program – OPTIONAL

This solicitation provides an incentive for DVBE participation. The Department of General Services (“DGS”) established a DVBE incentive pursuant to Senate Bill 115, Chaptered October 3, 2005 and the military and Veterans Code Section 999.5(a). The regulations apply to all competitive solicitations for public works, services, goods, and information technology goods and services posted or released after October 9, 2007. The DVBE incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations. Department of General Services’ policy implements this program by rewarding prime bidders for increased DVBE participation: the more DVBE participation, the greater the incentive. This incentive program helps State agencies to meet their annual DVBE participation goals.

Attachment 13 outlines the DVBE Incentive Program. Bidders seeking the DVBE incentive must submit a completed Bidder Declaration (GSPD-05-105) that demonstrates DVBE participation and qualification for a DVBE incentive, with bid submittal. The DVBE Incentive participation is *optional* and at the discretion of the proposing firm.

**NOTE:** For this solicitation, the Incentive application is based on the High Score Method and shall not exceed five percent (5%), nor be less than three percent (3%) of the total score (see table in Attachment 13).



**E. REQUIRED ATTACHMENTS**

For the proposal to be considered responsive, all required attachments listed on the Required Attachment Check List (Attachment 1) must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section C, Item 1).

## ATTACHMENT 1

### REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also.

| <u>Attachment #</u> | <u>Attachment Name/Description</u>   |
|---------------------|--|
| _____               | Attachment 1 – Required Attachment Check List  |
| _____               | Attachment 2 – Proposal/Proposer Certification Sheet   |
| _____               | Attachment 3 – Key Personnel and Experience  |
| _____               | Attachment 4 – Proposer References   |
| _____               | Attachment 5 – Cost Proposal Work Sheet  |
| _____               | Attachment 6 – Payee Data Record (STD 204)   |
| _____               | Attachment 7 – Contractor's Certification Clauses (CCC 04/2017)  |
| _____               | Attachment 8 – Darfur Contracting Act  |
| _____               | Attachment 9 – California Civil Rights Laws Certification  |
| _____               | Attachment 10 – Iran Contracting Act Certification   |
| _____               | Attachment 11 – Small Business or Microbusiness Preference (if applicable)                                   |
| _____               | Attachment 12 – Non-Small Business Preference (if applicable)  |
| _____               | Attachment 13 – California Disabled Veteran Business Enterprise (DVBE)<br>Program Participation Instructions |
| _____               | Attachment 14 – Bidder Declaration (GSPD-05-105)   |

\* DVBE PARTICIPATION COMMITMENT. Bidders seeking the DVBE incentive must submit a completed Bidder Declaration (GSPD-05-105) that demonstrates DVBE participation and qualification for a DVBE incentive.

**ATTACHMENT 2**

**PROPOSAL/PROPOSER CERTIFICATION SHEET**

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

**Do not return the RFP nor the "Sample Agreement" at the end of this RFP.**

- A. Place all required attachments behind this certification sheet.
- B. I have read and understand the DVBE Participation requirements and have included documentation demonstrating that I have met the participation goals of 3% or more.
- C. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

**An Unsigned Proposal/Proposer Certification Sheet  
May Be Cause For Rejection**

|  |  |   |  |  |
|--|--|---|--|--|
| 1. Company Name  | 2. Telephone Number<br>(   )   | 2a. Fax Number<br>(   )                 |  |  |
| 3. Address   |  |   |  |  |
| Indicate your organization type:   |  |   |  |  |
| 4. <input type="checkbox"/> Sole Proprietorship  | 5. <input type="checkbox"/> Partnership  | 6. <input type="checkbox"/> Corporation |  |  |
| Indicate the applicable employee and/or corporation number:  |  |   |  |  |
| 7. Federal Employee ID No. (FEIN)  | 8. California Corporation No.  |   |  |  |
| 9. Indicate applicable license and/or certification information:   |  |   |  |  |
| 10. Proposer's Name (Print)  | 11. Title  |   |  |  |
| 12. <b>Signature</b>   | 13. Date   |   |  |  |
| 14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:  |  |   |  |  |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; vertical-align: top;">                     a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/><br/>                     If yes, enter certification number: _____                 </td> <td style="width: 50%; border: none; vertical-align: top;">                     b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/><br/>                     If yes, enter your service code below: _____                 </td> </tr> </table> |  |   | a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/><br>If yes, enter certification number: _____ | b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/><br>If yes, enter your service code below: _____ |
| a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/><br>If yes, enter certification number: _____   | b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/><br>If yes, enter your service code below: _____ |   |  |  |
| <p><b>NOTE:</b> Proof of Certification is required to be included if either of the above items is checked "Yes" and will be verified.</p> <p>Date application was submitted to OSBCR, if an application is pending:</p>  |  |   |  |  |

### Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

| Item Numbers   | Instructions   |
|----------------|--|
| 1, 2, 2a, 3    | Must be completed. These items are self-explanatory.   |
| 4              | Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.   |
| 5              | Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.      |
| 6              | Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.  |
| 7              | Enter your federal employee tax identification number.   |
| 8              | Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.  |
| 9              | Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.   |
| 10, 11, 12, 13 | Must be completed. These items are self-explanatory.   |
| 14             | If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR. |

**ATTACHMENT 3**

**KEY PERSONNEL & EXPERIENCE**

|   |   |
|---|---|
|   |   |
| <b>Name of Firm:</b>  |   |
| <b>Identify Key personnel (include partners, associates, etc.) who will be directly involved in providing the services.</b> |   |
| <b>Name:</b>  | <b>Percent of Effort %</b>                |
| <b>Title:</b>   | <b>Office Location:</b>                   |
| <b>Phone Number:</b>  | <b>Email:</b>                             |
| <b>Role:</b>  |   |
| <b>How Long in Current Position?</b>  | <b>How Long Employed in Current Firm?</b> |
| <b>Experience:</b>  |   |

|   |   |
|---|---|
|   |   |
| <b>Name of Firm:</b>  |   |
| <b>Identify Key personnel (include partners, associates, etc.) who will be directly involved in providing the services.</b> |   |
| <b>Name:</b>  | <b>Percent of Effort %</b>                |
| <b>Title:</b>   | <b>Office Location:</b>                   |
| <b>Phone Number:</b>  | <b>Email:</b>                             |
| <b>Role:</b>  |   |
| <b>How Long in Current Position?</b>  | <b>How Long Employed in Current Firm?</b> |
| <b>Experience:</b>  |   |

Include additional pages as needed

**ATTACHMENT 4**

**PROPOSER REFERENCES**

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, please explain why on an attached sheet of paper.

| <b>REFERENCE 1</b>                    |      |                          |          |
|---------------------------------------|------|--------------------------|----------|
| Name of Firm                          |      |                          |          |
| Street Address                        | City | State                    | Zip Code |
| Contact Person                        |      | Telephone Number         |          |
| Dates of Service                      |      | Value or Cost of Service |          |
| Brief Description of Service Provided |      |                          |          |

| <b>REFERENCE 2</b>                    |      |                          |          |
|---------------------------------------|------|--------------------------|----------|
| Name of Firm                          |      |                          |          |
| Street Address                        | City | State                    | Zip Code |
| Contact Person                        |      | Telephone Number         |          |
| Dates of Service                      |      | Value or Cost of Service |          |
| Brief Description of Service Provided |      |                          |          |

| <b>REFERENCE 3</b>                    |      |                          |          |
|---------------------------------------|------|--------------------------|----------|
| Name of Firm                          |      |                          |          |
| Street Address                        | City | State                    | Zip Code |
| Contact Person                        |      | Telephone Number         |          |
| Dates of Service                      |      | Value or Cost of Service |          |
| Brief Description of Service Provided |      |                          |          |

## ATTACHMENT 5

### COST PROPOSAL WORKSHEET

The fee schedule shall be the basis for the cost portion of the evaluation and selection process. Proposals must include the firm's fee schedule for tasks that will be required of the Master Servicer as set forth in this RFP. As the Pilot Programs are new and therefore have no track record of transaction volume or actual participation metrics, the fee schedule should provide fee estimates based on the criteria listed below, and assuming the following scenario:

In order to be considered responsive, proposals must be submitted with fee schedules in compliance with these requirements, and with a total cost under the maximum agreement cost of \$1,500,000.00. Proposals **may not exceed \$1,500,000.00** for the entire service term, including all optional extensions.

For purposes of estimating maximum potential activity under the Pilot Programs, refer to the table on page 5 of the RFP and consider the following:

- CAEATFA may offer up to a 20% credit enhancement per financing/loan/lease. Details on the credit enhancement structures will be provided in regulations.
- Average loan size for the REEL may be approximately \$10,000; average financing/loan/lease size for small business may be approximately \$250,000; average loan size for multifamily is \$250,000

#### Scenario

This scenario is given only for purposes of evaluating the fees portion of your proposal. Actual transaction volume under the Agreement may vary considerably. For maximum volume please see the table of CE funds on page 5 of the RFP.

- Four (4) Investor-Owned Utilities ("IOUs");
- Eleven (11) Participating Financial Institutions ("PFIs"), across the four (4) Pilot Programs in the four (4) IOU territories. Two (2) PFIs each participate in two (2) Pilot Programs;
- 1,310 loans total, split out amongst the Pilot Programs as follows:
  - REEL: 1,000 loans (50% pre-approval)
  - EFLIC: 20 loans
  - Affordable Multifamily Financing: 25 loans
  - Small Business Loan: 400 loans (50% pre-approval)
  - Non-Residential OBR: 25 loans
- Five (5) loss reserve claims; one (1) recovery/reimbursement
- Two Percent (2%) of loans paid off early

In addition, please provide estimated costs for the following deliverables, as applicable:

- (a) Program set-up charge (total price to complete all set-up functionality required for implementing the Scope of Services).
- (b) Annual operations base fee (total annual price to operate the program regardless of financing volume).
- (c) Cost for managing funds associated with on-bill repayment (OBR) and the operational reserve fund (ORF).
- (d) Annual variable price adjustment related to financing volume (additional charge per residential loan and per non-residential loan/lease processed).
- (e) Transfer of data, policies, and procedures to CAEATFA or a third party at the end of the Contract term.
- (f) Outline of other reimbursable expenses, if applicable.

## Potential Data Elements

Following is a list of representative data elements related to participating lenders, enrolled financings/loans and their corresponding projects, which the Master Servicer will be responsible for collecting and storing in the course of its duties under this Contract. Only some of this data will be transmitted to the Data Manager and for publishing to the public, and other data will be provided to CAEATFA, Contractor Manager(s), and IOUs. This list is intended to be illustrative of the type of data that may be collected; however, it is not exhaustive. CAEATFA will inform the Master Servicer of data requirements in writing during program development in collaboration with the lenders, IOUs, relevant stakeholders and the Master Servicer.

### Energy Efficiency Retrofit Contactor Information

Contractor Company Name  
Contractor Company Address  
Contractor Individual Contact Title, Address, Phone #  
and Email  
CSLB License type(s)  
CSLB License #

### Borrower Information

Customer First Name  
Customer Last Name  
Customer Business Name  
Customer Mailing Address  
Borrower Qualifies as Low-to-Mod Income (Yes/No)  
Borrower Income Range  
Borrower Debt to Income Ratio Range  
Borrower FICO Score

### Participating Lender/PFI

Program participation ID #  
PFI Name  
PFI "business" address in docs  
PFI program participation ID #  
PFI Contact Name/Title  
PFI Contact Business Telephone #  
PFI Contact Email  
PFI Enrollment Date  
PFI Application Received Date  
Description of Institution  
Regulatory Agency  
Insuring Agency  
License Number(s)

### Financing/Loan Information

Program ID  
Reservation/Pre-Approval Request received date  
Reservation/Pre-Approval Request approved date  
Anticipated Claim-Eligible Loan Amount  
Anticipated Total Loan Amount  
Reservation/pre-approval approved amount  
Reservation/Pre-Approval Status  
Received Date

### Financing/Loan Information *(continued)*

PFI/PFL's internal Loan Identification Number  
CHEEF Loan Identification Number  
Loan Officer Name  
Loan type: (e.g. term loan, retail installment contract).  
Original Total Loan Principal Amount  
Original Claim-Eligible Principal Amount  
Interest Rate  
Fixed or Variable Rate  
Term  
Maturity date  
Origination Date  
P&I Payment Amount  
First Payment Date  
Claim Eligible Ratio  
Loan Loss Reserve Contribution Total %  
Loan Loss Reserve Contribution Original Total \$  
Loss Reserve Funding Date  
Outstanding Principal

### Property/Project Information

Electric IOU Name  
Electric IOU Account Number  
Gas IOU Name  
Gas IOU Account Number  
Project Address  
Property Occupancy  
Building Type  
Electric Commodity Service Account #  
Gas Commodity Service Account #  
Square Footage Added  
Project Start Date  
Installed Date/Contractor signature completion Date  
Permit Number(s) Provided  
Rebate and/or incentive amount  
Rebate/Incentive program name  
Rebate/Incentive Project ID #  
Total Project Cost  
Borrower Signature Date  
List of Eligible Measures Installed  
ID Number of Eligible Measures installed  
Other Alterations Necessary to complete Project Cost



**ATTACHMENT 6**

**PAYEE DATA RECORD (STD. 204)**

<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

**ATTACHMENT 7**

**CONTRACTOR'S CERTIFICATION CLAUSES**

<http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

**CCC 04/2017**

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

|   |                                  |                          |
|---|----------------------------------|--------------------------|
| <i>Contractor/Bidder Firm Name (Printed)</i>    |                                  | <i>Federal ID Number</i> |
| <i>By (Authorized Signature)</i>                |                                  |                          |
| <i>Printed Name and Title of Person Signing</i> |                                  |                          |
| <i>Date Executed</i>                            | <i>Executed in the County of</i> |                          |

**CONTRACTOR CERTIFICATION CLAUSES**

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

## **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

**ATTACHMENT 8**

**DARFUR CONTRACTING ACT**

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

|   |                          |
|---|--------------------------|
| <i>Company/Vendor Name (Printed)</i>                                    | <i>Federal ID Number</i> |
| <i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i> |                          |

1. \_\_\_\_\_  
Initials            We do not currently have, and have not had within the previous three years, business activities or other operations outside of the United States.

**OR**

2. \_\_\_\_\_  
Initials            We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

**OR**

3. \_\_\_\_\_  
Initials  
+ certification  
below            We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

**CERTIFICATION For # 3.**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

|   |  |
|---|--|
| <i>By (Authorized Signature)</i>                |  |
| <i>Printed Name and Title of Person Signing</i> |  |
| <i>Date Executed</i>                            | <i>Executed in the County and State of</i> |

**ATTACHMENT 9**

**CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION**

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

- 1. **CALIFORNIA CIVIL RIGHTS LAWS:** For contracts over \$100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
- 2. **EMPLOYER DISCRIMINATORY POLICIES:** For contracts over \$100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

**CERTIFICATION**

|   |  |                          |
|---|--|--------------------------|
| I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. |  | <i>Federal ID Number</i> |
| <i>Proposer/Bidder Firm Name (Printed)</i>  |  |                          |
| <i>By (Authorized Signature)</i>  |  |                          |
| <i>Printed Name and Title of Person Signing</i>   |  |                          |
| <i>Date Executed</i>  | <i>Executed in the County and State of</i> |                          |

**ATTACHMENT 10**

**IRAN CONTRACTING ACT CERTIFICATION**

**IRAN CONTRACTING ACT**  
**(Public Contract Code sections 2202-2208)**

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of \$1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (“DGS”) pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

**OPTION #1 - CERTIFICATION**

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

|  |                    |                                   |
|--|--------------------|-----------------------------------|
| <i>Vendor Name/Financial Institution (Printed)</i> |                    | <i>Federal ID Number (or n/a)</i> |
| <i>By (Authorized Signature)</i>                   |                    |                                   |
| <i>Printed Name and Title of Person Signing</i>    |                    |                                   |
| <i>Date Executed</i>                               | <i>Executed in</i> |                                   |

**OPTION #2 – EXEMPTION**

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

|  |  |                                   |
|--|--|-----------------------------------|
| <i>Vendor Name/Financial Institution (Printed)</i> |  | <i>Federal ID Number (or n/a)</i> |
| <i>By (Authorized Signature)</i>                   |  |                                   |
| <i>Printed Name and Title of Person Signing</i>    |  | <i>Date Executed</i>              |



## ATTACHMENT 11

### **SMALL BUSINESS OR MICROBUSINESS PREFERENCE**

(If Applicable)

Small Business or Microbusiness Preference – [www.pd.dgs.ca.gov/smbus/default.htm](http://www.pd.dgs.ca.gov/smbus/default.htm)

A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the bid is submitted. The firm MUST include an updated copy of their Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual bids. Once each bid has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring bid is added to the total "earned" points for each bid submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring bid.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (OSDS) at (916) 375-4940 or can be found at the website listed above.

## ATTACHMENT 12

### NON-SMALL BUSINESS PREFERENCE

(If Applicable)

Non-Small Business Preference – [www.pd.dgs.ca.gov/smbus/default.htm](http://www.pd.dgs.ca.gov/smbus/default.htm)

A five percent (5%) bid preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the bid response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net bid price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the bid response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the bid due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net bid price shall be 5% of either the lowest, responsive, responsible firm's price or the highest responsive, responsible firm's total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business

ATTACHMENT 13

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)  
PROGRAM PARTICIPATION INSTRUCTIONS**

**DVBE PARTICIPATION REQUIREMENT.** The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC) section 10115 et seq., Military and Veterans Code (MVC) section 999 et seq., and California Code of Regulations (CCR), title 2, section 1896.60 et seq. **This solicitation DOES NOT include a minimum DVBE participation requirement. DVBE participation is NOT required in the bid or proposal. However, a DVBE incentive will be applied as provided below.**

**DVBE INCENTIVE.** The State will apply a DVBE incentive for responsive bids or proposals (herein "bid" or "bids") from responsible bidders that propose DVBE participation. The DVBE incentive will vary in relation to the percentage of confirmed DVBE participation. The following percentages shall apply.

| <b>Confirmed DVBE Participation of</b> | <b>DVBE Incentive</b> |
|--|-----------------------|
| 5% and above                           | 5%                    |
| 4% to 4.99% inclusive                  | 4%                    |
| 3% to 3.99% inclusive                  | 3%                    |
| 2% to 2.99% inclusive                  | 2%                    |
| 1% to 1.99% inclusive                  | 1%                    |

As applicable: (1) Awards based on low price – The DVBE incentive is applied by reducing the bid price by the amount of DVBE incentive as computed from the lowest responsive bid price submitted by a responsible bidder. The DVBE incentive is for evaluation purposes only. Application of the DVBE incentive shall not displace an award to a small business with a non-small business.

(2) Awards based on high score – The DVBE incentive is a percentage of the total possible available points, not including points for socioeconomic incentives or preferences. The DVBE incentive points are included in the sum of non-cost points. The DVBE incentive points cannot be used to achieve any applicable minimum point requirements.

**DVBE PARTICIPATION COMMITMENT. Bidders seeking the DVBE incentive must submit a completed Bidder Declaration, GSPD-05-105, that demonstrates DVBE participation and qualification for a DVBE incentive.**

DVBE participation information submitted by the intended awardee will be verified by the State. If evidence of an alleged violation is found during the verification process, the State or the Department of General Services, Office of Small Business and DVBE Services (OSDS) shall initiate an investigation in accordance with PCC section 10115 et seq., MVC section 999 et seq., and CCR, title 2, section 1896.60 et seq. Contractors found to be in violation of certain provisions may be subject to loss of certification, contract termination, and/or other penalties.

**Only State of California OSDS certified DVBEs** that perform a commercially useful function relevant to this solicitation may be used for the DVBE incentive and to comply with the DVBE Participation Goal Program. Please see MVC section 999(b) and CCR, title 2, section 1896.62(l) regarding the performance of a commercially useful function. Bidders are to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility. Bidders cannot demonstrate DVBE incentive eligibility and DVBE Participation Goal Program compliance by performing a good faith effort.

At the State's option prior to contract award, written confirmation from each DVBE subcontractor identified on the Bidder Declaration, GSPD-05-105, must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation shall include information as may be requested by the State, such as DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. The State may obtain any additional documentation or information to verify compliance.

## RESOURCES AND INFORMATION\*

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**U.S. Small Business Administration:**

Central Contractor Registration on-line database  
[www.ccr.gov](http://www.ccr.gov)

**FOR:**

Service-Disabled Veteran-Owned  
Businesses in California

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**Local Organizations:**

DVBE local contacts  
[www.pd.dgs.ca.gov/smbus](http://www.pd.dgs.ca.gov/smbus)

**FOR:**

List of Potential DVBE Subcontractors

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**Department of General Services, Procurement Division  
(DGS-PD) eProcurement:**

Website: [www.eprocure.dgs.ca.gov](http://www.eprocure.dgs.ca.gov)  
Phone: (916) 375-2000  
Email: [eprocure@dgs.ca.gov](mailto:eprocure@dgs.ca.gov)

**FOR:**

- SB/DVBE Search
- CSCR Advertisements
- Training Modules

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**DGS-PD Office of Small Business and DVBE Services  
(OSDS):**

707 Third Street, Room 1-400, West Sacramento, CA 95605  
Website: [www.pd.dgs.ca.gov/smbus](http://www.pd.dgs.ca.gov/smbus)  
OSDS Receptionist: (916) 375-4940  
PD Receptionist: (800) 559-5529  
Fax: (916) 375-4950  
Email: [osdchelp@dgs.ca.gov](mailto:osdchelp@dgs.ca.gov)

**FOR:**

- Directory of OSDS Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Information
- DVBE Business Utilization Plan
- SB/DVBE Advocates
- Lists of Trade and Focus Publications

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**Commercially Useful Function Definition**

Military and Veterans Code section 999(b)  
California Code of Regulations, title 2, section 1896.62(/)

\*Contact information and available resources may be subject to change by the respective administration, department, division, or office. DVBEs must be certified by OSDS.

**ATTACHMENT 14**

**BIDDER DECLARATION**

<http://www.documents.dgs.ca.gov/pd/poliproc/master-biddeclar08-09.pdf>

|   |
|---|
| AGREEMENT NUMBER<br><b>CAEATFA04-17</b> |
| REGISTRATION NUMBER                     |

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

CONTRACTOR'S NAME

**(To be determined)**

2. The term of this Agreement is: December 15, 2017 through December 14, 2019 (or upon DGS approval)

3. The maximum of this Agreement is: **\$1,500,000.00**  
 One Million Five Hundred Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

|  |             |
|--|-------------|
| Exhibit A – Scope of Services  | 13 pages    |
| Exhibit B – Budget Detail and Payment Provisions   | 3 pages     |
| Exhibit C* – General Terms and Conditions  | GTC 04/2017 |
| Check mark one item below as Exhibit D:  |             |
| <input checked="" type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement) | 7 pages     |
| <input type="checkbox"/> Exhibit - D* Special Terms and Conditions   |             |
| Exhibit E – Additional Provisions  | 1 page      |
| Exhibit F - Third Party Agreement Provisions   | 10 pages    |
| Attachment A to Exhibit F – Information Security Requirements  | 5 pages     |

RFP CAEATFA04-17 and Contractor's response thereto are hereby incorporated by reference and made a part of this Agreement.

*Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.*

*These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>*

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

|  |   |                          |
|--|---|--------------------------|
| <b>CONTRACTOR</b>  | <i>California Department of General Services Use Only</i> |                          |
| CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)<br><b>(To be determined)</b> |   |                          |
| BY (Authorized Signature)<br>  |   | DATE SIGNED(Do not type) |
| PRINTED NAME AND TITLE OF PERSON SIGNING   |   |                          |
| ADDRESS  |   |                          |
|  |   |                          |
| <b>STATE OF CALIFORNIA</b>   |   |                          |
| AGENCY NAME<br>California Alternative Energy and Advanced Transportation Financing Authority                                 |   |                          |
| BY (Authorized Signature)  |   |                          |
| PRINTED NAME AND TITLE OF PERSON SIGNING<br>Deana J. Carrillo, Executive Director  |   |                          |
| ADDRESS<br>915 Capitol Mall, Sacramento, CA 95814  |   |                          |
| <input type="checkbox"/> Exempt per:   |   |                          |

**EXHIBIT A**  
**(Standard Agreement)**

**SCOPE OF SERVICES**

**1. Scope of Services**

Under the general direction, in writing, of the Executive Director of CAEATFA, or his or her designee, the Master Servicer agrees to provide services as described below. Note the pilots are in various stages of program implementation; the specific workload and deliverables associated with a specific pilot will correspond to those stages once the Master Servicer is under contract.

Given the various stages of development, and the rigorous public process CAEATFA will undertake to develop the Pilot Programs, it should be noted that while scope of work is described below the selected Master Servicer should expect some variances to operational processes to accommodate stakeholder input and lessons learned in pilot design. In addition, the selected Master Servicer will be expected to provide input and recommendations on operational functionality for the pilots currently under development.

It's currently anticipated that the majority of early activity under the pilots will be off-bill, with on-bill repayment servicing being offered as an optional functionality.

a. Implementation of Servicing Systems and Development of Policies and Procedures.

Prior to commencing operations, the Master Servicer will be required to adjust or customize its existing servicing systems and develop policies and procedures necessary to perform the Master Servicer functions laid out below. To the maximum extent possible, whenever it will achieve efficiencies and increased program effectiveness each process should be automated and should leverage existing infrastructure and systems. The Master Servicer will provide policy and procedures manuals defining and documenting its processes to CAEATFA by no later than the end of the fourth week of service under the Contract for all active programs.

As of September 2017, only the Residential Energy Efficiency Loan (REEL) Assistance Program has been launched. Information about the program and its corresponding regulations – including loan or financing enrollment documentation – can be found at [www.thecheef.com](http://www.thecheef.com) or <http://treasurer.ca.gov/caeatfa/cheef/index.asp>.

Specific to on-bill repayment, the Master Servicer will be required to adjust and customize its existing information technology infrastructure and processes that support the specific multidirectional data exchanges of financing and related customer information among Master Servicer, IOUs, and PFIs. These systems include:

- i. Master Servicer and IOU Automated Data Exchanges. The Master Servicer's system must support daily asynchronously transmission of datasets with all four IOUs. The Master Servicer's system must comply with predefined file layout specifications and sequencing protocols known as the CHEEF IOU Data Exchange Protocol ("IOU-DEP").
  - (a) Most of the file transmissions follow a two-way request-reply pattern while some are one-way exchanges that report the occurrence of an event or serve reconciliation purposes.
  - (b) The file characteristics of the IOU-DEP include: plain text data contents; character delimited, fixed or variable length column structures without header row; each row represents a distinct dataset; includes trailer record for error detection.
  - (c) The files must be securely encrypted at rest and while in transit.
  - (d) The Master Servicer's system must be capable of supporting Secure FTP for these data exchanges.
  - (e) At CAEATFA's direction, prior to commencing operations, the Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its

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- design and customization. This demonstration may be conducted with each of the four IOUs (and potentially the PFIs).
- ii. Master Servicer and PFI Automated Data Exchanges. The Master Servicer's system must support daily asynchronous transmission of datasets with all participating lenders. The Master Servicer's system must comply with predefined file layout specifications and sequencing protocols known as the CHEEF Lender Data Exchange Protocol ("Lender-DEP").
- (a) The file transmissions are one-way exchanges that report current financing summary level information and the occurrence of a remittance transaction or relevant event. The datasets and transmissions are tightly coupled with the IOU-DEP data exchanges.
  - (b) The file characteristics of the Lender-DEP include: plain text data contents; character delimited, variable length column structures with header row; each row represents a distinct dataset; includes trailer record for error detection.
  - (c) The files must be securely encrypted at rest and while in transit.
  - (d) The Master Servicer's system must be capable of supporting Secure FTP for these data exchanges.
  - (e) At CAEATFA's direction, prior to commencing operations, the Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its design and customization. This demonstration may be conducted with each of the PFIs (and potentially the four IOUs).

The Master Servicer will coordinate the functions described in this RFP with the IOUs, PFIs and with CAEATFA, as directed by CAEATFA. Ultimately, the Master Servicer's system must be capable of completing the following primary processes:

- iii. PFI Enrollment. The Master Servicer will onboard PFIs, which will have applied and been approved by CAEATFA pursuant to each program's governing regulations. Once the PFI is enrolled, the Master Servicer will establish appropriate accounts and interface with each lender.
- iv. Customer Account Boarding and Financial Servicing Data Processing. The Master Servicer's system must include account initiation and financial servicing data processing capability to perform the following tasks:
- (a) Receive financing origination files from a PFI and board (enter) that new customer data (including financing and project data) to an account servicing system;
  - (b) Accommodate changes in the ownership of a financing, including changes in servicing and data transmission requirements;
  - (c) In the case of OBR or EFLIC, for each individual financing, receive servicing files from PFIs.
  - (d) For OBR projects that include both gas and electric measures and are located within a split utility-service territory, OBR charges will be placed on the bill of the IOU with the associated measures that have the higher cost. The Master Servicer will be provided with a methodology to determine this allocation;
  - (e) In the case of OBR or EFLIC financing, receive confirmation of charge placement on utility bill from IOUs and transmit such confirmation to PFIs;
  - (f) Receive other relevant data from PFIs for transmission to IOUs; and
  - (g) In the case of OBR or EFLIC financing, receive information regarding various events (e.g., service disconnection, customer bankruptcy, death) from IOUs and forward to PFI.



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- v. Financing/Loan/Lease Enrollment Processing.
- (a) Intake of PFI requests to enroll a financing for credit enhancement under a Pilot Program.
  - (b) The Master Servicer will establish processes and procedures to ensure that all enrollment requests meet requirements defined in the applicable Pilot Program regulations. Such processes and procedures must include verification of the following, and may include additional eligibility checks as defined in the applicable Pilot Program regulations:
    - (1) The borrower is a customer of an investor-owned utility.
    - (2) The measures installed match a list of eligible measures provided to the Master Servicer by CAEATFA, or are eligible as indicated by a different methodology as identified by CAEATFA. The Master Servicer may rely upon contractor representations and submission of required project data as discussed in subsection (5) below.
    - (3) The contractor for the project is eligible to become a participating contractor, as defined in the applicable Pilot Program regulations.
    - (4) The financing meets the minimum underwriting criteria, as defined in the applicable Pilot Program regulations.
    - (5) The PFI has submitted all supplemental documentation required for the financing enrollment, as defined in the applicable Pilot Program regulations. Such documentation is expected to include, but may not be limited to: a copy of utility bill(s); certificates of completion signed by the borrower, contractor and any appropriate quality assurance providers, energy efficiency retrofit project and cost information; a release form provided by the investor-owned utilit(ies),<sup>1</sup> and a release form provided by CAEATFA.
  - (c) In the event a PFI receives a project pre-approval, the Master Servicer must establish processes and procedures to compare the information approved in the corresponding pre-approval with that received at the time of financing enrollment.
  - (d) Notification to CAEATFA of the Master Servicer's determination of project eligibility and its recommendation with regard to financing enrollment in the Program. If the PFI received a project pre-approval, the Master Servicer must also notify CAEATFA of any changes to the project that impact the allocation of credit enhancement funds reserved.
  - (e) CAEATFA's authority to approve financing enrollment, approval of credit enhancements and communication with the Trustee may ultimately be delegated to the Master Servicer.
- vi. Coordination with IOU Systems. The Master Servicer's process may include coordination with each of the four IOUs' unique processes to provide:
- (a) PFI inquiry response, confirming a financing is an IOU customer.<sup>2</sup>
  - (b) Receipt of customer release of billing and payment history data forms from a PFI and transmission to the appropriate IOU. Note that the Master Servicer will not receive pre-project customer billing and payment history data.
  - (c) Confirmation that a financing applicant enrolling in OBR or EFLIC is current on utility bill payments;

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<sup>1</sup> At program inception, pursuant to CPUC direction, the IOUs required a release form from the Borrower to share its energy consumption and/or energy savings data related to the project under the program. In early 2017, CAEATFA began exploring more effective approaches to obtaining the energy savings data on enrolled projects with the CPUC; this process is currently ongoing. At this time, CAEATFA does not anticipate the need for such an IOU release form, however it is included in the Scope of Services in case it is ultimately required.

<sup>2</sup> This may be a review of the customer's utility bill.

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- (d) A means to establish and transmit to PFI and IOU a unique identifier for each financing and its related customer.
- vii. Fund Remittance Processing. The Master Servicer's system must include secure fund remittance capability to support OBR and EFLIC payment processes. CAEATFA recognizes that the Master Services may need the services from a secure cash flow bank to provide these services. Ultimately, its system must have the capability to:
- (a) Receive electronic fund remittances from IOUs into a segregated account or accounts established for the sole purpose of received such customer payments. Funds received represent customer payments for financing repayments and related charges that are made through customer utility bills;
  - (b) Within one business day of an electronic fund remittance from an IOU clearing, direct and forward customer fund payments to PFIs along with associated data files linking each fund transfer with a specific enrolled financing;
  - (c) Reconcile customer payments received from the IOU and provide appropriate notifications to the applicable PFI regarding possible actions for consideration by the PFI.
  - (d) Provide the necessary and appropriate security and controls to enable a secure flow of funds. Develop processes that govern the flow of customer remittances such that these remittances flow from IOUs into segregated accounts that restrict the flow of the account in a way that: (i) allows CAEATFA to approve process or templates governing the flow of funds out of the accounts, (ii) restricts the remittances from such accounts that only CAEATFA approved PFIs are able to received such funds, and (iii) restricts remittances from such account so that the Master Servicer will be unable to transfer funds to any account other than such CAEATFA-approved account.
- viii. Operational Reserve Fund (ORF) Management. For OBR and EFLIC projects, the Master Servicer's process will include reviewing and reconciling daily reports from each IOU with customer payments remitted by each IOU. The Master Servicer is responsible for identifying when the ORF will be used consistent with the program regulations, and is responsible for managing and causing the transfer of funds.<sup>3</sup> The Master Servicer's process must include notification to CAEATFA each time it directs the use of the ORF in this manner. Upon subsequent receipt of funds from an IOU, the Master Servicer will be required to transmit such funds to the ORF account, along with directions to replenish the appropriate operational reserve fund. The Master Servicer's process must include notification to CAEATFA of such receipt and transfer. The Master Servicer will also provide recommendations as to when additional funds for the ORF may be necessary, relying on experience in program implementation.
- ix. Credit Enhancement Management. Many of the Pilot Programs include the utilization of a credit enhancement. The Trustee is responsible for holding the funds being used for the credit enhancement. However, the Master Servicer will play a vital role in CE management by reviewing applications for project pre-approvals/reservations, financing enrollments, and the assignment of credit enhancements under the various program regulations. The Master Servicer will develop and document a process for credit enhancement management that provides specifically for:
- (a) Loss reserve management. Most of the Pilot Programs have a loss reserve in place that will cover a portion of a PFI's charged off financing, up to a maximum amount. For example, a loss reserve might cover 80% of the remaining principal balance of a charged-off financing, and up to 10% of the enrolled portfolio of financings for the PFI. The Master Servicer will develop processes to manage this loss reserve structure, as described further below.
  - (b) Project Pre-Approval and Loss Reserve Reservation. The Master Servicer will have the ability to intake PFI requests to pre-approve projects and reserve loss reserve funds prior to actual closing

<sup>3</sup> It is anticipated that the ORF funds will be held at the secure cash flow bank.

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and funding of a financing. PFIs may, at their option, choose to pre-approve projects and reserve loss reserve funds at the time of financing application. The Master Servicer will establish processes and procedures to ensure that all project pre-approval requests meet requirements defined in the applicable Pilot Program regulations. Such processes and procedures include verification of the following, and may include additional eligibility checks as defined in the applicable Pilot Program regulations:

- (1) The borrower is a customer of an investor-owned utility, and meets the requirements defined in the applicable Pilot Program regulations.
- (2) The proposed measures installed match a list of eligible measures or other appropriate methodology for approving eligible project measures as provided to the Master Servicer by CAEATFA. The Master Servicer may rely upon contractor representations and submission of required project data as discussed in subsection (v) below.
- (3) The contractor for the project is a participating contractor, as defined in the applicable Pilot Program regulations.
- (4) The proposed financing meets the minimum underwriting criteria, as defined in the applicable Pilot Program regulations.
- (5) The PFI has submitted all supplemental documentation required for project pre-approval, as defined in the applicable Pilot Program regulations. Such documentation is expected to include, but may not be limited to: a copy of the borrower's utility bill(s); a description of project measures and estimated cost; a release form provided by the investor-owned utilit(ies), and a release form provided by CAEATFA.

The Master Servicer must incorporate in its processes and procedures a notification to CAEATFA of its determination of project eligibility to receive a pre-approval, along with its recommendation for processing the request.

Upon subsequent financing funding, the Master Servicer will receive notification from the PFI of such funding via the PFI's submission of a financing enrollment application. For all projects that receive a project pre-approval, the Master Servicer must establish processes and procedures to compare the information approved in the corresponding pre-approval with that received at the time of financing enrollment. If the information differs, the Master Servicer must establish processes and procedures to verify that the information submitted at the time of financing enrollment complies with the applicable Pilot Program regulations. Should the PFI fail to provide documentation of financing funding within a period of time to be specified in the Pilot Program regulations, the Master Servicer must have the capacity to notify CAEATFA of such failure so that CAEATFA may direct the Trustee to release the reserved funds.

CAEATFA's authority to approve these requests may ultimately be delegated to the Master Servicer.

- (c) Claim Reimbursement Processing. Intake and review of requests from PFIs for claim reimbursements. Upon receipt of such requests, the Master Servicer will notify CAEATFA and recommend action (e.g., reimburse funds, reject request, or request further information).
  - (d) Provision of Supporting Documentation for Financings/Loans/Leases. Upon CAEATFA's request, provision of full financing enrollment supporting documentation. CAEATFA anticipates that this additional review is likely to take place more frequently during the early stages of each Pilot Program.
- x. Project Database Management. In a separate solicitation process, CAEATFA will select a Data Manager with responsibility for presenting data to the public on project and financial performance (subject to all legal and regulatory requirements related to protection of confidential information and Personally Identifiable Information ("PII")). The Master Servicer will be responsible

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for collecting and storing data on project installation, financing origination, terms, and performance, and potentially energy savings or consumption data related to the project/financing. Examples of data elements that may be collected are included in Attachment 5 to this RFP. CAEATFA will inform the Master Servicer of data requirements in writing after collaboration with the IOUs, relevant stakeholders and the Master Servicer. The Master Servicer will also be responsible for transmitting anonymized data to the Data Manager on a regular basis, as established in coordination with CAEATFA and the Data Manager. The Master Servicer's system and processes must have the capability to:

- (a) Coordinate with the Data Manager's data system.
  - (b) Identify financing origination data from origination files provided by each PFI, expected to be provided daily. Extract financing performance data from servicing files provided by each PFI or IOU, expected to be provided daily, for later transmission to the Data Manager in anonymized form.
  - (c) Identify project installation scope and cost information associated with each financing, as provided by PFIs or IOUs.
  - (d) Remove all PII from such files.
  - (e) Aggregate resulting data sets according to guidelines provided by CAEATFA, and prior to distributing data to other parties.
  - (f) Secure PII data in conformity with the California Information Practices Act.
  - (g) Comply with IOU data security requirements as specified in Exhibit F to the Sample Standard Agreement (Section F).
  - (h) Receive, store, and transmit data to the Data Manager in a manner that fully protects confidential information and PII (consistent with applicable laws and regulations).
  - (i) Standardize format and framework for information transmitted to the Data Manager such that all customer data is presented consistently and fits into an appropriate data schema.
  - (j) Upon direction from CAEATFA, provide project data to the Contractor Trainer/Manager as required in Pilot Program regulations.
- xi. Data Exports and Reporting. The Master Servicer must also develop and document processes and report templates for tracking and reporting to CAEATFA on transaction activity and financing performance, as described below:
- (a) New Projects Transaction Report(s). This report will be provided to CAEATFA and include data on all of the new transactions per the various Pilot Programs. The frequency of the report may be on a weekly or monthly basis.
  - (b) Program Activity by IOU(s). This report will be provided to CAEATFA and the IOUs, and will include data on Pilot Program activity within IOU territories. The frequency of the report will likely be on a monthly basis.
  - (c) Reservation/Pre-Approval(s). This report will be provided to CAEATFA and will include data on any reservations/pre-approvals. The frequency of the report will may be on a weekly or monthly basis.
  - (d) Monthly Activity Report(s) for Marketing Efforts. This report will include activity data that will assist in informing the marketing efforts and will be provided to the marketing implementer identified pursuant to the CPUC Decision. The frequency of the report will likely be on a monthly basis.

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- (e) Activity Report(s) for the Contractor Manager(s). This report will provide project and borrower data to the selected Contractor Manager(s) to enable it to carry out the contractor and project quality control and oversight under its contract. The frequency of this report may be weekly or monthly.
  - (f) Master Activity Report(s). This will include accumulative data, including loan performance, of all enrolled financings per the various Pilot Programs, and will be provided to CAEATFA. The frequency of this report will be monthly.
  - (g) Claim Activity Report. This report will include data on claims and will be provided to CAEATFA.
  - (h) Receive Lender Reports. The Master Servicer will also receive reports from lenders on a regular basis reflecting financing activity and performance.
  - (i) Receive Contractor Management Reports. The Master Servicer may receive reports identifying the participating contractors under the various programs. The frequencies of these reports is anticipated to be weekly.
  - (j) Additional reporting as requested in writing by CAEATFA.
  - xii. Transfer of Functionality and Data. The Master Servicer shall ensure that its systems, policies, and procedures facilitate the transfer of all data collected under this Contract to CAEATFA or its designee at the end of the Agreement term.
- b. Operational Functionality.
- On a daily, weekly, monthly or quarterly basis (depending on the task), the Master Servicer will be required to perform the following tasks (using the systems described above):
- i. PFI Enrollment.
    - (a) PFI Account Setup. Once CAEATFA approves a PFI to participate in a program, the Master Servicer will create a system account for each PFI and will establish an automated interface. The Master Servicer will respond to technical issues, if any, within two business days until the interconnection is established.
  - ii. Coordination with IOU Systems.
    - (a) Custom Data Fields. The Master Servicer's system must be capable of tracking, storing and reporting CAEATFA, IOU, and PFI custom data fields for each financing and customer account.
    - (b) Unique Customer Identifier. At the first PFI request regarding a unique customer (initial IOU customer eligibility check, credit enhancement reservation application, project pre-approval application, or financing enrollment application) the Master Servicer shall create a unique identifier associated with that customer. The Master Servicer will then transmit that unique identifier to the applicable PFI (and IOU(s) if applicable). Future transactions associated with that customer should use the same identifier, and allow for a distinction. The identifier must be unique within the existing program and consistent in format with the existing technical specification.
    - (c) On-Bill Repayment Customer and First Charge Enrollment. Each time the Master Servicer receives a request from a PFI to enroll a financing in the EFLIC sub-pilot or a Pilot Program that includes on-bill repayment, the Master Servicer will through the IOU-DEP process transmit the specified customer account information to the IOU for enrollment. The Master Servicer will receive through the IOU-DEP process a response transmission accepting or rejecting the customer's enrollment. An acceptance response will also identify the customer's estimated bill cycle day. The Master Servicer will report to the PFI the outcome of the enrollment attempt through the Lender-DEP process. The Master Servicer will through the IOU-DEP process transmit the monthly OBR charge amount to the IOU on the next occurring bill cycle day as

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- established by the enrollment acceptance. The Master Servicer will report to the PFI the outcome of the first monthly OBR charge transmission attempt through the Lender-DEP process.
- (d) On-Bill Repayment Recurring Monthly Charge. The Master Servicer must continue to transmit the monthly OBR charge amount to the appropriate IOU each month on the bill cycle day of each customer enrolled in the EFLIC sub-pilot or a Pilot Program that includes on-bill repayment. The Master Servicer must design and implement controls to ensure only one (1) monthly OBR charge transmission is accepted by the IOU in a rolling 30-day period for each enrolled customer. The Master Servicer must track and store modifications to the monthly OBR charge amount as received from PFI through a process it must establish. The Master Servicer must track and store each customer's bill cycle day as first received from the IOU through the IOU-DEP process. The bill cycle day may be modified at any time by the IOU through the IOU-DEP process.
- (e) On-Bill Repayment Charge Remittances. Each business day where there is OBR or EFLIC payment activity, the Master Servicer will receive from the IOUs through the IOU-DEP process a transmission detailing transactions associated with the EFLIC or OBR payment activity. The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process as a function of the Master Servicer's fund management and reconciliation obligations described in the subsections above and below.
- (f) On-Bill Repayment Billing Delays. Each business day where the IOU is unable to bill the customer as intended, the Master Servicer will receive from the IOUs through the IOU-DEP process a transmission identifying the impacted account(s). The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process. The Master Servicer shall take steps to trigger an Operational Reserve payment and reimbursement when appropriate, as described in subsection 4.b.v. "Operational Reserve Fund Management" below.
- (g) On-Bill Repayment Servicing Exceptions. The IOUs will notify the Master Servicer through the IOU-DEP process of certain information pertaining to enrolled EFLIC or OBR customer's utility bill repayment status. This information is defined by the IOU-DEP and includes but is not limited to: past due account notices, disconnection warnings, and notice of service disconnection or severance. The Master Servicer must track and store this data for reporting to the PFI through the Lender-DEP process. The Master Servicer's system must also interpret this data and under specific conditions initiate the customer removal process from the EFLIC or OBR program. Note that service disconnection is not a feature of the EFLIC program, so notices for EFLIC will relate only to customer utility bill payment delinquency.
- (h) On-Bill Repayment Removal. The Master Servicer may also receive requests from PFIs or IOUs to remove the customer from the EFLIC or OBR program and the subsequent customer finance charges from the utility bill. The IOU will notify the Master Servicer through the IOU-DEP process. The PFI will notify the Master Servicer through a process it must establish. Upon receiving notice the Master Servicer will use the IOU-DEP process to remove the customer and the charge from the utility bill. The Master Servicer must track and store the change in customer EFLIC or OBR enrollment status and report to the PFI through the Lender-DEP process.
- (i) On-Bill Repayment IOU Customer Eligibility. The Master Servicer will verify that the borrower is an IOU customer and in a rate class eligible for participation in the requested Pilot Program and the IOU customer is current on its utility bill payments (not past due).
- (j) IOU Customer Billing and Payment History. At financing origination, a PFI may, at its option, request to receive a customer's utility billing and payment history using the appropriate customer release form. When this occurs, the Master Servicer will receive this request and transmit it to the relevant IOU. No further action on the part of the Master Servicer shall be required.
- (k) Customer Energy Consumption or Energy Savings Data. IOUs may provide, on an annual basis during the life of the financing, data associated with the related unique customer ID, showing customer energy consumption for the previous 12 months. At the time of the initial energy

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- consumption request, the IOUs will provide up to 12 month of pre-installation consumption data along with the post-installation usage. While not contemplated at this point, the Master Servicer may receive energy use/ savings data. This data will be with an individual financing that is later provided to the Data Manager. This process is currently being deliberated by the CPUC, and it is CAEATFA's intention that this energy data will bypass the Master Servicer and be provided directly to the Data Manager.
- iii. Customer Account Boarding and Invoice Processing. At the first PFI request regarding a unique customer (initial IOU customer eligibility check, credit enhancement reservation application, project pre-approval application, or financing enrollment application) the Master Servicer shall establish a new financing data account within one business day.
- iv. Fund Remittance Processing.
- (a) Fund management, reconciliation and notification. The Master Servicer will perform all fund management and reconciliation functions consistent with its conduit function, transferring customer financing payments between IOUs and PFIs, and will deliver all associated notifications to IOUs, CAEATFA and PFIs.
- (b) Receive daily files or reports from IOUs. On each business day where there is OBR or EFLIC activity, the IOUs shall transmit to the Master Servicer a daily report showing, for OBR and EFLIC, all funds received by the IOU, and all funds remitted to the Master Servicer (via its secure cash flow bank), with each amount associated with the unique customer identifier described above. The Master Servicer shall take appropriate action as described in subsection (d) (Daily Fund Remittance Processing) below and in Section 4.b.v. (Operational Reserve Fund Management) below.
- (c) Daily Fund Remittance Processing. Upon receiving notice of a fund remittance into a segregated account from any IOU, including the associated IOU daily report file, the Master Servicer will acknowledge receipt of the file and funds. The Master Servicer will separate the funds into the amount due to each PFI, and initiate the transfer of such funds to the appropriate PFI within one business day of clearing such funds from the IOU. The Master Servicer must also use the Lender DEP process to notify the PFI of the transfer of funds.
- (1) The Master Servicer will transfer the available amount as appropriate and determine whether to trigger the Operational Reserve based on its analysis of information that the IOU provides in its daily report:
- (2) The Master Servicer shall trigger an Operational Reserve payment and reimbursement as described in subsection 4.b.v. "Operational Reserve Fund Management" below and further delineated by CAEATFA's future program regulations and procedures.
- v. Operational Reserve Fund Management. In the case of OBR or EFLIC, the Master Servicer shall review daily all IOU remittance reports received from IOUs to determine if the aggregate net dollar amount of full, partial, and returned payments reported to the Master Servicer by an IOU will be sufficient to fund the PFIs corresponding to the amount each customer has paid, identified in the remittance report. The Master Servicer shall direct the transfer of funds from the Operational Reserve to the appropriate PFI if sufficient funds are not received from the IOU. The Master Servicer shall notify CAEATFA each time it directs the transfer of funds in this manner. Upon subsequent receipt of funds from an IOU, the Master Servicer will be required to transmit such payments to the appropriate operational reserve fund. The Master Servicer shall notify CAEATFA of such receipt and transfer.

Prior to commencing operations, the Master Servicer will be required to adjust or customize its existing servicing and cash management systems and develop policies and procedures necessary to perform the operational reserve fund management functions laid out above. To the maximum extent possible to the extent it creates efficiency and increases program effectiveness, each process should be automated and should leverage existing infrastructure and systems. At CAEATFA's

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direction, prior to commencing operations, the Master Servicer may be required to demonstrate that its system meets the business and technology requirements that guided its design and customization. This demonstration may be conducted with each of the four IOUs, and PFIs.

- vi. Credit Enhancement Management. CE funds will be provided by IOUs for projects within their combined service territories and Pilot Programs. In addition, upon CAEATFA's request, the Master Servicer shall provide CAEATFA with financing enrollment supporting documentation to enable CAEATFA staff to conduct appropriate due diligence. CAEATFA anticipates that this additional review is likely to take place more frequently during the early stages of each Pilot Program (e.g. 100% of first 10 enrollments per PFI per program, 75% of next 15 enrollments, etc).

CAEATFA may over time delegate its authority over these processes to the Master Servicer.

- (a) Loss Reserve Reservation/Pre-Approval. Upon receipt of a reservation request from a PFI, the Master Servicer will review the request for compliance with the applicable program regulations and notify CAEATFA of its recommendation to either approve or deny the request within one business day. For all projects that receive a project pre-approval, the Master Servicer will compare the information approved in the corresponding reservation with that received at the time of financing enrollment. If the information differs, the Master Servicer must verify that the information submitted at the time of financing enrollment complies with the applicable Pilot Program regulations.

The Master Servicer's recommendation must include the IOU territory and program in which the financing will be enrolled and the estimated amount of CE funds to be reserved, based upon criteria specified in the corresponding Pilot Program regulations and provided to the Master Servicer by CAEATFA. CAEATFA may, in turn, make amendments to and/or communicate all such requests to the Trustee. Once CAEATFA has approved the loss reserve reservation, and informed the Master Servicer, the Master Servicer shall inform the PFI that CAEATFA has reserved funds for the requested financing.

Should a PFI fail to submit documentation of financing funding within an amount of time specified in the corresponding Pilot Program regulations, the Master Servicer shall inform CAEATFA of such failure, and CAEATFA shall instruct its Trustee to cancel the reservation of loss reserve funds. CAEATFA may direct the Master Servicer to place an upper limit on the total amount of reservations that one PFI may request, if required by Pilot Program regulations.

Note that this loss reserve reservation step will be optional, so not all PFIs will make a loss reserve reservation request for all projects.

- (b) Financing/Loan/Lease Enrollment and Loss Reserve Allocation. Upon completion of an eligible project, the PFI shall submit to the Master Servicer a financing Enrollment Application to request a loss reserve allocation. The Master Servicer shall review each request for completeness and eligibility in accordance with Pilot Program regulations. The Master Servicer will inform the PFI if a financing enrollment package is incomplete.

The Master Servicer shall communicate a request for loss reserve allocation, including a recommended action for approval or denial, to CAEATFA within two business days of receiving a complete financing Enrollment Application. If the loss reserve allocation request is approved, CAEATFA shall issue instructions to the Trustee to transfer funds to the appropriate PFI program subaccount that will be established with the Trustee. The Trustee shall then inform CAEATFA and the Master Servicer that funds have been transferred accordingly, and the Master Servicer shall inform the PFI of such transfer.

- (c) Claim Reimbursement. If an eligible financing is charged off by a PFI, pursuant to Pilot Program regulations, the PFI may issue a claim request to the Master Servicer for reimbursement of the allowable loss reserve amount, or a portion thereof, from the Trustee. Master Servicer shall



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review each claim request for completeness and compliance with program rules and shall communicate within two business days to the PFI whether the claim request is deemed complete or requires additional information. The Master Servicer shall notify CAEATFA with a recommended action to reimburse or reject such claim request based on the claim's eligibility. CAEATFA shall determine its action and issue appropriate instructions to the Trustee and notify the Master Servicer. The Master Servicer shall notify the PFI of the status of its claim request.

CAEATFA may permit a PFI to submit up to two claim requests for a single financing. If an eligible claim amount exceeds the funds available for the corresponding Pilot Program and reserve type for that PFI, CAEATFA will direct the Trustee to transfer funds to reimburse the PFI up to the amount of the available funds. If the PFI increases the loss reserve account balance by enrolling additional financings for the corresponding Pilot Program, it may then submit one additional claim request for the outstanding claim amount or a portion thereof. The Master Servicer shall process such subsequent claim requests in accordance with the Pilot Program requirements, using the process outlined above. In no case shall the PFI receive more than the maximum CE amount for a single financing.

- (d) Recovery of Claim Reimbursements. If a PFI subsequently recovers funds from a financing for which it received a loss reserve claim reimbursement, then the PFI will refund the appropriate amount to Trustee with notification to the Master Servicer in accordance with the applicable Pilot Program regulations.

vii. Project Database Management.

- (a) Establish Data Schema. Using a set of data elements and data dictionary provided by CAEATFA, the Master Servicer will develop methodology for transmitting and storing data elements. The schema will be consistent with current data management practices (e.g., flat file/excel, XML/WSDL and SOAP or JSON/REST) and will allow the non-breaking change flexibility to modify data elements, minimize cost and technical requirements to sources of data collected (IOUs and financial institutions), and allow substantial scalability.
- (b) Establish Data Platform. The Master Servicer will have a data platform for maintaining the data and interfacing with data providers (e.g., IOUs and PFIs (large and small)) and the Data Manager.
- (c) Merge Data. The Master Servicer will receive and periodically (at financing/loan/lease closing and annually through the life of the financing/loan/lease) upload individual customer financial data – and potential energy data -- matching the individual data to create one data record of both energy and financial data information. The result will be a single database of individual records that includes information about the customer, the property, the project, pre- and post-installation energy consumption, the financing. This data will be associated with the unique customer identification number referenced earlier.
- (d) Anonymize Data. The Master Servicer will develop a process to ensure that all customer data (such as, billing, program participation, or account information) at the level of an individual customer is scrubbed or altered such that an individual customer cannot reasonably be re-identified before transmitting any data to the Data Manager or to other parties at CAEATFA's direction.
- (e) Aggregate Data. The Master Servicer shall have the capacity to aggregate previously anonymized data at CAEATFA's direction. This aggregation may be requested before data is sent to the Data Manager.
- (f) Delete Data. The Master Servicer shall have the capacity to delete data received from a PFI upon instructions from CAEATFA that will include the triggering event (e.g. loan application file received but loan not funded) and a specific period of time after that triggering event (e.g., 120

**EXHIBIT A  
(Standard Agreement)**

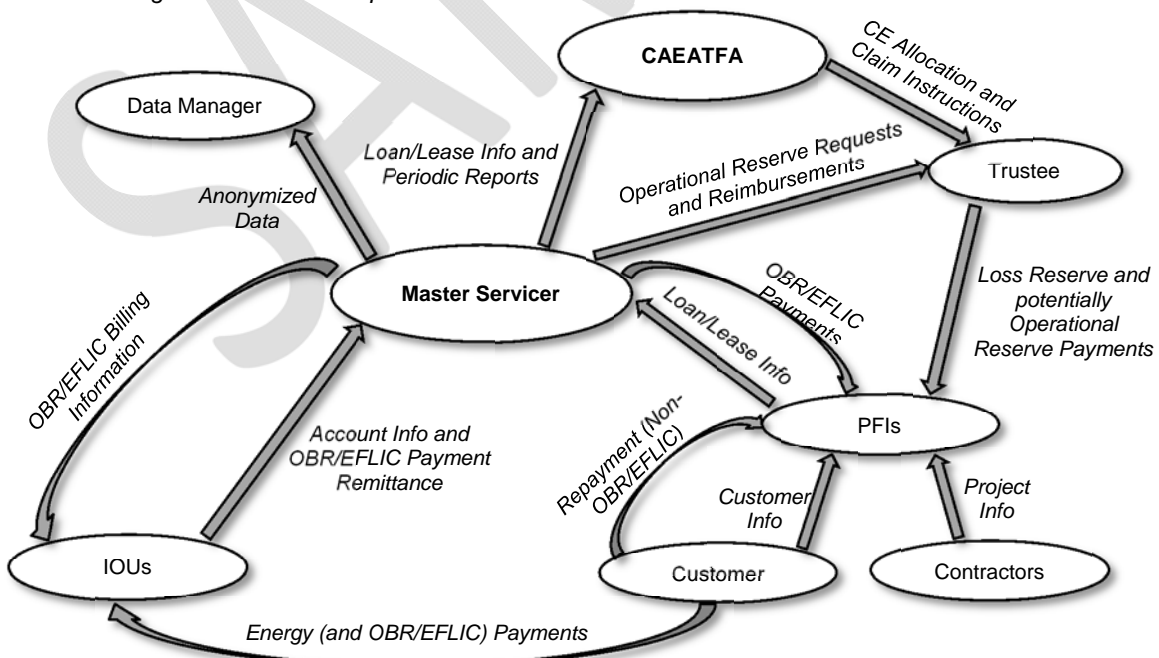
days) and the specific data fields to be destroyed (e.g., PII data such as customer name or contact information).

c. Other Tasks.

- i. The Master Servicer will be required to on-board an existing portfolio of financings that are enrolled in REEL, and customize its servicing to implement the Master Servicer and IOU Automated Data Exchanges that have been adopted by the IOU stakeholders as described above.
- ii. The Master Servicer will assist and work with CAEATFA staff to ensure the most effective design of its operations related to the scope of this agreement, keeping in mind the user experience (PFIs, IOUs, and CAEATFA).
- iii. This program is a pilot, and Master Servicer should assume that modification to processes will be necessary from time to time during the pilot and implementation period to incorporate lessons learned.
- iv. The Master Servicer will work with CAEATFA to respond to any Public Records Act (“PRA”) requests presented.
- v. The Master Servicer is not expected to directly receive or respond to any consumer complaints but will be available to consult with and support CAEATFA as necessary.
- vi. The Master Servicer will attend meetings and collaborate with CAEATFA and stakeholders, such as IOUs, CSE, and PFIs, to discuss and provide guidance on integration with the broader program processes and protocols.
- vii. The Master Servicer will develop a work plan, in coordination with CAEATFA staff, to demonstrate how it intends to implement the items set forth in the Scope of Services on a timeline consistent with the Key Action Dates provided below. Given the various pilots and sequential development and launch of the pilots, specific work will be governed by task orders.

Figure 1 (following) provides an overall view of all functions performed through these Pilot Programs, with Master Servicer roles specifically set forth.

Figure 1. Pilot Program Roles and Responsibilities



**EXHIBIT A  
(Standard Agreement)**

**2. Term of Agreement**

The term of the Agreement will be for a two-year period with the option for CAEATFA to extend for one additional year. The effective date is either the proposed award date, or the date of approval of the Agreement by the Department of General Services. No work shall commence until the effective date.

Any customer accounts that require ongoing servicing after the Agreement ends will be transferred to an alternate master service provider as directed by CAEATFA. Master Servicer will be required to assist and support the transfer of servicing functions and data to the alternate provider.

**3. Project Representatives**

**The project representatives during the term of this Agreement will be:**

|   |                    |
|---|--------------------|
| <b>State Agency:</b><br>California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA) | <b>Contractor:</b> |
| Name: Deana J. Carrillo,<br>Executive Director  | Name:              |
| Address: 915 Capitol Mall,<br>Sacramento, CA 95814  | Address:           |
| Phone: (916) 653-8157   | Phone:             |
| Fax: (916) 589-2855   | Fax:               |
| Email: <a href="mailto:dcarrillo@treasurer.ca.gov">dcarrillo@treasurer.ca.gov</a>                               | Email:             |

**Direct all inquiries to:**

|   |                    |
|---|--------------------|
| <b>State Agency:</b><br>California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA) | <b>Contractor:</b> |
| Section/Unit: CAEATFA   | Name:              |
| Attention: Jennifer Gill  | Address:           |
| Address: 915 Capitol Mall,<br>Sacramento, CA 95814  | Phone:             |
| Phone: (916) 653-3033   | Fax:               |
| Fax: (916) 589-2855   | Email:             |
| Email: <a href="mailto:jgill@treasurer.ca.gov">jgill@treasurer.ca.gov</a>                                       |                    |

**EXHIBIT B**  
**(Standard Agreement)**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Invoicing and Payment**

- a. For services satisfactorily rendered, and upon receipt and approval of the invoices, in consideration of the services described in Exhibit A, Scope of Services, CAEATFA agrees to pay the Contractor based on the Rate Schedule provided in the Contractor's Proposal, which is attached hereto and made a part of this Agreement. The State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified.

Broadly, these services fall into four major areas:

- Receive and enroll (as described in the Scope of Services) financings (e.g. loans, leases, energy service agreements) from participating financial institutions ("PFIs" or "lenders"); verify borrower, project and financing eligibility; collect appropriate program data; and apply loss reserves and credit enhancements based on Pilot Program regulations;
  - Acquire customer financing data (from financings) from participating financial institutions , and provide such data to the IOUs for placement on the customer's utility bill;
  - Receive customer payment data and funds from IOUs and distribute to PFIs by establishing the accounts and processes to ensure a secure cash-flow. Notify PFIs and IOUs, as appropriate and subject to relevant laws or regulations, of exceptional events such as payment delinquency, account termination, and similar events; manage the transfer of funds as described in the Scope of Services; and
  - Provide comprehensive program reporting to CAEATFA and others as further described in the Scope of Services.
- a. Invoices shall be provided to CAEATFA **monthly and in arrears**, and shall include Agreement Number CAEATFA04-17 and the specific period (month, day and year) covered by the invoice. Itemized billings must include the following where applicable:
- i. Project name, Agreement Number, and services to be provided.
  - ii. Name(s) of individual(s) who performed work on the project, their titles/classifications and billing rates per hour.
  - iii. Itemized reimbursable expenses, along with receipts.
  - iv. Deliverable items required during or at completion of the work assignment. Sufficient detail regarding the activity engaged in or the services provided includes, at a minimum:
    - For preparation of documents, a brief description of the document prepared;
    - For attendance at, hosting, or preparation for a meeting, hearing, or other event, a brief description of the purpose of the meeting, hearing or event;
    - For telephone conversations, the name of the party with whom you spoke and a brief description of the subject matter discussed;
    - For training or conferences, the name of the parties participating in the training or conference and a brief description of the subject matter discussed; and for research, a brief description of the issues researched.

**EXHIBIT B  
(Standard Agreement)**

- c. Any change in the professional staff or subcontractors, whether by substitution or addition of staff, must be approved in writing in advance by CAEATFA Executive Director and must be accompanied by a resume and proposed billing rate, which rate shall not be greater than the rate for comparable staff identified in the billing rates.
- d. All travel must be pre-approved by the Executive Director. Travel and transportation expenses shall not exceed the rates payable to State employees. Other necessary expenses not listed above will be reimbursed if approved in advance by the Executive Director. Send invoices to:

Deana J. Carrillo, Executive Director  
California Alternative Energy and Advanced Transportation  
Financing Authority (CAEATFA)  
915 Capitol Mall, Room 538  
Sacramento, California 95814

- e. The maximum amount of compensation to Contractor under this Agreement shall not exceed **\$1,500,000.00 (One Million Five Hundred Thousand Dollars)** for the entire service term, including all optional extensions.

**2. Budget Contingency Clause**

- a. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**EXHIBIT B  
(Standard Agreement)**

**SAMPLE BILLING  
(Contractor Firm's Letterhead)**

Invoice No. \_\_\_\_\_  
Invoice Date: \_\_\_\_\_

Deana J. Carrillo, Executive Director  
California Alternative Energy and Advanced Transportation  
Financing Authority (CAEATFA)  
915 Capitol Mall, Room 538  
Sacramento, California 95814

Agreement No.: CAEATFA04-17

Project Description: **Master Servicer Fees and Expenses in Connection with the California Hub for Energy Efficiency ("CHEEF") Pilot Programs**

| Description of Work Performed | Count | Cost Per Transaction / Rate | Total |
|-------------------------------|-------|-----------------------------|-------|
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |
|                               |       | \$                          | \$    |

|                                   |    |    |
|-----------------------------------|----|----|
| <b>TOTAL FEES:</b>                | \$ | \$ |
| <b>TOTAL EXPENSES:</b>            | \$ | \$ |
| <b>TOTAL FEES &amp; EXPENSES:</b> | \$ | \$ |

**EXHIBIT C  
(Standard Agreement)**

**GENERAL TERMS AND CONDITIONS**

Exhibit C to this Agreement, the General Terms and Conditions (GTC), is hereby incorporated by reference and made part of this Agreement as if attached hereto. The General Terms and Conditions may be viewed and downloaded at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

SAMPLE

**EXHIBIT D**  
**(Standard Agreement)**

**SPECIAL TERMS AND CONDITIONS**

**1. Excise Tax**

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

**2. Settlement of Disputes**

In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State identified in Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

**3. Evaluation of Contractor**

Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

**4. No Agency Liability**

The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

**5. Potential Subcontractors**

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.



**EXHIBIT D  
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**6. Force Majeure**

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

**7. Waivers**

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

**8. Incorporation of Amendments to Applicable Laws**

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

**9. Confidentiality**

All financial, statistical, personal, technical and other data and information relating to the operations of the State which are designated confidential by the State and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

**10. Titles/Section Headings**

Titles and headings are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

**11. Choice of Law**

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

**12. Notices**

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State have designated in Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or by mail three (3) days after the date of mailing, unless by express mail then upon the date of confirmed receipt, to the representatives named in Exhibit A.

**EXHIBIT D**  
**(Standard Agreement)**

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

**13. Permits and Licenses**

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

**14. Books and Records**

Contractor shall keep accurate books and records connected with the performance of this Agreement for a period of at least three (3) years. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location and shall be available for inspection and copying by the State and its representatives at any time.

**15. Key Personnel**

- a. A resume for each member of Contractor's staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as Attachment 1 to Exhibit A. These members of Contractor's staff shall be hereafter referred to (both individually and collectively) as "Key Personnel."
- b. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State.
- c. This Agreement may be terminated immediately, in the sole discretion of the State and upon written notice from the State to Contractor, because of any change in or departure of any of the Key Personnel.

**16. Changes in Control, Organization or Key Personnel**

Contractor shall promptly, and in any case within five (5) days, notify the State in writing: (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor's staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation any Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within Contractor's staff or organization under the same criteria as was used by the State in its award of this Agreement to Contractor.

**EXHIBIT D  
(Standard Agreement)**

**17. Insurance Requirements**

Contractor warrants that it carries adequate liability, worker's compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State upon request.

**18. Subcontractors**

- a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by the State. The subcontractor must be mutually agreed upon in advance by both parties.
- b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

**19. Notice of Proceedings**

Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving Contractor, including any Key Personnel, commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor's business.

**20. Cumulative Remedies**

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

**21. Binding Effect**

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

**22. Publicity**

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State.

**23. Services or Procurement Resulting from Agreement**

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

**EXHIBIT D**  
**(Standard Agreement)**

**24. Agreement Does Not Violate Law**

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

- a. Violate any provision of the charter documents of Contractor;
- b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or
- c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.

**25. Power and Authority**

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

**26. Signature Authorization**

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

**27. Entire Agreement; Order of Precedence**

- a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.
- b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including exhibits and attachments; (iii) the Request for Proposal (RFP) if any; (iv) Contractor's response to the RFP if any; and (v) any other provisions, terms, or materials incorporated herein.

**28. Termination at Option of the State**

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon 30 days' written notice by the State, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State terminates all or a portion of this Agreement for any reason, it is understood that the State will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

**EXHIBIT D**  
**(Standard Agreement)**

**29. Termination for Insolvency**

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately.

**30. Completion**

In the event of termination for default, the State reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State for any additional cost incurred by the State to complete the work whether reimbursed or not.

**31. Effect of Termination**

All duties and obligations of the State and Contractor shall cease upon termination of this Agreement, except that:

- a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and
- b. Contractor shall provide for the return of all records of the State to the State or its designee and shall cooperate fully to effect an orderly transfer of services.

**32. Termination for Expatriation**

Contractor shall notify the State immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing in the manner specified herein.

**33. Compliance With Political Reform Act**

**Contractor acknowledges that the State is subject to the provisions of the Political Reform Act (Government Code section 81000 et seq. and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, title 2, section 18700 et. seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer (California Code of Regulations, title 2, section 1897). All such reports shall be filed simultaneously with the State.**

**EXHIBIT D**  
**(Standard Agreement)**

**34. Darfur Contracting Act**

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).

**35. Labor Neutrality Policy**

CAEATFA recognizes the value of labor organizing and encourages the entities with which it contracts to demonstrate that they also value this principle by encouraging management neutrality in labor organizing activities.

To remain "neutral" means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by the Contractor's employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this section obligates or prohibits the Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents the Contractor's employees.

**EXHIBIT E  
(Standard Agreement)**

**ADDITIONAL PROVISIONS**

**1. PROGRESS REPORTS**

Contractor shall submit progress reports to the State describing work performed, work status, work progress, difficulties encountered, remedial action, and statement of activity anticipated subsequent to reporting period for approval prior to payment of invoices. Contractor will be reimbursed by invoicing in detail all costs and charges with Agreement Number and sending to designated address as provided in Exhibit B.

**2. PROGRESS PAYMENTS**

Progress payments are permitted for work performed under this Agreement. Ten percent (10%) of the invoiced amount shall be withheld pending final completion of the Agreement and receipt and acceptance by the State of any final reports required under this Agreement.

**3. MILESTONES**

In consideration for the satisfactory completion of the services described herein, the State agrees to pay Contractor, in arrears, upon receipt of an invoice in triplicate, for services rendered under this Agreement. The invoice shall be submitted by Contractor in sufficient scope and detail to define the actual work performed and specific milestones completed, including a description of the activities of Contractor and subcontractors and the hours allocated to those activities. The hourly rate for services rendered shall not exceed those as set forth herein or as attached hereto.

**4. CONFLICT OF INTEREST; NO PROFIT**

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

**EXHIBIT F  
(Standard Agreement)**

**Third Party Agreement Provisions**

**1. Confidentiality and Data Protection**

**1.1 Definitions**

“**Confidential Information and Property**” means all non-public, confidential or proprietary commercial or personal information or property of a party or IOU, including without limitation Customer Data, disclosed or provided under this Agreement to any other party or its agents, employees, officers, directors, partners, attorneys, accountants, contractors or providers (collectively, “**Representatives**”), whether disclosed or provided orally or disclosed, provided or accessed in written, electronic or other form of media, whether or not marked or otherwise identified as “confidential,” concerning, but not limited to, research, development, products, services, processes, designs, inventions, software, tools, reports, ratemaking, regulatory and legislative matters and practices of that party, its parent company, subsidiaries, affiliates, or members of the public, including Customer Data provided by that party. Such Confidential Information and Property also includes non-public, confidential or proprietary commercial or personal information, data or tangible or intangible property produced, developed or delivered by Contractor in the performance of this Agreement.

1.1.1 “**Customer Data**” means all information and data regarding an IOU customer that is furnished, disclosed, or otherwise made available to Contractor by an IOU under this Agreement, including without limitation personal information such as the customer’s name, address, contact information, service agreement number on the Customer’s electric bill, user name, password, financial status, and social security number, and any information regarding the Customer’s energy usage or billing. No confidential Customer Data shall be provided to Contractor except pursuant to a release of any such Customer Data in one or more forms provided by that IOU, as may be amended from time to time in that IOUs’ sole discretion, executed by that IOU’s customer to whom such Customer Data pertains (“**Release**”).

1.1.2 “**Contractor Personnel**” means any and all personnel furnished or engaged by the Contractor to perform any part of the Scope of Services, as defined in the Agreement, including employees and independent contractors of the Contractor and its Subcontractors.

1.1.3 “**Disclosing Party**” means the party or, as applicable, the IOU, that discloses its Confidential Information and Property to the Receiving Party pursuant to this Agreement.

1.1.4 “**Receiving Party**” means the party that receives Confidential Information and Property from the Disclosing Party pursuant to this Agreement.

**1.2 Confidentiality**

1.2.1 Contractor shall not disclose or make available Confidential Information and Property to any third party, except as permitted by this Agreement. Contractor shall,



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and shall require Contractor Personnel to, access and use Confidential Information and Property solely for the purpose of performing the Scope of Services, but not otherwise. In addition, Contractor shall comply, and ensure that Contractor Personnel comply, with all applicable laws relating to the protection of Confidential Information and Property and Customer Data.

1.2.2 Contractor shall not, and shall ensure Contractor Personnel do not, use Confidential Information and Property or Customer Data (including any Customer Data received by Contractor pursuant to a Release) for Contractor's or Contractor Personnel's own benefit or for any purpose other than as expressly stated in this Agreement.

1.2.3 If Contractor receives any Customer Data pursuant to this Agreement without a Release, Contractor shall (1) provide written notice to CAEATFA and the relevant IOU within two (2) business days of discovering that the Customer Data was disclosed without a Release; (2) shall delay processing of any application related to an IOU customer to which the Customer Data pertains until Contractor receives such Release; and (3) treat any such Customer Data as Confidential Information and Property.

1.2.4 The foregoing confidentiality restrictions shall not apply to information which is (i) previously known to a Receiving Party, prior to its receipt from Disclosing Party, (ii) independently developed by Receiving Party without use of the Confidential Information, (iii) acquired by it from a third party not participating in the Program(s), which was not, to the Receiving Party's knowledge, under an obligation to the Disclosing Party not to disclose such information, (iv) which is or becomes publicly available through no breach of this Agreement by the Receiving Party; or (v) Customer Data provided by an IOU pursuant to a Release; provided that if such Customer Data has been compiled in a database, that database shall nonetheless be deemed Confidential Information and Property owned by the IOUs, and all of the confidentiality obligations herein shall apply unless such Customer Data in that database is anonymized or aggregated so that it cannot be identified with the individuals to whom it relates.

1.2.5 Contractor acknowledges that CAEATFA and the IOUs may elect to disclose Contractor Confidential Information and Property to their respective regulator(s) and legislators. In addition, CAEATFA and the IOUs may be required to disclose Contractor's Confidential Information and Property to third parties to comply with Commission directions relating to energy efficiency program reporting or to comply with other applicable laws. Such disclosures are not prohibited by this Section 1.2.5 but, in making such disclosures, CAEATFA and the IOUs will afford the level of protection to such information as CAEATFA and the IOUs determine to be appropriate in accordance with their normal business practices.

**1.3 Use of Confidential Information and Property**

Confidential Information and Property is and will remain the property of the Disclosing Party. The Receiving Party may not use the Disclosing Party's Confidential Information

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and Property or Customer Data (including any Customer Data received by such Party pursuant to a Release) for any purpose other than those expressly authorized by this Agreement. The Disclosing Party's Confidential Information and Property shall not be sold, assigned, leased or otherwise disposed of to third parties or commercially exploited by or on behalf of the Receiving Party. The Receiving Party may not possess or assert any lien or other right against or to the Disclosing Party's Confidential Information and Property.

**1.4 Compliance with Data Privacy and Data Protection Laws**

Contractor shall observe and comply with all applicable laws, including data privacy, data protection, and consumer privacy laws. If a party becomes aware of any use or disclosure of another party's Confidential Information and Property or Customer Data that is not permitted by this Agreement, it will notify that other party as soon as practicable, but no later than two (2) business days after such party becomes aware of any such unauthorized use or disclosure.

**1.5 Information Security and Protection Measures**

1.5.1 Contractor shall take "Information Security and Protection Measures" consistent with industry best practices, as such practices evolve and improve during the Term and, without limiting the foregoing, shall comply with the Information Security Requirements set forth in Attachment A hereof, as such policies are updated and supplemented by the relevant parties during the continuance of this Agreement. Information Security and Protection Measures means measures to safeguard against the unauthorized access, loss, destruction, use, alteration or disclosure of Confidential Information and Property owned or provided by CAEATFA or IOUs, including but not limited to:

1.5.1.1 Systems, infrastructure, procedures and services as necessary to recover data, systems and operations in the event of a major outage or disaster, and regular tests (no less frequently than annually) to verify that such recovery can be achieved;

1.5.1.2 Policies and procedures providing information security, third-party assurance auditing and penetration testing;

1.5.1.3 Password protected access to Confidential Information and Property at all access points;

1.5.1.4 Encryption of Confidential Information and Property at rest and in transit (including any backup copies);

1.5.1.5 Restriction of physical access to Confidential Information and Property;

1.5.1.6 Implementation of logical access controls and sanitization or destruction of media, including hard drives;

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1.5.1.7 Compliance with NIST standards, as applicable to the Scope of Services; and

1.5.1.8 Contractor shall furnish to CAEATFA and the IOUs upon request an SSAE 16 Type II report on Contractor's internal controls pertaining to the Scope of Services (or such other independent verification of Contractor's Information Security and Protection Measures that is reasonably acceptable to CAEATFA and the IOUs):

1.5.1.8.1 Before commencing performance of the Scope of Services;

1.5.1.8.2 No later than *[date]* each year during the Term; and

1.5.1.8.3 Upon request by CAEATFA or the IOUs, but not more than once per calendar year in addition to the provision of the annual certification referred to in paragraph (2).

1.5.2 CAEATFA and the IOUs may inspect and audit, or engage a third party auditor to inspect and audit, the Contractor's facilities and systems to assess the Contractor's Information Security and Protection Measures. The Contractor shall cooperate fully with any requested inspection or audit. If CAEATFA or an IOU notifies Contractor of a material vulnerability in the Contractor's security measures, Contractor shall develop an action plan acceptable to CAEATFA and the IOUs to correct the material vulnerability or vulnerabilities, in accordance with Attachment A to this Exhibit.

1.5.3 Contractor hereby represents, warrants and covenants that, to the extent Contractor's facilities or information system(s) have been the subject of security audits prior to the date hereof and such audits have revealed any material vulnerabilities in the Contractor's facilities or Contractor's information system(s), Contractor has fully remedied such vulnerabilities.

**1.6 Compelled Disclosure**

If Contractor becomes legally compelled to disclose any Confidential Information and Property of the Disclosing Party in a manner not otherwise permitted by this Agreement (including any disclosure that is required pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the California Government Code (the "Public Records Act"))), Contractor will provide CAEATFA and the Disclosing Party with notice of the request within two (2) business days to enable CAEATFA and the Disclosing Party to fulfill their obligations under Section 7.5 of the (Amended and Restated) CHEEF Implementation Agreement dated May 15, 2017. Contractor acknowledges that the obligation to produce documents and the ultimate determination of what information is privileged and what is to be released is solely CAEATFA's.

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**1.7 Public Disclosures**

1.7.1 CAEATFA and the IOUs may be required or may determine it is desirable to file this Agreement with regulatory entities and, Contractor acknowledges that in either case, they shall have the right to do so. Each Party will otherwise refrain from disclosing the specific terms and conditions of this Agreement to third parties to the extent allowed by law.

1.7.2 All other media releases, public announcements and public disclosures by CAEATFA or the IOUs relating to this Agreement or the subject matter of this Agreement (including disclosures and announcements regarding the conduct or results of the Pilot Programs) will be coordinated with and approved by CAEATFA and the IOUs prior to release.

1.7.3 The fact that the parties have entered into this Agreement does not constitute, nor does it imply in any way, endorsement by CAEATFA of Contractor, and Contractor will not indicate or imply that CAEATFA endorses, recommends, or vouches for Contractor in any form of written, verbal, or electronic advertisement, communication, or any other business development effort, except to the extent expressly approved by CAEATFA in writing.

**1.8 Return or Destruction**

Upon request by the Disclosing Party, and with the written consent of CAEATFA in the event of a request from an IOU, Contractor will return or provide the Disclosing Party a copy of any designated Confidential Information and Property of the Disclosing Party. When Confidential Information and Property of the Disclosing Party is no longer required for the Contractor's performance under this Agreement, or in any event upon expiration or termination of this Agreement for any reason, the Contractor will return all materials in any medium that contain, refer to, or relate to Confidential Information and Property of the Disclosing Party or, at the Disclosing Party's election, destroy them. At the Disclosing Party's request, the Receiving Party will certify in writing that it has returned or destroyed all copies of the Disclosing Party's Confidential Information and Property in the possession or control of the Receiving Party. Contractor shall remove, or cause to be removed, all Confidential Information and Property from Contractor and Contractor Personnel's information system and other computing resources. Contractor shall not, without the prior written authorization of CAEATFA and the IOUs, sell or otherwise dispose of any parts, equipment, or other materials containing, conveying, embodying, or made in accordance with or by reference to any Confidential Information and Property. Before disposing of such parts, equipment, or materials, Contractor shall render them unusable.

**1.9 Duration of Confidentiality Obligations**

The Receiving Party's obligations hereunder apply to Confidential Information and Property of the Disclosing Party disclosed to the Receiving Party before or after the Effective Date and will continue during the Term and survive the expiration or termination

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of this Agreement as follows and in compliance with any obligations arising under the Public Records Act:

1.9.1 The Receiving Party's obligations under Section 1.8 will continue in effect until fully performed;

1.9.2 As to any portion of the Disclosing Party's Confidential Information and Property that constitutes a trade secret under applicable law, the obligations will continue for as long as the information continues to constitute a trade secret;

1.9.3 As to Customer Data, such obligations shall continue in perpetuity; and

1.9.4 As to all other Confidential Information and Property of the Disclosing Party, the obligations will survive for two years after the Receiving Party's fulfillment of its obligations under Section 1.8 with respect to the Confidential Information and Property in question.

**1.10 Database and Derived Data**

1.10.1 Any database or information repository developed or maintained by Contractor using IOU Confidential Information and Property or Customer Data (a "**Database**"), and all analysis, reports, aggregated and/or anonymized data and metadata created by Contractor based on IOU Confidential Information and Property or Customer Data ("**Derived Data**"), shall be owned jointly by the IOUs from whose Confidential Information and Property and Customer Data the Database or Derived Data was derived, and shall be held for the benefit of ratepayers subject to the continuing jurisdiction and regulation of the Commission.

1.10.2 Contractor may use, publish and disclose the Database and Derived Data only for the purpose of performing the Scope of Services in accordance with this Agreement, but not otherwise, and shall not sell, assign, lease or otherwise dispose of the Database or Derived Data to third parties or commercially exploit it for Contractor's benefit or the benefit of any third party. Contractor may not possess or assert any lien or other right against or to the Database or Derived Data.

1.10.3 Before the Database and/or any Derived Data is made public or disclosed to any third party pursuant to authorization under this Agreement, Contractor shall ensure that any Customer Data included therein is anonymized so that it cannot be identified with the individuals to whom it relates.

**2. Provisions Related to Personnel (Security Training and Background Check)**

**2.1** The Contractor, at its own expense, will ensure that, prior to providing any of the Scope of Services, Contractor's Personnel will: (i) complete any CAEATFA- or IOU-provided or required orientation and security procedures, which will include training on the confidentiality, security and non-disclosure obligations regarding the IOUs' computing system and Confidential Information and Property, Security

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Incident Response Plan, as well as appropriate business conduct and protocols directed at compliance with applicable laws and any relevant IOU policies; and (ii) complete annual training thereafter, and update such training when applicable laws materially change or when CAEATFA or an IOU informs the Contractor of material changes in the IOUs' information or physical security policies.

- 2.2 The Contractor, at its own expense, will (iii) screen and conduct background checks of the Contractor Personnel in accordance with CAEATFA's and the IOUs' policies that have been provided to the Contractor in writing; (iv) verify that each individual involved in providing the Scope of Services has received and signed a copy of the Contractor's code of conduct and is bound to maintain the confidentiality of all Confidential Information and Property provided by CAEATFA and the IOUs pursuant to this Agreement; and (v) confirm to CAEATFA and the IOUs that these and any other pre-assignment steps described in this Agreement or CAEATFA's and the IOUs' written policies for contractors have been successfully completed.

**3. Enforcement by IOUs**

3.1 Each IOU is a third party beneficiary of the Contractor's warranties, covenants, indemnities and other obligations under this Agreement. In addition to CAEATFA's right to enforce the Agreement as a Party, each IOU may enforce the terms of this Agreement against the Contractor as if the IOU were a Party. Alternatively, each IOU may, in its sole discretion, authorize CAEATFA or another IOU to enforce such rights, including by participating in an arbitration proceeding or litigation on its behalf. The IOUs shall take no action pursuant to this section without providing three (3) business days' prior written notice to CAEATFA.

3.2 Subject to paragraph (a), this Agreement is entered into solely between CAEATFA and Contractor, and will not be deemed to create any rights in any third parties or to create any obligations of either CAEATFA or Contractor to any third parties.

**4. Prior Written Approval for Changes**

Contractor's Cost Proposal, submitted in response to CAEATFA's Request for Proposal ("RFP") and made a part of the Agreement by reference (hereinafter "**Cost Proposal**"), describes the personnel, subcontractors, facilities and systems (the "**Service Delivery Environment**") that will be used by the Contractor to perform and deliver the Scope of Services. Any material change to the Service Delivery Environment as described in the Cost Proposal shall require CAEATFA's prior written approval. Without limiting the foregoing, CAEATFA's prior written approval is required for any subcontracting of the Scope of Services by Contractor, any relocation of Confidential Information and Property

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or any change in the locations from which Confidential Information and Property may be accessed by Contractor Personnel.

**5. Compliance with Applicable Laws**

The Contractor will comply with all applicable laws in connection with the performance of the Scope of Services and the conduct of its business. [if applicable] [Without limitation, the Contractor shall maintain and keep in good standing a money transmitter's license pursuant to the California Money Transmission Act (California Financial Code § 2000, et seq.), a finance lender's license pursuant to California Financial Code §§ 2200 et seq., a mortgage lender's license pursuant to the California Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.) and a real estate broker's license pursuant to Section [\_\_\_\_] of the California Business and Professions Code, to the extent applicable to the Scope of Services.]

**6. Insurance**

**6.1** Contractor will maintain the following insurance coverage or self-insurance coverage, at all times during the term of this Agreement, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:

- i. **Workers' Compensation:** statutory minimum.
- ii. **Employer's Liability coverage:** \$1 million minimum.
- iii. **Commercial General Liability:** \$2 million minimum per occurrence/\$4 million minimum aggregate.

**6.2** The insurance policies referred to in paragraphs (i), (ii) and (iii) above shall acknowledge CAEATFA, the IOUs and their respective officers, agents and employees (the "**Beneficiaries**") as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against the Beneficiaries.

- i. **Professional Liability** (if applicable): \$1 million minimum.
- ii. **Commercial or Business Auto:** \$1 million minimum. Such insurance shall acknowledge the Beneficiaries as additional insureds and be primary for all purposes.

**6.3 Evidence of Insurance.** Upon request at any time during the term of this Agreement, Contractor shall provide evidence that the insurance policies required by this Section are in full force and effect, and provide the coverage and limits of insurance required herein.

**6.4 Notice of Claims.** Contractor shall immediately report to CAEATFA, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Contractor in the course of performing Scope of Services, or

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receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim.

**7. Audit Rights and Record Retention.**

**7.1** Contractor shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all funds paid to Contractor hereunder. Contractor agrees that CAEATFA and the IOUs shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar audit right provision in any contract with a subcontractor performing any of the Scope of Services.

**7.2** Contractor shall not retain any funds erroneously paid by CAEATFA to Contractor, including, but not limited to, any funds paid on behalf of an IOU. If, at any time, CAEATFA or the IOUs discover that an amount was paid to Contractor in error, either through subsequent review or audit, or by another means, the amount erroneously paid to Contractor may, at the option of CAEATFA or IOUs, as applicable be used to offset future payment(s) due to Contractor or must be repaid by Contractor.

**8. Contractor Indemnities.**

**8.1** Contractor shall indemnify, defend and hold harmless CAEATFA, the IOUs, their affiliates, and their respective officers, directors, employees, agents and representatives from and against any and all Losses arising in connection with any Claim:

8.1.1 resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of Contractor or its employees, agents and subcontractors, including any failure of any of them to comply with applicable laws in connection with this Agreement;

8.1.2 resulting from any collection or enforcement action in connection with this Agreement; and/or

8.1.3 arising from the Contractor's breach or alleged breach of its confidentiality, data privacy and data protection obligations under this Agreement.

**8.2 Definitions Related to Contractor Indemnities.**

8.2.1 **"Claim"** means any claim, demand, action, proceeding or investigation made or commenced against a Party that is related to this Agreement or a Contractor agreement, as applicable, by an unaffiliated third party or governmental authority, whether or not a lawsuit is filed.



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- 8.2.2 “Losses” means any and all expenses, losses, liabilities and/or damages suffered or incurred by any indemnified person as a result of or in connection with a Claim, including any amounts paid or incurred in settlement of a Claim, and including the costs of defending and/or settling the Claim and associated legal costs.

SAMPLE

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**Attachment A to Exhibit F - Information Security Requirements**

CAEATFA and Contractor (together, the “Parties”) have entered into Agreement CAEATFA04-17 as of the Effective Date thereof (the “Agreement”). The terms set forth in this Attachment A shall be governed by the Agreement and shall be effective as of the Effective Date. Capitalized terms used in this Attachment but not defined herein shall have the meanings given in the Agreement.

1. **Scope.** This Attachment A applies to and governs any and all receipt of, access to, storage of, or use of Confidential Information and Property by Contractor and Contractor Personnel, in connection with the Scope of Services.

2. **Definitions.** In addition to the definitions set forth elsewhere in the Agreement, the following capitalized terms shall have the meanings set forth below:

(a) **“Security Incident”** means (i) any Unauthorized Use or other breach in the security of Contractor and/or Contractor Personnel’s information systems that contain Confidential Information and Property, or any unauthorized access to, interception of, disclosure or acquisition of such Confidential Information and Property, or (ii) if caused by the action or inaction of Contractor, any Unauthorized Use or other breach in the security of information systems that contain Confidential Information and Property, or any unauthorized access to, interception of, disclosure or acquisition of such Confidential Information and Property.

(b) **“Security Incident Response Plan”** or **“SIRP”** means a written plan and process for preventing, detecting, identifying, reporting, tracking and remediating Security Incidents.

(c) **“Security Incident Report”** or **“SIR”** means a report prepared by Contractor regarding a Security Incident which includes, at a minimum, the information more fully set forth below in Section 5.

(d) **“Unauthorized Use”** means any use, reproduction, distribution, transfer, disposition, disclosure, possession, memory input, alteration, erasure, damage or other activity by Contractor involving Confidential Information and Property that is not expressly authorized under the Agreement.

3. **Security Obligations.**

(a) **Security Incident Response Plan:** Prior to accessing any Confidential Information and Property, Contractor shall develop a SIRP and implement and maintain such SIRP throughout the Term.

(b) **SIRP General Requirements:** Contractor’s SIRP will include, at a minimum, Security Incident handling and response procedures, specific contacts in an event of a Security Incident, the contacts’ roles and responsibilities, and their plans to notify CAEATFA and/or the relevant IOU(s), as the case may be, concerning the Security Incident. The SIRP must be based on and meet all of the following requirements:

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(i) Applicable laws concerning the care, custody, control and integrity of data and information, including but not limited to, California's Information Practices Act of 1977, California Civil Code §§ 1798.80 *et seq.*

(ii) Provides for notice to CAEATFA and/or the IOUs (as applicable), of any breach of the security of Confidential Information and Property if it is reasonably believed to have been acquired by an unauthorized person and California Public Utilities Commission Decision 11-07-056, 2011 Cal. PUC LEXIS 404.

(c) SIRP Review. At CAEATFA's request, Contractor shall review the SIRP at least annually with CAEATFA, and the IOU's (if applicable) to identify updates, changes or potential improvements, and a process to document these changes within ninety (90) days of these changes.

(d) Physical Security. Contractor shall provide and maintain physical controls in accordance with Applicable Standards to prevent any Security Incidents and the Unauthorized Use of Confidential Information and Property. Physical controls shall include, but not be limited to: (i) effective physical security of any Contractor facilities and Contractor's computing systems used in connection with providing the Scope of Services to CAEATFA, on behalf of the IOUs. At a minimum, such methods must include visitor sign-ins, restricted access key cards or locks for employees, and limited access to server rooms and archival backups; (ii) physical hazard protection; (iii) equipment configuration control methods to detect unauthorized changes in configuration and inventory; and (iv) requirements stating that all removable media such as compact discs, digital video discs, thumb drives, or laptops used to store Confidential Information and Property shall be protected from Unauthorized Use or a Security Incident.

(e) Additional Security Obligations. In addition to its other obligations relating to Confidential Information under the Agreement, Contractor shall (and shall ensure Contractor Personnel) comply with the following additional obligations:

(i) Data Storage. Contractor shall maintain all Confidential Information and Property so as to be compartmentalized or otherwise logically separate from, and in no way commingled with, other information of Contractor or its other customers and not accessible by other customers.

(ii) Security Program. The security program implemented and maintained by Contractor for its Information Systems shall consist of safeguards to prevent any Unauthorized Use, accidental or unauthorized destruction, accidental loss, alteration of, access to and any other unauthorized collection or use of Confidential Information and Property, and shall include, without limitation: (aa) appropriate access controls and data integrity controls, including the use of strong authentication of users, least privilege access, and use of firewalls and antivirus software; (bb) testing and auditing of all controls; and (cc) encryption of all Confidential Information and Property, while at rest and in transit.

(iii) Backup of Confidential Information and Property. Contractor will use prevailing: (aa) secure and redundant encrypted data backup, (bb) recovery technologies, and (cc) destruction methods, at no additional cost to CAEATFA, with respect to

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Contractor's access and use of Confidential Information and Property. Contractor shall at all times ensure that it is aware of and has documented the location of all copies of Confidential Information and Property.

4. Notice of Security Incident. Contractor covenants and agrees that if Contractor or Contractor Personnel, discover or are notified of a Security Incident or potential Security Incident relating to the IOUs' or CAEATFA's computing systems, Confidential Information and Property or information therein, Contractor shall immediately submit a SIR to CAEATFA and the relevant IOU(s) by emailing the SIR. The SIR shall include, at a minimum, a brief summary of the issue, facts and status of Contractor's investigation; (b) identify the potential number of individuals affected by the Security Incident; (c) provide any other information pertinent to CAEATFA's and the IOUs' understanding of the Security Incident and the exposure or potential exposure of Confidential Information and Property; (d) investigate such Unauthorized Use or such potential Unauthorized Use that caused the Security Incident or may cause a Security Incident, (e) inform CAEATFA and the relevant IOU(s), in writing, of the results of such investigation, (f) assist CAEATFA and the relevant IOU(s), (at Contractor's cost and expense) in maintaining the confidentiality of such Confidential Information and Property; and (g) if requested by CAEATFA, discuss with CAEATFA and the relevant IOU(s) the cause(s) of the Security Incident, Contractor's response, lessons learned and potential improvements to Contractor's computing system's security process and procedures. Upon receipt of Contractor's SIR, CAEATFA or the IOUs may immediately revoke Contractor's and Contractor Personnel's access to the relevant computing systems and Confidential Information and Property. Such revocation shall not relieve Contractor of its obligations to perform the Scope of Services in accordance with the terms of the Agreement. If CAEATFA or an IOU deems it prudent to notify individuals potentially affected by the Security Incident and/or to offer them free credit monitoring service or other remedies, then Contractor shall reimburse CAEATFA or the IOU for its costs and expenses for the notification and remedies.

5. Vulnerability Management After a Security Incident. Upon the occurrence of a Security Incident, Contractor shall immediately inform CAEATFA and the IOUs of such Security Incident and provide access to CAEATFA and the IOUs so that CAEATFA and the IOUs or an independent third party may conduct an onsite audit and inspection of the facility or facilities and Contractor's computing systems involved in the Security Incident. Contractor shall develop an action plan acceptable to CAEATFA and the IOUs to correct the causes of the Security Incident and all material vulnerability or vulnerabilities discovered during the audit or inspection. Promptly after CAEATFA and the IOUs approve the action plan, Contractor shall correct each such Security Incident cause or vulnerability at its sole cost and expense. Contractor shall certify in writing to CAEATFA and the IOUs that it has corrected all such Security Incident causes and vulnerabilities. Contractor shall bear (and if applicable, shall reimburse CAEATFA and/or the applicable IOU(s) for) all costs and expenses of an audit or inspection following a Security Incident. Additionally, Contractor shall:

(i) Upon CAEATFA's or an IOU's written request, promptly perform (or shall permit the IOUs or an independent third party to perform) a vulnerability threat assessment

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("VTA") test or such additional testing as may be reasonably required by CAEATFA or an IOU. The VTA may be performed, in CAEATFA's or the IOUs' sole discretion, by CAEATFA, the staff or subcontractor of one or more IOU, or a security consultant selected and approved in writing by CAEATFA.

(ii) Thereafter, throughout the remainder of the Term, perform quarterly vulnerability assessments of Contractor's computing systems used to perform the Scope of Services ("Assessments"). Such Assessments shall include an evaluation of Contractor's externally accessible computer systems from the perspective of an external attacker, with a focus on service discovery and service identification. This Assessment shall include a logical assessment, penetration/intrusion testing and/or analysis services. Threats to Contractor's computing systems' availability, reviewing of whether attackers could deny legitimate users access to information made available through Contractor's IT infrastructure, may also be evaluated. Such quarterly Assessments shall be at Contractor's sole expense and shall be conducted by a third party nationally recognized for performing such Assessments (a "VTA Contractor"), proposed by Contractor and subject to CAEATFA's and the IOUs' prior approval, which shall not be unreasonably withheld.

(iii) CAEATFA or an IOU may also request Contractor to have the VTA Contractor conduct additional Assessments on an ad hoc basis, to provide reviews of Contractor's computing systems, including without limitation, Contractor's infrastructure, applications, networks, internal scans, external scans and code. Such ad hoc Assessments shall be conducted in a manner that does not compromise Contractor's reasonable security standards, shall be conducted under Contractor's direction, and shall be at CAEATFA's or the IOU's sole expense. CAEATFA and the IOUs shall have the right to require Contractor to use a different VTA Contractor (other than the one proposed by Contractor) to perform such additional ad hoc Assessments.

(iv) The results of all Assessments described in these Sub-Sections 6(d) (i) – (iii) shall be provided by Contractor to CAEATFA and the IOUs and shall include a comprehensive report of the Assessment findings, redacted to exclude only specific information that is confidential and proprietary to Contractor's other customers. Contractor, CAEATFA and the IOUs shall reach an agreement regarding remediation of the findings within the Assessment results and Contractor shall promptly perform such remediation at its sole cost and expense.

(e) Nothing set forth in Sections 6(c) or (d) shall be construed as a waiver of any legal or equitable rights and remedies available to CAEATFA and/or the IOUs in connection with an audit, inspection, or Security Incident. In addition, CAEATFA's and the IOUs' onsite audit or inspection of Contractor's facilities under these sections shall not be interpreted as CAEATFA's or the IOUs' assumption of any liability or responsibility to remedy the Security Incident or vulnerability or otherwise to assist Contractor in the repair or replacement of Contractor's computing systems or facilities.

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(f) Document Retention. Contractor shall maintain all documentation relating to Security Incidents, remediation activities and follow-on assessments, whether in written or electronic form, including their identification, processing and resolution, for three (3) years after final resolution of the Security Incident, including the final resolution of all claims arising out of the Security Incident.

6. Additional Representations and Warranties. In addition to Contractor's other representations and warranties in the Agreement, Contractor hereby represents and warrants:

(a) Contractor shall comply with all of the terms in this Attachment A throughout the Term;

(b) Virus Precautions. Contractor represents and warrants that: (i) Contractor's information systems utilized to provide the Scope of Services were checked with Internet industry standard up-to-date antivirus software, and were determined to be virus-free, before their first use in performance of the Agreement; (ii) Contractor will update its virus definitions no less than monthly to ensure that they use the most up-to-date definitions available, and will conduct at least biweekly virus sweeps of all networks, databases, computers, and software (including archival copies of the foregoing) utilized to provide the Scope of Services; (iii) Contractor will promptly use such virus detection software to attempt to purge all viruses discovered during such sweeps; (iv) prior to delivering any digital files to CAEATFA and/or the IOUs, as applicable, Contractor will scan all files with Internet industry standard up-to-date antivirus software and will determine that they are virus-free; and (v) if Contractor discovers that a virus may have been transmitted to CAEATFA or to one or more IOUs by Contractor, Contractor will promptly notify CAEATFA and the IOUs of such possibility in a writing that states the nature of the virus, the date on which transmission may have occurred, and the means Contractor has used to attempt to purge the virus; and

(c) Contractor will not (and will ensure Contractor Personnel do not) access or use any Confidential Information and Property for any purpose other than that of performing Contractor's obligations under the Agreement.

7. Acknowledgement. Contractor acknowledges that the IOUs each retain sole and exclusive ownership of all right, title and interest to and to all Confidential Information and Property. The Agreement does not grant Contractor or Contractor Personnel any implied licenses with respect to Confidential Information and Property or Customer Data.

8. Survival. The terms in this Attachment A will survive the expiration or any termination of the Agreement.