

**Board of Directors Special Meeting Agenda
February 27, 2025, 2:00 p.m.
Vista Civic Center
200 Civic Center Drive, Vista, CA 92084**

Members of the public can observe the livestream of the meeting via Zoom by clicking:

<https://us06web.zoom.us/j/81376410530>

or telephonically by dialing:

(253) 215-8782

Meeting ID: 813 7641 0530

Members of the public can provide public comment in writing or orally in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments prior to and during the meeting via email to: clerk@thecleanenergyalliance.org. All written comments will be posted online and become part of the meeting record. To ensure announcement of receipt of your written comments during the meeting, please submit all written comments by 12:00 p.m. prior to the commencement of the meeting. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. Speakers are limited to three (3) minutes each. In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary. When you are called to speak, please come forward to the podium and state your name. To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary before the Board Chair announces the item.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

BOARD COMMENTS & ANNOUNCEMENTS

PUBLIC COMMENT

APPROVAL OF MINUTES

Minutes of the Regular Meeting held January 30, 2025

Consent Calendar

Item 1: Clean Energy Alliance Treasurer’s Report for December 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer’s Report for December 2024.

Item 2: Memorandum of Understanding for the CEC Southern California Equitable Building Decarbonization Direct Install Program

RECOMMENDATION:

Adopt Resolution No. 2025 – 008 approving the Memorandum of Understanding with the Los Angeles County Internal Services Department and Southern California Equitable Building Decarbonization Coalition and authorizing the Chief Executive Officer to execute the Memorandum of Understanding subject to General and Special Counsel approval.

Reports

Item 3: Clean Energy Alliance Chief Executive Officer Operational Report

New Business

Item 4: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Item 5: Overview of Battery Energy Storage Systems

RECOMMENDATION:

Receive an overview of Battery Energy Storage Systems (BESS).

Item 6: Financial Review Year to Date Through December 2024 & Forecast through June 2025

RECOMMENDATION:

Receive a presentation on the Financial Review Year to Date through December 31, 2024 & Forecast through June 2025.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting March 27, 2024, City of Oceanside, 300 North Coast Highway, Oceanside, CA 92054

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact clerk@thecleanenergyalliance.org prior to the meeting for assistance.

Clean Energy Alliance Board of Directors Regular Meeting Minutes

January 30, 2025, 2 p.m.

City of Oceanside, Council Chamber

300 North Coast Hwy, Oceanside CA 92054

CALL TO ORDER: Vice Chair Melendez called to order the Regular Meeting of the Clean Energy Alliance at 2:03 p.m.

ROLL CALL: Board Members: Becker, Garcia, Nuñez, Spelich, Vice Chair Melendez.
Board Member Bhat-Patel participated remotely due to just cause.
Board Member Figueroa arrived at 3:03 p.m.

FLAG SALUTE: Vice Chair Melendez led the flag salute.

BOARD COMMENTS & ANNOUNCEMENTS: None.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES:

Minutes of the Special Meeting held November 21, 2024

Minutes of the Regular Meeting held November 21, 2024

Motion by Board Member Becker seconded by Board Member Garcia, to approve the minutes as presented. Motion carried, 6/0/1 (Figueroa – Absent).

Motion by Board Member Becker seconded by Board Member Garcia, to move Item 7 to the Consent Calendar. Motion carried, 6/0/1 (Figueroa – Absent).

Item 1: Clean Energy Alliance Board of Directors Appointment of Chair and Vice Chair for Calendar Year 2025

RECOMMENDATION

Appoint a CEA Chair and Vice Chair for Calendar Year 2025.

Motion by Board Member Becker seconded by Board Member Nuñez to appoint Vice Chair Melendez as Chair. Motion carried, 6/0/1 (Figueroa – Absent).

Motion by Board Member Becker seconded by Board Member Spelich to appoint as Board Member Garcia as Vice Chair. Motion carried, 6/0/1 (Figueroa – Absent).

Consent Calendar

Item 2: Clean Energy Alliance Treasurer’s Report for October 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer’s Report for October 2024.

Item 3: Clean Energy Alliance Treasurer’s Report for November 2024

RECOMMENDATION:

Receive and file the Clean Energy Alliance Treasurer’s Report for November 2024.

Item 4: Approving the Distributed Microgrids Framework Program Agreements for the Solar Plus Program and Authorizing the Chief Executive Officer to Execute the Agreement

RECOMMENDATION:

Adopt Resolution No. 2025 – 001 approving the Distributed Microgrids Framework Program Agreement with Participate.Energy, LLC and authorizing the Chief Executive Officer to execute all documents subject to General and Special Counsel approval.

Item 5: Community Advisory Committee Member Appointments for Term through December 31, 2026

RECOMMENDATION:

Adopt Resolution No. 2024-002 appointing members to the Community Advisory Committee for a term through December 31, 2026.

Item 6: 2025 Community Advisory Committee Meeting Schedule and Work Plan and Review 2024 Subcommittee Reports

RECOMMENDATION:

Review the 2024 Reports of the Ad-Hoc Subcommittees of the Community Advisory Committee and Adopt Resolution No. 2025-003 Approving the 2025 Community Advisory Committee Meeting Schedule and Work Plan.

Reports

Item 7: Clean Energy Alliance Chief Executive Officer Operational Report

Motion by Board Member Becker, seconded by Vice Chair Garcia to approve the Consent Calendar. Motion carried, 6/0/1 (Figueroa – Absent).

Public Hearings

Item 8: Clean Energy Alliance Residential PeakSmart Savers Program Terms and Conditions and Setting Rates for PeakSmart Savers Program

RECOMMENDATION:

- 1) Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, and Close the Public Hearing.
- 2) Adopt Resolution No. 2025-004 Setting Rates for PeakSmart Savers Program and Approving Residential PeakSmart Savers Program Terms and Conditions.

Chair Melendez opened the Public Hearing at 2:14 p.m.

CEO Greg Wade introduced the item. Key Accounts Program Manager Kaitlin McGee presented the presentation and answered questions from the Board.

Discussion ensued amongst the Board.

Chair Melendez closed the Public Hearing at 2:41 p.m.

Motion by Board Member Nuñez, seconded by Vice Chair Garcia to adopt Resolution 2025-004. Motion carried, 6/0/1 (Figueroa – Absent).

New Business

Item 9: Regulatory Update

RECOMMENDATION:

Receive the Regulatory update from Keyes and Fox.

Regulatory Attorney Tim Lindl provided the update.

Chair Melendez left the dais at 2:43 p.m.

Chair Melendez returned to the dais at 2:46 p.m.

CEA Board received report.

Item 10: Energy Storage Agreement (ESA) with IEP Camp Pendleton Energy Storage 1, LLC and Authorizing Execution of the ESA

RECOMMENDATION:

Adopt Resolution No. 2025-005 approving a 20-Year Energy Storage Agreement (ESA) with IEP Camp Pendleton Energy Storage 1, LLC for long-duration energy storage capacity for an amount not to exceed \$38,390,400 and authorizing the Chief Executive Officer to execute all applicable documents, subject to Transactions Attorney approval, if the final ESA terms are consistent with the commercial term sheet.

CEO Greg Wade introduced the item. Power Procurement Manager Dan Peckham presented the presentation. International Electric Power Senior Vice President of Operations Michael E. Firenze answered questions from the Board.

Lane Stewart inquired regarding grid-connected batteries, how the monthly price and daytime/evening costs are charging and discharging energy factored into CEA's power supply costs and rates for customers.

Board Member Figueroa arrived at 3:00 p.m.

Motion by Board Member Nuñez, seconded by Chair Melendez to adopt Resolution 2025-005. Motion carried, 7/0.

Item 11: Fiscal Year 2025/26 – 2026/27 Clean Energy Alliance Strategic Plan

RECOMMENDATION:

Receive and provide feedback on the Fiscal Year 2025/26 – 2026/27 Clean Energy Alliance Strategic Plan.

CEO Greg Wade presented the presentation.

Board Members provided feedback on the draft Strategic Plan.

CEA Board received report.

Item 12: Amending the Clean Energy Alliance Position Control Listing and Amending the Clean Energy Alliance Salary Schedule

RECOMMENDATION:

- 1) Adopt Resolution No. 2025-006 Amending the Clean Energy Alliance (CEA) Position Control Listing
- 2) Adopt Resolution No. 2025-007 Amending the CEA Salary Schedule.

CEO Greg Wade presented the presentation and answered questions from the Board.

Discussion ensued amongst the Board.

Motion by Board Member Becker seconded by Vice Chair Garcia to adopt Resolution No. 2025-006 and 2025-007. Motion carried, 7/0.

NEXT MEETING: Regular Board Meeting February 27, 2024, City of Vista, 200 Civic Center Drive Vista, CA 92084

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: None.

ADJOURN: Chair Melendez adjourned the meeting at 3:43 p.m.

Kaylin McCauley
Board Secretary/Administrative Assistant

Staff Report

DATE: February 27, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Interim Chief Financial Officer/Treasurer

ITEM 1: Clean Energy Alliance Treasurer's Report

RECOMMENDATION:

Receive and File Clean Energy Alliance (CEA) Interim Treasurer's Report for December 2024.

BACKGROUND AND DISCUSSION:

This report provides the Board with the following financial information through December 31, 2024:

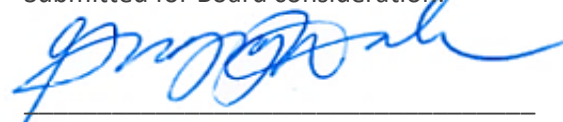
- Statement of Financial Position (Unaudited and preliminary) – Reports assets, liabilities, and financial position of the CEA as of December 31, 2024.
- Statement of Revenues, Expenses and Changes in Net Position (Unaudited and preliminary) for the twelve months ended December 31, 2024.
- Budget to Actuals Comparison Schedule (Unaudited and preliminary) – Reports actual revenues and expenditures compared to the annual amended budget as of December 31, 2024.
- List of Payments Issued – Reports payments issued for December 2024.

As of December 31, 2024, liabilities represent invoices and estimated accruals for energy and services received but not yet paid. The noncurrent liabilities relate to debt with JPMorgan as well as amounts due to the member cities of Carlsbad, Del Mar and Solana Beach. CEA is currently making interest only payments on the debt from JPMorgan. The amounts due to the member agency were for start-up costs and services provided to CEA for the period December 2019 to June 2020.

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

CLEAN ENERGY ALLIANCE
STATEMENT OF NET POSITION
As of December 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 13,489,700
Accounts receivable, net of allowance	30,347,939
Accrued revenue	15,803,523
Other receivables	2,456,004
Prepaid expenses	8,750,919
Deposits	<u>770,000</u>
Total current assets	71,618,085

Noncurrent assets

Deposits	<u>3,266,276</u>
Total noncurrent assets	<u>3,266,276</u>
Total assets	<u>74,884,361</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	30,679,850
Accounts payable	1,268,601
Other accrued liabilities	368,811
Security deposits - energy suppliers	500,000
Interest and financing cost payable	<u>35,949</u>
Total current liabilities	32,853,211

Noncurrent liabilities

Security deposits - energy suppliers	6,496,150
Revolving line of credit	<u>7,250,000</u>
Total noncurrent liabilities	<u>13,746,150</u>
Total liabilities	<u>46,599,361</u>

NET POSITION

Unrestricted	<u><u>\$ 28,285,000</u></u>
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These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

CLEAN ENERGY ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Six Months Ended December 31, 2024

OPERATING REVENUES	
Electricity sales, net	\$ 207,804,870
OPERATING EXPENSES	
Cost of electricity	157,212,702
Contract services	3,234,992
Staff compensation	785,656
Other operating expenses	413,511
Total operating expenses	<u>161,646,861</u>
Operating income (loss)	<u>46,158,009</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	147,990
Interest expense	<u>(1,056,165)</u>
Nonoperating revenues (expenses), net	<u>(908,175)</u>
CHANGE IN NET POSITION	45,249,834
Net position at beginning of year	<u>(16,964,834)</u>
Net position at end of period	<u><u>\$ 28,285,000</u></u>

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BUDGET TO ACTUALS COMPARISON SCHEDULE

At its June 2024, board meeting, the CEA Board approved the Fiscal Year (FY) 2024/25 budget approving \$326,469,000 in total operating expenses. For the year-to-date, \$162,703,000 of operating expenses have been expended. Revenues from electricity sales for the year-to-date reached \$207,805,000. Nonoperating activity was a net expense of \$908,000. The overall change in net position for the year-to-date was an increase of \$45,250,000.

The Budget to Actuals Comparison Schedules as of December 31, 2024, is shown below.

**CLEAN ENERGY ALLIANCE
BUDGETARY COMPARISON SCHEDULE
Six Months Ended December 31, 2024**

	Year-To-Date				Annual		
	Actual	Budget	Variance fav. (unfav.)		Annual Budget	Budget Less Actual YTD	Budget Remaining / Budget %
			Amount	%			
Operating Revenues	\$207,804,870	\$199,667,399	\$ 8,137,471	4%	360,839,549	153,034,679	42%
Operating Expenses							
Cost of Energy	157,212,702	163,753,367	6,540,665	4%	317,090,165	159,877,463	50%
Other Operating Expenses	4,434,159	4,289,264	(144,895)	-3%	9,378,650	4,944,491	53%
Total Operating Expenses	<u>161,646,861</u>	<u>168,042,631</u>	<u>6,395,770</u>	4%	<u>326,468,815</u>	<u>164,821,954</u>	50%
Operating Income (Loss)	<u>46,158,009</u>	<u>31,624,768</u>	<u>14,533,241</u>	46%	<u>34,370,733</u>	<u>(11,787,276)</u>	
Nonoperating Income/(Expense)							
Interest Income	147,990	70,240	77,750	111%	148,585	595	0%
Interest Expense	(1,056,165)	(741,552)	(314,613)	-42%	(1,211,969)	(155,804)	13%
Total Nonoperating Income/(Expense)	<u>(908,175)</u>	<u>(671,312)</u>	<u>(236,863)</u>	-35%	<u>(1,063,383)</u>	<u>(155,208)</u>	15%
Change in Net Position	<u>\$ 45,249,834</u>	<u>\$ 30,953,456</u>	<u>\$ 14,296,378</u>		<u>\$ 33,307,350</u>	<u>\$ (11,942,484)</u>	

These financial statements do not contain note disclosures, have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.

LIST OF PAYMENTS ISSUED

The report on the following page provides the details of payments issued by CEA for the month. All payments were within approved budget.

<u>Date</u>	<u>Type</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
12/16/2024	ACH/CHECK	A VANTI EXECUTIVE SUITES (PALOMAR)	Jan 2025 -Rent	1,497.20
12/31/2024	Wire	BP ENERGY COMPANY	1/1/2025 - 12/31/2025 - 2025 CA PCC	3,750,000.00
12/19/2024	ACH/CHECK	BRA UN BLAISING SMITH WYNNE	October 2024 - Professional Services	429.25
12/16/2024	ACH/CHECK	BURKE, WILLIAMS & SORENSEN, LLP	November 2024 - Legal services	13,852.10
12/04/2024	wire	CALIFORNIA PUBLIC UTILITIES COMM	August 2024 Month-Ahead Flexible Resource Adequacy	2,013,895.20
12/13/2024	Wire	CALIFORNIA PUBLIC UTILITIES COMM	September 2024 Month-Ahead Flexible Resource Adequacy	1,236,328.00
12/05/2024	ACH/CHECK	CALPINE ENERGY SOLUTIONS	October 2024 Services	278,151.25
12/20/2024	Wire	EDF TRADING NORTH AMERICA	November 2024 - Capacity Purchase - 90 MW	706,500.00
12/09/2024	ACH/CHECK	EMPOWER (401a)	Employee Retirement - 12/05/2024	6,386.92
12/23/2024	ACH/CHECK	EMPOWER (401a)	Employee Retirement - 12/20/2024	6,386.92
12/09/2024	ACH/CHECK	EMPOWER (457b)	Employee Retirement -12/05/2024	3,929.82
12/23/2024	ACH/CHECK	EMPOWER (457b)	Employee Retirement -12/20/2024	3,929.82
12/20/2024	Wire	ES 1A Group 2 Opco, LLC	Npvenber 2024 - RA Purchase	108,360.00
12/30/2024	ACH/CHECK	Evolution Affairs, LLC	October 2024 - Professional Service	1,837.50
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	520.34
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	683.12
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	729.86
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	604.35
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	17.25
12/17/2024	ACH/CHECK	FABICK, EMILY	Expense reimbursement	129.89
12/18/2024	ACH/CHECK	Hall Energy Law PC	October 2024 Fees for Professional Services	14,040.00
12/31/2024	ACH/CHECK	Hall Energy Law PC	November 2024 Fees for Professional Services	8,125.00
12/17/2024	ACH/CHECK	HOWARD, ROB	Expense reimbursement	1,572.64
12/02/2024	Wire	JPMorgan	Interest Expense	66,697.17
12/02/2024	Wire	JPMorgan	Interest Expense	65,488.20
12/19/2024	Wire	JPMorgan	Interest Expense	63,186.82
12/26/2024	Wire	JPMorgan	Principal Repayment	8,000,000.00
12/18/2024	ACH/CHECK	Keyes & Fox LLP	November 2024 - Professional Services	29,034.60
12/20/2024	Wire	LEAPFROG POWER, INC.	December 2024 RA	6,897.00
12/16/2024	ACH/CHECK	Maher Accountancy	December 2024 Accounting Services	11,748.92
12/17/2024	ACH/CHECK	MCCAULEY, KAYLIN	Expense reimbursement	1,710.04
12/20/2024	Wire	MCE (MARIN CLEAN ENERGY)	November 2024 South System RA Sale	90,000.00
12/24/2024	ACH/CHECK	NewGen Strategies & Solutions	November 2024 -Project: ERRA	7,725.00
12/04/2024	ACH/CHECK	Neyenesch Printers	Printing Expenses	1,137.32
12/16/2024	ACH/CHECK	Neyenesch Printers	Printing Expenses	1,389.56
12/24/2024	ACH/CHECK	Neyenesch Printers	Printing Expenses	2,734.68
12/31/2024	ACH/CHECK	Neyenesch Printers	Printing Expenses	3,276.14
12/23/2024	ACH/CHECK	NORTH SAN DIEGO BUSINESS CHAMBER	Annual Membership Investment: Non-Profit Business	335.00
12/05/2024	Wire	Orange County Power Authority	October 2024 - System Flex -RA	1,725,000.00
12/30/2024	ACH/CHECK	Pacific Energy Advisors, Inc	November 2024 - Technical Consulting Advisors	40,280.00
12/05/2024	Wire	Pacific Gas & Electric	15% Deposit - RECs Contract	1,297,500.00
12/13/2024	Wire	Pacific Gas & Electric	RA Confirm	1,913,400.00
12/23/2024	Wire	PARTICIPATE ENERGY FUND LLC	Dec 2024 PPA Reporting Period	1,938.78
12/20/2024	Wire	Powerex	Transactions for the Period of December 2024	61,687.50
12/04/2024	ACH/CHECK	REGEHR, OLIVIA	Expense Report - Nov 1, 2024 to Nov 21, 2024	174.21
12/20/2024	Wire	Resi Station LLC	Proxy Demand Response CEA Nov2024	2,010.00
12/03/2024	ACH/CHECK	River City Bank	Loan No5084549442-101 - LC and Documentation Fees	1,720.00
12/04/2024	ACH/CHECK	River City Bank CC	November 2024 Expenses	1,592.99
12/20/2024	Wire	SAN DIEGO COMMUNITY POWER	JULY 2024 - PCC1_REC_SDCP_SELL	4,680,000.00
12/02/2024	Wire	SDG&E	Billing Period: Nov 01, 2024 to Feb 28, 2025	1,529,204.80
12/20/2024	Wire	SDG&E	11/24 CEA - PCIA VA	2,713,588.56
12/03/2024	ACH/CHECK	SDG&E	For services rendered October 1, 2024 to October 31, 2024	60,001.54
12/16/2024	ACH/CHECK	SDRMA	Coverage Month: January 2025	11,257.51
12/20/2024	Wire	SEMPPRA	November 2024 - Capacity Purchases	1,139,000.00
12/17/2024	ACH/CHECK	State Compensation Insurance Fund	Monthly - Worker's Comp	452.75
12/16/2024	ACH/CHECK	STERN, ANDREW	November 2024 Services	13,000.00
12/16/2024	ACH/CHECK	The Bayshore Consulting Group, Inc	November 2024 - CCA Operations Consulting	7,687.50
12/04/2024	Wire	THE ENERGY AUTHORITY	November 2024 - CAISO Weekly Statement of Activity	274,001.79
12/09/2024	Wire	THE ENERGY AUTHORITY	November 2024 - CAISO Weekly Statement of Activity	87,544.08
12/16/2024	Wire	THE ENERGY AUTHORITY	November 2024 - CAISO Weekly Statement of Activity	81,934.38
12/23/2024	Wire	THE ENERGY AUTHORITY	November 2024 - CAISO Weekly Statement of Activity	23,552.52
12/30/2024	ACH/CHECK	THE ENERGY AUTHORITY	November 2024 - Resource Management Monthly Fees	9,215.08

12/26/2024	ACH/CHECK	Tripepi, Smith & Associates, Inc.	November 2024 - Communications and Marketing Service	1,157.70
12/04/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	981.04
12/11/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	664.11
12/12/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	797.84
12/16/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	861.84
12/18/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	8,767.35
12/24/2024	ACH/CHECK	USPS	First-Class Mail and First-Class Package Service	904.41
12/31/2024	ACH/CHECK	Z NEMS	NEM Cash Out	238,795.05
			Total for Operating Account	32,437,940.21

12/23/2024	Lockbox	Constellation Generation Company, LLC	October 2024 - Power Purchase	280,657.30
12/23/2024	Lockbox	MORGAN STANLEY CAPITAL GROUP	November 2024 - Electricity	6,136,211.14
12/23/2024	Lockbox	NRG	October 2024 - Energy Purchase	2,556,572.60
12/23/2024	Lockbox	Shell Oil North America	October 2024 - Energy Purchases	3,463,124.45
12/23/2024	Lockbox	Tecolote Wind LLC	November 2024 - Resource Adequacy Benefits	85,255.00
			Total for Lockbox Account	12,521,820.49



Staff Report

DATE: February 27, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 2: Approving the Memorandum of Understanding for the CEC Southern California Equitable Building Decarbonization Direct Install Program

RECOMMENDATION:

Adopt Resolution No. 2025-008 approving the Memorandum of Understanding (MOU) with the Los Angeles County Internal Services Department and Southern California Equitable Building Decarbonization Coalition and authorizing the Chief Executive Officer to execute the Memorandum of Understanding subject to General and Special Counsel approval.

BACKGROUND AND DISCUSSION:

At the July 27, 2023 Clean Energy Alliance (CEA) Board (Board) meeting, the Board approved submitting a commitment letter supporting participation in the Southern California Coalition for the California Energy Commission (CEC) Equitable Building Decarbonization (EBD) Program grant application. The EBD Program is intended to advance equity within vulnerable communities by assisting residential customers reduce greenhouse gas emissions from their homes and advance energy equity. The program will also encourage resilience to extreme heat, indoor air-quality improvements, energy affordability, grid reliability and local workforce opportunities.

Following submittal of the grant application, the CEC has selected the Southern California Equitable Building Decarbonization Coalition (SoCal EBD Coalition) as the recipient of \$329 million of EBD Direct Install (EBD DI) Program funding. This SoCal EBD Coalition Program aims to accelerate residential building decarbonization in Southern California, especially in historically underserved communities.

The SoCal EBD Coalition (socialcoalitionebd.com) is a collaborative effort involving more than 50 local government organizations, community-based organizations, and social justice organizations. Together, the SoCal EBD Coalition is committed to advancing social justice and equity through targeted support for marginalized and underserved populations.

The SoCal EBD DI Program will install energy-efficient electric appliances, measures, and upgrades to low-income households living in single-family, multifamily, and manufactured homes in under-resourced communities throughout the Counties of Imperial, San Diego, Orange, Los Angeles, Riverside, and San

Bernardino. By investing in these initiatives, we anticipate creating new job opportunities, stimulating local economic growth, and fostering greater public engagement and participation in local governance.

With this funding, community-based organizations (CBOs) will be able to expand their services and reach more individuals in need. The grant will provide resources for capacity building, allowing organizations to strengthen their infrastructure and sustainability, thereby empowering communities by supporting grassroots initiatives and fostering local leadership.

The grant will also support programs aimed at advancing social justice and equity within our communities. Funding will be allocated to initiatives that advocate for policy changes and systemic reforms, enabling us to provide targeted support to marginalized and underserved populations, ensuring that the benefits of decarbonization are equitably distributed.

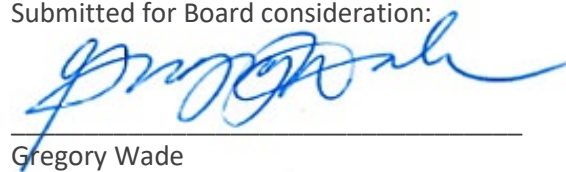
CEA will participate and assist with general program design and support, program marketing, regional engagement support, energy planning, education and training, and identification of pilot activities.

With CEA board approval, CEA will enter into an MOU with the County of Los Angeles through ISD, effective March 1, 2025 through December 31, 2029, or until such time, or either ISD or CEA decides to terminate this MOU.

FISCAL IMPACT:

CEA would receive funds through the SoCal EBD DI Program to support marketing, outreach and education efforts. No match is required from CEA.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Resolution No. 2025-008
- B. Memorandum of Understanding with the Los Angeles County Internal Services Department and Southern California Equitable Building Decarbonization Coalition

**CLEAN ENERGY ALLIANCE
RESOLUTION NO. 2025-008**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CLEAN ENERGY ALLIANCE APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY INTERNAL SERVICES DEPARTMENT AND SOUTHERN CALIFORNIA EQUITABLE BUILDING DECARBONIZATION COALITION AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING SUBJECT TO GENERAL AND SPECIAL COUNSEL APPROVAL

WHEREAS, the Clean Energy Alliance (CEA) is a joint powers agency, formed in November 2019, under the Joint Exercise of Power Act, California Government Code Section 6500 *et seq.*; and

WHEREAS, the CEC awarded the Southern California Coalition a 2024-2029 grant award to accelerate large scale residential building decarbonization funded by the EBD DI Program; and

WHEREAS, CEA will participate and assist with general program design and support, program marketing, regional engagement support, energy planning, education and training, and identification of pilot activities; and

WHEREAS, the required MOU shall be effective from March 1, 2025 through December 31, 2029, or until such time, or either ISD or CEA decides to terminate this MOU.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Clean Energy Alliance, as follows:

Section 1. The Board of Directors of Clean Energy Alliance hereby approves the Memorandum of Understanding with the Los Angeles County Internal Services Department and Southern California Equitable Building Decarbonization Coalition.

Section 2. CEA's Chief Executive Officer is hereby authorized and directed to execute the Memorandum of Understanding subject to General and Special Counsel approval.

Section 3. This Resolution shall take effect immediately upon approval.

The foregoing Resolution was passed and adopted on this 27th day of February, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Katie Melendez, Board Chair

ATTEST:

Kaylin McCauley, Clerk to the Board

MEMORANDUM OF UNDERSTANDING BETWEEN
THE LOS ANGELES COUNTY INTERNAL SERVICES DEPARTMENT AND
SOUTHERN CALIFORNIA EQUITABLE BUILDING DECARBONIZATION COALITION

RELATING TO
REGIONAL PARTNERSHIPS FOR THE IMPLEMENTATION OF THE
CALIFORNIA ENERGY COMMISSION EQUITABLE BUILDING DECARBONIZATION DIRECT
INSTALL PROGRAM

This Memorandum of Understanding ("MOU") is made and entered into on March 1, 2025, by and between the County of Los Angeles (County), through its Internal Services Department ("ISD"), and Clean Energy Alliance (CEA), a member of the Southern California Equitable Building Decarbonization (SoCal EBD) Coalition, who together are implementing the California Energy Commission (CEC) Equitable Building Decarbonization (EBD) Direct Install (DI) Program. The EBD DI Program will accelerate large-scale residential building decarbonization efforts underway in Southern California for single-family homes, multifamily properties, manufactured housing, and public housing in disadvantaged communities. Specifically, CEA will be responsible for conducting tailored and culturally relevant marketing, education, and outreach (ME&O) activities to inform and engage potential participants about EBD, the EBD DI Program, and its benefits. Activities will be informed by deep knowledge of the local needs, challenges, opportunities, and resources of communities, and delivered through established relationships.

I. PURPOSE

ISD, as the lead agency for implementation of the County's energy and environmental initiatives, is the recipient and administrator of the CEC EBD DI Grant Program for the Southern California region. On November 6, 2024, the Los Angeles County Board of Supervisors approved the acceptance of the 2024-2029 grant award to accelerate large scale residential building decarbonization funded by the EBD DI Program. ISD received an award of \$328,977,740¹ from the CEC.

The approved grant budget by the CEC, for Calendar Years 2024-2029, will provide regional engagement, outreach, and implementation support for the CEC Southern California Equitable Building Decarbonization Direct Install Program. Los Angeles County has requested assistance with general program design and support, program marketing, regional engagement support, energy planning, education and training, agency recognition, program motivation and competition, and identification of pilot activities. Community-based organizations (hereinafter CBOs) shall be guided in their work by program documents provided by ISD, as well as ongoing coordination with the designated Los Angeles County task lead.

The purpose of the MOU is for CEA to assist with the implementation of the CEC's

¹ Contingent upon USDOE HOMES approved funding.

Equitable Building Decarbonization program which seek to leverage their knowledge and perspective of their unique communities to increase the overall visibility and presence of projects, partnerships, and programs, generating new enrollments and registrations with communities and their members within their geographic region of influence, especially in hard to reach and disadvantaged communities; also, to support the program's efforts related to project identification with prioritized communities within the respective region, and to coordinate and deliver education and training activities to enrolled communities and their members. Finally, CEA will work with Los Angeles County to identify further potential strategies and activities to support the CEC EBD DI program and ensure all deliverables as it concerns their specific communities.

II. TERM OF MOU

This MOU shall be effective from March 1, 2025 through December 31, 2029, or until such time , or either ISD or CEA decides to terminate this MOU.

III. COMPENSATION FOR SERVICES

ISD shall pay CEA for its performance of services as described in the attached Scope of Work, and the payment shall constitute full and complete compensation for CEA's services including administration and administrative support, marketing, education, and outreach activities of the aforementioned program in CEA's respective local community. Said compensation shall be paid by ISD out of its 2024-2029 allocation of CEC funds, for allowable costs to be incurred for the express purposes specified. The parties understand and agree that such payment shall be conditioned upon the allocation determined by the CEC of said funds to ISD-EID. Said funds shall be paid in accordance with the budget, which shall be provided on a yearly basis by ISD, as established in the program agreement with the CEC. Any money received by CEA hereunder, and not incurred for costs pursuant hereto, and/or during the term of this MOU, shall be returned to ISD upon the expiration of the County Fiscal Years in which CEA incurred costs for the Program.

IV. INVOICING, REPORTING & PAYMENTS

ISD will receive monthly invoices from CEA and shall review the invoices to ensure the following:

- (1) That CEA activities are consistent with the Scope of Work (SOW) contained in this MOU; and
- (2) That sufficient budgetary authorization exists.

The following Invoicing, Reporting and Payment Requirements are applicable to the SOW:

- (1) Time and Material Basis; Not to Exceed. All work will be performed on a

time and material basis and subject to the general provisions set forth below.

General Provisions

- (1) All charges shall be directly identifiable to, and required for, the authorized work or activity.
- (2) CEA shall notify the ISD agent responsible for the MOU at such time that CEA reasonably ascertains that the forecasted cumulative charges may exceed any budgets authorized (whether by task, total amount authorized, or both) by either the County or CEA.
- (3) Labor Related Costs Under Time and Material Basis. To the extent applicable, CEA shall invoice ISD, at the fixed hourly rates or Monthly Salary Rates for the applicable labor categories, for the performance of the authorized work by the CEA's employees or agents as established in the ISD and CEC EBD agreement under the CEA's respective budget form, as entered in the Direct Labor tab for rate caps. Such fixed hourly rates or Monthly Salary Rates shall be inclusive of all of the CEA's overhead costs (including all taxes and insurance), administrative and general fees. All labor related costs shall be charged at cost, without mark-up, and shall be necessary, reasonable, and ordinary. ISD will only reimburse for actual direct labor expenses incurred, not to exceed the rates specified in the Agreement. Rates must include dollars and cents (t
- (4) Expenses. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable, and ordinary. Expenses shall also comply with federal, State, and County expense policies.
- (5) Material and Miscellaneous Costs. Material and Miscellaneous Costs shall be substantiated with supporting documents and an invoice stating the unit price, quantity, and other information as required to identify the authorized work or activity. Materials are items under the agreement that do not meet the definition of Equipment and must be project-related. Food and drinks are not reimbursable expenses.
- (6) Subcontract Costs and Subcontractors. Subcontracted work or activities shall be charged at the rates actually paid by CEA. CEA shall provide ISD with an additional invoice for any CEA invoice that includes Subcontractor costs. CEA shall at all times be responsible for the services or deliverables which are to be provided by CEA or its Subcontractors, and for the acts and omissions of Subcontractors and persons directly or indirectly engaged by the Subcontractors. All expenses shall be charged at cost, without mark-up and must follow the same labor related costs established by CEC guidelines.

- (7) Travel Costs. All travel costs are reimbursed at state rates, subject to any state-wide prohibition on travel, except in agreements between the Energy Commission and a UC campus or the Federal Government. CEA will only receive reimbursement for travel costs for transportation (i.e. Flights, car rental, mileage, taxi) and lodging at state rates. All other travel related costs, such as meals and incidental expenditures, are not covered. CEA must obtain written pre-approval from ISD (or Commission Agreement Manager?) for all travel listed on the agreement budget forms, in accordance with the terms and conditions of this MOU. Approved air travel costs shall in no case exceed the cost of economy or coach fares where said fares are reasonably available. A copy of an airfare receipt indicating the final cost for the trip as well as applicable supporting documents showing the traveler's starting point, travel destination, departure and return, and the purpose of the trip are required for each air travel reimbursement. Automobile travel from the County agents or representatives' office to any Program job site, function or activity shall be paid at applicable County travel expense rates and mileage. Either a mileage log showing miles driven for each trip or a Google Maps/ equivalent application printout showing the travel path shall be provided by CEA for each mileage reimbursement request.
- (8) Records. CEA shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. The County reserves the right to audit and copy any applicable documents related to the Work hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the number of the Contract covered by each such invoice.
- (9) Key Personnel. CEA will appoint a CBO representative who will be the primary contact between CEA and the ISD, and who will be authorized to act on behalf of the CEA. Such appointment shall be communicated in writing to ISD as soon as reasonably practicable, following the execution of this MOU. CEA shall promptly notify ISD of any intended reassignment or proposed replacement of the key personnel who will be submitting invoicing and reporting information to ISD.
- (10) Activities Outside of Program Scope. ISD shall not be required to pay CEA for any activities undertaken by CEA that are outside of the Scope of this MOU, but that are otherwise invoiced by CEA.
- (11) Invoicing Requirements: CEA shall provide a monthly invoice to ISD within the 7th calendar day of every month for all reimbursable expenses incurred performing work under this Agreement in compliance with the Terms and Conditions for the prior month. Invoices must separate and distinguish Marketing, Education, Outreach, Planning and Material Development-Related, and Administrative activity costs. The invoice and supporting documents are for work performed by CEA and its Subcontractors.

- (12) Invoice Deficiencies. In the event ISD determines that CEA's (or any of its Subcontractors' that are included for payment) invoices do not meet the invoicing requirements of the MOU, lack accounting transparency, and/or lack sufficient material support, ISD will notify CEA of the deficiencies and CEA shall promptly correct such deficiencies. ISD has the right to review and approve the data and the methods used to develop the invoice documentation. However, the failure of ISD to conduct such review or grant such approval shall not relieve CEA from its responsibilities and obligations under a particular invoice.
- (13) Payment by ISD. ISD shall pay undisputed charges within net thirty (30) days of receiving invoices that follow the requirements set forth in this MOU. ISD has the right to withhold payment of particular charges that ISD disputes in good faith, pending the resolution of the dispute, and ISD will provide CEA with notice of the amounts being withheld and the reasons for the dispute.

V. *ISD RESPONSIBILITIES*

- A. ISD shall periodically monitor the project performance by CEA on programs/projects activities by review of project records and meetings with CEA's staff. ISD shall promptly notify CEA of changes in any regulatory requirements, specifically governing the administration of funds, that become effective following the execution of this MOU.
- B. ISD may, after review and evaluation of the programs, modify the amount of funds designated for the programs, and/or require CEA to implement changes in the scope of services to be performed by CEA, in alignment with the agreement established between ISD and CEC.
- C. ISD authorizes CEA staff to assist the CEC EBD DI Program in accordance with all applicable federal, State, and County laws and regulations. Where necessary, ISD shall make available designated staff to work with CEA staff designated to assist the program on project-related activities.

VI. *AMENDMENT TO MOU*

ISD may modify the amount of funds designated to assist the CEA programs and/or modify the scope of services to be performed, subject to costs incurred or encumbered by contractual agreement, in alignment with the agreement established between ISD and CEC. However, any other changes to this MOU must be accomplished by written consent of both parties.

VII. TERMINATION OF MOU

Either party may terminate this MOU by giving the other party 30 days written notice.

VIII. List of Attachments

- A. Scope of Work
- B. Budget
- C. Schedule of Products
- D. CEC EBD DI Program Terms and Conditions
- E. DOE HOMES Terms and Conditions
- F. CEC Invoice Template

[Signatures continue on the following
page.]

SIGNATURES

IN WITNESS WHEREOF, the ISD and the Clean Energy Alliance, by and through their duly authorized representatives have caused this MOU to be subscribed to on the day and year first above written.

COUNTY OF LOS ANGELES
INTERNAL SERVICES DEPARTMENT

CLEAN ENERGY ALLIANCE

By _____
Michael Owh,
DIRECTOR

By _____
Gregory Wade
CHIEF EXECUTIVE OFFICER

Date ___/___/___

Date ___/___/___

APPROVED AS TO FORM

County Counsel

ATTACHMENT A

SCOPE OF WORK

Scope of Work (SOW) for Community Energy Partner: Clean Energy Alliance

The primary objective of this Scope of Work is to outline the roles, responsibilities, and approved activities for Clean Energy Alliance (CEA), a community choice aggregator (CCA) participating in the California Energy Commission (CEC) Equitable Building Decarbonization Direct Install (EBD DI) Program in the Southern Region as a Program Partner (“Partner”). CEA will complete the tasks outlined below under the direction of the Program Administrator, County of Los Angeles (LA County).

Program Overview

The EBD DI Program will accelerate large-scale residential building decarbonization efforts underway in Southern California for single-family homes, multifamily properties, manufactured housing, and public housing in disadvantaged communities. The Program includes community-based organization (CBO) and Partner-led marketing, outreach, and education (ME&O) to underserved communities to identify properties eligible for decarbonization measures for the purpose of connecting them with a program Decarbonization Concierge who will complete eligibility screenings.

CEA will be responsible for conducting tailored and culturally relevant ME&O activities to inform and engage potential participants about EBD and its benefits. Activities will be informed by deep knowledge of the local needs, challenges, opportunities, and resources of communities, and delivered through established relationships. CEA will be supported by a dedicated Area Coordinator who serves as the liaison between Partners and the Implementation Team. The Area Coordinator is the single point of contact for CEA to facilitate effective and timely communication. The Area Coordinator will meet regularly with CEA to collect activity logs, gather feedback and lessons learned from outreach efforts, and provide guidance and support as needed.

Roles and Responsibilities

CEA will participate in activities to boost awareness and drive participation in EBD Direct Install among targeted Southern California communities by educating residents on the environmental, economic, and health benefits of the program. CEA project tasks are numbered pursuant to CEC EBD DI tasks, summarized below in Table 1.

Table 1. Task Summary

Task #	Task Name
5.8.1	Outreach Strategies
5.8.2	Education Activities
5.8.3	Participant Handoff
5.8.4	Meetings and Reporting

CEA will maintain detailed records of all expenditures and submit regular invoices as per the terms of its contract with Program Implementer ICF.

Monthly invoices shall be submitted clearly identifying Task 5.8, using the invoice template (**Attachment F. CEC Invoice Template**) with all required supporting documentation, to the Program Administrator (LA County ISD) by the **Xth** of every month.

Task 5.8.1. Outreach Strategies

CEA will conduct culturally appropriate outreach and engagement in each Community Focus Area, under the guidance of the Area Coordinator and Program Implementer. CEA is expected to implement a variety of outreach strategies to effectively reach the target audience. Community events such as workshops, town hall meetings, and informational booths at local markets and festivals will provide opportunities for direct engagement. Digital campaigns will utilize social media, email newsletters, and community websites to disseminate information widely and engage with residents online. Print materials, including flyers, brochures, and posters, (provided by the Program) will be distributed in community centers, libraries, and local businesses to ensure that information is accessible to those who may not be reached through digital channels.

Initially, CEA will serve as the point of contact for participating households. Once participants express interest in the EBD Direct Install Program, CEA will connect interested residents with the Program Implementer, ICF, to complete eligibility screening and assignment to an Intake Advisor for enrollment support and a program Decarbonization Concierge for long-term program support. CEA will customize outreach materials and conduct outreach for participating community to engage participants, as well as encourage local contractors and trade allies' participation.

Task 5.8.1 Deliverables

- Attend annual Area Coordinator ME&O Strategy Meeting
- Annual outline of anticipated events and estimated target audience quantities per event type to Area Coordinator

Task 5.8.2 Education Activities

CEA shall engage the community through various activities designed to educate and involve community members in the EBD Direct Install Program. Workshops and demonstrations will provide hands-on experiences with decarbonization technologies such as heat pumps and induction cooktops, helping residents understand how these technologies work and the benefits they offer. Success stories, including testimonials and case studies from participants who have benefited from the program, will be shared to build trust and encourage others to enroll. Educational sessions will offer in-depth information on energy efficiency and decarbonization, helping community members make informed decisions. Partnerships with local schools, churches, and community groups will be established to co-host events and spread awareness, ensuring that outreach efforts are integrated into existing community activities. In planning education activities and interactions with the public, CEA is expected to adhere to the following guidelines and raise any concerns immediately to the assigned Area Coordinator.

- Provide potential program participants with educational materials in appropriate languages about the EBD Direct Install Program, the benefits of building decarbonization, and how the program's Decarbonization Concierge will provide support before, during, and after the retrofit project.
- Ensure outreach and engagement includes clear information on CEC-approved programs and products and does not include third-party services or products not associated with the EBD Direct Install Program or otherwise approved by CEC.
- Include prevention measures to ensure the CEC, California Climate Investments (CCI), and Department of Energy (DOE) names and logos, and the EBD Direct Install Program, are not used for private party advertising or gain, or to mislead or exploit property owners or occupants.

Task 5.8.2 Deliverables

- **Quarterly** update of confirmed events to Area Coordinator, including specific outreach activities, location of event, date of event, and anticipated target audience attendees for each event.

Table 1. Approved Outreach & Education Activities

Outreach Event Types	Sample Approved Activities	Estimated Total Target Audience Reached (Number)
Church Socials	<ul style="list-style-type: none"> • Presentations • Discussions • Share education materials 	•
Community Parties	<ul style="list-style-type: none"> • Interactive games • Demonstrations • Testimonials & success stories 	•
Cultural Events	<ul style="list-style-type: none"> • Art showcases • Cultural performances • Informational booths 	•
Digital Campaigns	<ul style="list-style-type: none"> • Social media posts • Email newsletters • Online workshops 	•
Fairs and Festivals	<ul style="list-style-type: none"> • Booths with interactive displays • Educational games • Giveaways 	•
Health Clinics	<ul style="list-style-type: none"> • Information tables at health fairs • Presentations at wellness workshops • In-office info/flyers on bulletin boards 	•
Media Engagement	<ul style="list-style-type: none"> • Radio interviews • TV segments • Newspaper articles 	•
Neighborhood Meetings	<ul style="list-style-type: none"> • Presentations Q&A sessions • Distribution of informational packets • Showcase of completed project in neighborhood 	•
Partnership Events	<ul style="list-style-type: none"> • Co-hosted events with local schools and businesses • Distribution of educational materials • Speaking opportunities 	•
Public Events	<ul style="list-style-type: none"> • Informational booths • Workshops & demonstrations • Q&A sessions 	•
School Events	<ul style="list-style-type: none"> • Educational sessions • Science fairs • Environmental clubs 	•
Volunteer Programs	<ul style="list-style-type: none"> • Community clean-ups • Tree planting 	•

Outreach Event Types	Sample Approved Activities	Estimated Total Target Audience Reached (Number)
	<ul style="list-style-type: none"> • Beach clean-ups 	
Workshops/Other	<ul style="list-style-type: none"> • Hands-on demonstrations • Educational sessions • Tabling 	<ul style="list-style-type: none"> •

Task 5.8.3 Participant Handoff

CEA will conduct outreach and educational activities for the target audiences in each Community Focus Area and connect interested residents with the Program Implementer, ICF, to complete eligibility screening and assignment to an Intake Advisor for enrollment support and a program Decarbonization Concierge for long-term program support.

CEA will support follow-up surveys, developed by ICF, to participating households.

Task 5.8.3 Deliverables

- Support potential participants in completing an Interest Form
- Provide a list of interested participants to the Program Implementer on a monthly basis by the Xth of the month.

Task 5.8.4. Meetings and Reporting

CEA will track and report on program activity. CEA will ensure adherence to program guidelines and quality standards in all outreach activities, and the timeliness and accuracy of reporting on outreach activities, and outcomes.

- **Event Attendance:** Record the number of attendees at community events, workshops, and meetings, and assess the level of engagement and interaction at these events.
- **Lead Generation:** Count the number of leads generated from outreach activities and potential participants handed off to the Decarbonization Concierge.

Task 5.8.4 Deliverables

- Attend bi-weekly Area Coordinator meetings
- Support event attendance, lead generation, and participant hand-off reporting with Area Coordinator.

Timeline

Work and deliverables are to be completed in accordance with the CEC Schedule of Products (**Attachment C**).

Budget (Attachment B)

Please see budget allocation (**Attachment B**). Per the EBD DI Terms and Conditions (**Attachment D**), any budgetary alterations shall adhere to Section 6. Changes to the Agreement.

Summary of Deliverables

Task #	Task Name	Deliverables
5.8.1	Outreach Strategies	<ul style="list-style-type: none"> • Attend annual Area Coordinator ME&O Strategy Meeting • Annual outline of anticipated events to Area Coordinator
5.8.2	Education Activities	<ul style="list-style-type: none"> • Quarterly update of confirmed events to Area Coordinator, including specific outreach activities, location, date, and anticipated target audience attendees for each event.
5.8.3	Participant Handoff	<ul style="list-style-type: none"> • Support potential participants in completing an Interest Form • Provide a list of interested participants to the Program Implementer on a monthly basis by the 5th of the month.
5.8.4	Meetings and Reporting	<ul style="list-style-type: none"> • Attend bi-weekly Area Coordinator meetings • Support event attendance, lead generation, and participant hand-off reporting with Area Coordinator.

ATTACHMENT B

BUDGET

BUDGET SUMMARY

Cost Category	EBD			State EBD Funds by Category			Federal EBD Funds by Category			Total EBD Funds (State and Federal) by Category		
	Reimbursable Share	Match Share	Total	Administration	Project-Related	Project	Administration	Project-Related	Project	Administration	Project-Related	Project
Direct Labor	\$ 385,920	\$ -	\$ 385,920	\$ -	\$ 280,968	\$ -	\$ -	\$ 104,952	\$ -	\$ -	\$ 385,920	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 385,920	\$ -	\$ 385,920	\$ -	\$ 280,968	\$ -	\$ -	\$ 104,952	\$ -	\$ -	\$ 385,920	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subcontractors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Profit (not allowed for grant recipients)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Indirect and Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Totals	\$ 385,920	\$ -	\$ 385,920	\$ -	\$ 280,967.51	\$ -	\$ -	\$ 104,952.49	\$ -	\$ -	\$ 385,920.00	\$ -
Amount of Funds to be Spent in California**			Percent of Total	0%	100%	0%	0%	100%	0%	0%	100%	0%
Percentage of Funds to be spent in California												

LABOR

Employee Name	Job Classification / Title	Cost Category (Select from drop-down menu)	Maximum Labor Rate (\$ per month)	# of Months	State EBD Funds	Federal EBD Funds	Total EBD Funds (State+Fed)	Match Share	Total
Robert Howard	Key Accounts/Program Manager	Project-Related	\$ 9,600.00	40	\$ 280,968	\$ 104,952	\$ 385,920	\$ -	\$ 385,920
			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Direct Labor Totals					\$ 280,968	\$ 104,952	\$ 385,920	\$ -	\$ 385,920

FRINGE BENEFITS

Not provided

TRAVEL, EQUIPMENT, MATERIALS & MISCELLANEOUS, SUBCONTRACTS

INDIRECT COSTS AND PROFIT

No costs

ATTACHMENT C

SCHEDULE OF PRODUCTS

<i>Task Number</i>	<i>Task Name</i>	<i>Product(s)</i>	<i>Southern Region Due Date (LAC)</i>
1.1	Attend Kick-off Meeting		
		Kick-Off Meeting Agendas (CEC)	10 calendar days before Kick-Off Meetings
		Updated Schedule of Products and Due Dates	10 calendar days after Kick-off Meetings
1.2	Critical Project Review (CPR) Meetings		
	1st CPR Meeting	Agenda and a list of expected participants (CEC)	10 calendar days before CPR meeting
		CPR Report	10 calendar days before CPR meeting
		Schedule for written determination (CEC)	10 calendar days after CPR meeting
		Written determination (CEC)	As indicated in schedule for written determination
	2nd CPR Meeting	Agenda and a list of expected participants (CEC)	10 calendar days before CPR meeting
		CPR Report	10 calendar days before CPR meeting
		Schedule for written determination (CEC)	10 calendar days after CPR meeting
		Written determination (CEC)	As indicated in schedule for written determination
	3rd CPR Meeting	Agenda and a list of expected participants (CEC)	10 calendar days before CPR meeting
		CPR Report	10 calendar days before CPR meeting
		Schedule for written determination (CEC)	10 calendar days after CPR meeting
		Written determination (CEC)	As indicated in schedule for written determination
	4th CPR Meeting	Agenda and a list of expected participants (CEC)	10 calendar days before CPR meeting
		CPR Report	10 calendar days before CPR meeting
		Schedule for written determination (CEC)	10 calendar days after CPR meeting
		Written determination (CEC)	As indicated in schedule for written determination
1.3	Program Meetings and Briefings (2 per month for first year)		
		Agenda and a list of expected participants (CEC)	10 calendar days before Meeting
		Written documentation of meeting agreements	5 calendar days after meeting
1.4	Advisory Group		
		List of potential Advisory Group members for the region	At Kick-off Meeting
		Final list of potential Advisory Group members (CEC)	30 calendar days after Kick-off Meeting
		List of confirmed Advisory Group members for the region	15 calendar days after receiving the list from CEC
		Advisory Group meeting agendas (CEC)	5 calendar days before Meetings
1.5	Invoices		
		Monthly invoices	45 days after reporting period (assuming monthly reporting period) or as specified by CAM
		Monthly draft invoice	15th of every month
		Monthly true-up updates for advanced funds	45 days after reporting period (assuming monthly reporting period) or as specified by CAM
1.6	Monthly Progress Report		
		Monthly progress reports <i>Within 10 calendar days from the end of the reporting period</i>	15th of every month

<i>Task Number</i>	<i>Task Name</i>	<i>Product(s)</i>	<i>Southern Region Due Date (LAC)</i>
1.7	Obtain and Execute Subawards		
		List of subaward agreements and timeline for execution	At Kick-off Meeting
		Subaward agreements (Draft, if requested)	20 calendar days after Kick-off Meeting
		Subaward agreements (Final)	45 calendar days after Kick-off Meeting
1.8	Annual Reports and Presentations		
		Annual reports and presentations (Drafts)	January 30
		<i>15 days after CAM provides comments on draft reports</i>	15 calendar days after CAM provides comments on draft reports
1.9	Final Report and Presentation		
		Final report (Draft)	90 calendar days before the end of the agreement term
		Final report (Final) <i>60 days before the end of the Agreement Term</i>	60 calendar days before the end of the Agreement Term
1.10	Final Meetings		
		Written documentation of meeting agreements and unresolved activities	5 calendar days after final meeting
		Schedule for completing closeout activities	10 calendar days after final meeting
2	Internal Controls, Processes and Procedures		
		Internal controls, processes, and procedures	2 months after Kick-off Meeting
		Updated internal controls, processes, and procedures	As needed or requested by the CAM (no less than annually)
		Monthly fiscal accounting in Task 1.6 Monthly Progress Reports	within 10 calendar days from the end of the reporting period (i.e., end of prior month)
3	Program Data Collection and Reporting		
		Project data	Daily or as specified by CAM
		Metrics and Data Reports	Within 15 calendar days of CAM request
4	Assist CEC with DOE HOMES Application Components		
		Responses for DOE application components (Draft)	Within 15 calendar days of request from CAM
		Responses for DOE application components (Final) <i>At least 60 days prior to program launch</i>	Within 15 calendar days of request from CAM
		Components for Consumer Protection Plan (Draft)	Within 15 calendar days of request from CAM
		Components for Consumer Protection Plan (Final) <i>At least 60 days prior to program launch</i>	Within 15 calendar days of request from CAM
		Components for Market Transformation Plan (Draft)	Within 15 calendar days of request from CAM
		Components for Market Transformation Plan (Final) <i>At least 60 days prior to program launch</i>	Within 15 calendar days of request from CAM
		Input on draft Community Benefits Plan, Education and Outreach Strategy, Utility Data Access Plan, and Privacy and Security Risk Assessment	Within 15 calendar days of request from CAM
5.1	Community Focus Areas		
		List and justification for Initial Community Focus Areas	As part of application
		List and justification for amended or additional Community Focus Areas, if directed by the CAM	30 calendar days after request from the CAM
5.2	Community Application Process		
		Proposed Community Application Process and Selection Criteria	6 months after Kick-off Meeting
		Final Community Application Process and Selection Criteria	9 months after Kick-off Meeting

<i>Task Number</i>	<i>Task Name</i>	<i>Product(s)</i>	<i>Southern Region Due Date (LAC)</i>
5.3	Workforce Plan and Contractor Enrollment		
		Workforce Plan outline	2 months after Kick-off Meeting
		Workforce Plan (Draft)	3 months after Kick-off Meeting
		Workforce Plan (Final)	5 months after Kick-off Meeting
5.4	Standard Packages of Measures		
		Packages of measures and any related updates	4 months after Kick-off Meeting
		Bi-annual Report on Packages of Measures	June 30th and December 31st of each calendar year (excluding the fifth year)
5.5	Pricing and Cost Caps		
		Cost-Control Mechanisms	4 months after Kick-off Meeting
5.6	Household/Property Targeting		
		Household Identification and Screening Plan (Draft)	3 months after Kick-off Meeting
		Household Identification and Screening Plan (Final)	5 months after Kick-off Meeting
5.7	Set-Aside for Manufactured Homes		
		Manufactured and Mobile Homes Service Plan (Draft)	6 months after Kick-off Meeting
		Manufactured and Mobile Homes Service Plan (Final)	9 months after Kick-off Meeting
5.8	Outreach and Engagement		
		Outreach Materials	5 months after Kick-off Meeting
		Outreach and Engagement Log	Part of Task 3 Project Data
5.9	Household Eligibility and Initial Enrollment		
		Application Template	2 months after Kick-off Meeting
5.1	Home Assessments		
		Home Assessment Approach and Processes (Draft)	3 months after Kick-off Meeting
		Home Assessment Approach and Processes (Final)	5 months after Kick-off Meeting
		Updated Home Assessment Approach and Processes (if requested by CAM)	within 30 days of request from CAM
5.11	Program Participation Agreements and Tenant Protections		
		Program Participation Agreement Template	5 months after Kick-off Meeting
5.12	Building Decarbonization Retrofits		
		Post-installation Project Certificate Template (Draft)	5 months after Kick-off Meeting
		Post-installation Project Certificate Template (Final)	6 months after Kick-off Meeting
5.13	Quality Assurance and Quality Control (QA/QC)		
		Hotline Call Log Tracker	Weekly or as specified by the CAM
		QA/QC Procedures (Draft)	4 months after Kick-off Meeting
		QA/QC Procedures (Final)	6 months after Kick-off Meeting
5.14	Participant Surveys		
		Participant Survey (Draft)	5 months after Kick-off Meeting
		Participant Survey (Final)	9 months after Kick-off Meeting
6	Continuous Improvement		
		<i>No Awardee Product for this Task</i>	
7	Coordination and Layering with Other Programs		
		Coordination Plan (Draft)	4 months after Kick-off Meeting
		Coordination Plan (Final)	6 months after Kick-off Meeting

ATTACHMENT D

CEC EQUITABLE BUILDING DECARBONIZATION

DIRECT INSTALL PROGRAM TERMS AND CONDITIONS

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TERMS AND CONDITIONS

1. Grant Agreement

This project is being funded with a grant from the California Energy Commission's (CEC) Equitable Building Decarbonization Program. The Equitable Building Decarbonization Program is funded in part by the California Climate Investments² program, and is subject to the laws enacted for the administration of auction proceeds deposited into the Greenhouse Gas Reduction Fund, including without limitation: AB 109 (Chapter 249, Statutes of 2017); Health and Safety Code section 39710 et. seq.; and Government Code sections 16428.8 – 16428.95, including any amendments to these sections.

Under this Agreement, the Recipient shall develop and implement the Equitable Building Decarbonization Direct Install Program, which is a block grant program and governed by California Public Resources Code section 25665.3. Recipient understands that the CEC currently only has \$[•] of the potential \$[•] maximum possible funding for administrative costs under this Agreement and \$[•] of the potential \$[•] for incentives awarded under this Agreement. Therefore, upon execution of this Agreement, Recipient only has authority to spend up to \$[•] in administrative costs, not to exceed 10 percent of the total budget for state funds and 8 percent of the total budget for federal funds. In the future, the CEC may allocate none, some, or the entire remaining contingent amount up to a maximum amount of \$[•] in administrative costs. Recipient shall only be authorized to spend more than the existing \$[•] in administrative costs upon execution of an amendment to this Agreement that authorizes the Recipient to spend more funds. *[Dollar amounts to be added after the Notice of Proposed Award and during agreement finalization]*

The Recipient, as implementer of the Equitable Building Decarbonization Direct Install Program, is a conduit of the funds that will be awarded to provide assistance to Retrofit Awardees, and the grant-funded Retrofit Awards do not result in the performance of services by the Retrofit Awardees to the CEC, but the CEC is a real party in interest to the agreements between the Recipient and Retrofit Awardees. The CEC will not take title to equipment acquired by the Retrofit Awardees; and the performance under the Retrofit Awards is not controlled by the CEC. The Retrofit Awardees are being provided assistance to carry out their own projects and are not providing services to the CEC or Recipient. The Retrofit Awards directly benefit each Retrofit Awardee's project. The products produced by the Recipient are a by-product of the main purpose of the block grant. The products are used to monitor the use of grant funds and do not result in a service to the CEC.

² California Climate Investments is a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities.

This Agreement is comprised of the grant funding award, these Terms and Conditions, and all attachments, including Federal Award Terms and Conditions (Attachment 10). These Terms and Conditions are standard requirements for grant awards. The CEC may impose additional special conditions in this grant Agreement that address the unique circumstances of this project. Special conditions that conflict with these standard provisions take precedence.

The Recipient's authorized representative shall sign all copies of this Agreement and return all signed packages to the CEC's Grants and Loans Office within 30 days of receipt. Failure to meet this requirement may result in the forfeiture of this award. When all required signatures are obtained, an executed copy will be returned to the Recipient.

The term of this Agreement or the Agreement Period is the length of this Agreement between the CEC and the Recipient. Project means Recipient's specific project that is funded in whole by this Agreement. The Recipient's project will coincide with the Agreement Period.

All reimbursable work and/or the expenditure of funds must occur within the approved term of this Agreement. The CEC cannot authorize any payments until all parties sign this Agreement.

2. Documents Incorporated by Reference

The documents below are incorporated by reference into this Agreement. These terms and conditions will govern in the event of a conflict with the documents below, with the exception of the documents in subsections (e) and (f). Where this Agreement or California laws and regulations are silent or do not apply, the CEC will use the federal cost principles and acquisition regulations listed below as guidance in determining whether reimbursement of claimed costs is allowable. Documents incorporated by reference include:

CEC Guidelines

- a. Equitable Building Decarbonization Direct Install Program Guidelines, <https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program-guidelines>.

Solicitation Documents (if award is made through a competitive solicitation)

- b. The funding solicitation under which this Agreement was awarded.

- c. The Recipient's proposal submitted in response to the solicitation.

California Air Resources Board Documents

- d. California Air Resources Board, Funding Guidelines for Agencies that Administer California Climate Investments, www.arb.ca.gov/cci-fundingguidelines

Federal Cost Principles (applicable to state and local governments, Indian tribes, institutions of higher education, and nonprofit organizations)

- e. 2 Code of Federal Regulations (CFR) Part 200, Subpart E (sections 200.400 et seq.).

Federal Acquisition Regulations (applicable to commercial organizations)

- f. 48 CFR, Ch.1, Subchapter E, Part 31, Subpart 31.2: Contracts with Commercial Organizations (supplemented by 48 CFR, Ch. 9, Subchapter E, Part 931, Subpart 931.2 for Department of Energy grants).

Nondiscrimination

- g. 2 California Code of Regulations (CCR), section 11099 et seq.: Contractor Nondiscrimination and Compliance.

General Laws

- h. Any federal, state, or local laws or regulations applicable to the project that are not expressly listed in this Agreement.

3. *Due Diligence*

The Recipient is required to take timely actions which, taken collectively, move this project to completion. The Commission Agreement Manager (CAM) will periodically evaluate the project schedule and the Scope of Work tasks. If the CAM determines (1) the Recipient is not being diligent in completing the tasks in the Statement of Work or (2) the time remaining in this Agreement is insufficient to complete all project work tasks by the approved Agreement end term date, the CAM may recommend that this Agreement be terminated, and the Agreement may, without prejudice to any of the CEC's remedies, be terminated.

4. *Products*

- a. "**Products**" are defined as any tangible item specified for delivery to the CEC in the Scope of Work, including but not limited to data, reports, plans, and other program documents. Unless otherwise directed, draft copies of all products identified in the Scope of Work and Schedule of Products shall be submitted to the CAM for review and comment in the manner and form specified in the Scope of Work.

- b. If the CEC determines that a product is substandard given its description and intended use as described in this Agreement, CEC staff, without prejudice to any of the CEC's other remedies, may refuse to authorize payment for the product and any subsequent products that rely on or are based upon the product under this Agreement.
- c. Failure to submit a product required in the Scope of Work may be considered material noncompliance with the Agreement terms. Without prejudice to any other remedies, noncompliance may result in actions such as the withholding of future payments or awards, or the suspension or termination of the Agreement.

5. Publications - Legal Statement on Reports and Products

- a. The Recipient is encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

No product or report produced because of work funded by this program shall be represented to be endorsed by the CEC, and all such products or reports shall include the following statement:

LEGAL NOTICE

This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the CEC, its employees, or the State of California. The CEC, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights.

- b. Acknowledgement of California Climate Investments

Recipients shall acknowledge the California Climate Investments program as the source of project funds, in any publications, websites, signage, invitations, and other media-related and public-outreach products. The standard funding language is:

The Equitable Building Decarbonization Program is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The Cap-and-Trade program creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

The Recipient is encouraged to display the California Climate Investments logo on equipment and signage to acknowledge the funding source.

Guidance on California Climate Investments logo usage, signage guidelines, and high-resolution files are contained in a style guide available at: <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.

6. *Changes to the Agreement*

a. Procedure for Requesting Changes

The Recipient must submit a written request to the CAM for any change to the Agreement. The request must include:

- A brief summary of the proposed change;
- A brief summary of the reason(s) for the change;
- Justification for the change; and
- The revised section(s) of the Agreement, with changes made in underline/ strikethrough format.

b. Approval of Changes

No amendment or variation of this Agreement shall be valid unless made in writing and signed by both of the parties except for the CEC's unilateral termination rights in Section 11 of these terms. No oral understanding or agreement is binding on any of the parties. Changes to the Agreement must be approved at a CEC business meeting or by the Executive Director (or his/her designee).

The CAM or Commission Agreement Officer (CAO) will provide the Recipient with guidance regarding the level of CEC approval required for a proposed change.

c. Personnel or Subcontractor Changes

All changes below require advance written approval by the CAM, in addition to the appropriate level of CEC approval as described in subsection (b).

1) Replacement of Key Personnel, Subcontractors, and Vendors

The CAM must provide advance written approval of the replacement of personnel, subcontractors, and vendors who are identified in the Agreement and are critical to the outcome of the project, such as the Project Manager.

2) Assignment of New Personnel to an Existing Job Classification

If the Recipient or a subcontractor seeks to assign new personnel to a job classification identified in Attachment 4 (Budget Forms), the Recipient or subcontractor must submit the individual's resume and proposed job classification and rate to the CAM for approval. The proposed rate may not exceed the maximum rate identified for the job classification. Neither the Recipient nor any subcontractor may use the job classifications or rates of their subcontractors for personnel.

If the individual performs any work prior to the effective date of the amendment documenting the change, the Recipient will bear the expense of the work.

3) Promotion of Existing Personnel (Applies to Recipients and major subcontractors)

Promotion of existing Recipient and major subcontractor personnel to rates higher than those listed for their current classification in Attachment 4 will not be approved. The actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) shall not exceed the approved rates in the Budget.

4) Addition of job classifications and changes in hours.

- 5) Increased direct operating expenses and rates that exceed the expenses and rates identified in Attachment 4.

7. Contracting and Procurement Procedures

This section provides general requirements for (a) an agreement between the Recipient and a third-party subcontractor³ (subcontract), and (b) an agreement between the Recipient and a Retrofit Awardee (Retrofit Award). Where these terms require the Recipient to flow down terms to subcontractors and Retrofit Awardees, the Recipient shall ensure that its agreement with subcontractors and Retrofit Awardees also require the flow down of these terms to every lower-tiered level of sub-subcontractor and sub-Retrofit Awardee.

For subcontracts that are listed as "to be determined" in the Budget, the Recipient must submit a revised Budget to the CAM, identifying the subcontractor and specific items of cost expected to be incurred by that subcontractor. In addition, Recipient must have a fully executed subcontract or Retrofit Award before the subcontractor or Retrofit Awardee can incur any costs for which the Recipient will seek reimbursement.

The Recipient is required, where feasible, to employ contracting and procurement practices that promote open competition for all goods and services needed to complete this project. Recipient shall obtain price quotes from an adequate number of sources for all subcontracts.

The CEC will defer to the Recipient's own regulations and procedures as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in this Agreement.

Upon request, the Recipient must submit to the CAM a copy of all solicitations for services or products required to carry out the terms of this Agreement and copies of the proposals or bids received.

³ A subcontractor is any person or entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the block grant project activities. A subcontractor's role involves discretion over grant activities and is not merely just selling goods or services. A subcontractor cannot also be a Retrofit Awardee. A vendor is a person or entity that sells goods or services to the Recipient, Subcontractor, or any lower-tiered level of Sub-Subcontractor, in exchange for some of the grant funds, and does not make decisions about how to perform the grant's activities. A vendor's role is ministerial and does not involve discretion over grant activities.

The Recipient is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into under this Agreement. Nothing contained in this Agreement or otherwise creates any contractual relation between the CEC and any subcontractors, and no subcontract may relieve the Recipient of its responsibilities under this Agreement. The Recipient agrees to be as fully responsible to the CEC for the acts and omissions of its subcontractors or persons directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Recipient.

The Recipient's obligation to pay its subcontractors is an independent obligation from the CEC's obligation to make payments to the Recipient. As a result, the CEC has no obligation to pay or enforce the payment of any funds to any subcontractor. The Recipient is responsible for establishing and maintaining contractual agreements with and reimbursing each subcontractor for work performed in accordance with the terms of this Agreement.

All subcontracts must incorporate all of the following:

- A clear and accurate description of the material, products, or services to be procured as well as a detailed budget and timeline.
- A detailed budget and timeline.
- Provisions that allow for administrative, contractual, or legal remedies in instances where subcontractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
- Provisions for termination by the Recipient, including termination procedures and the basis for settlement, and language conforming to the termination provision related to Executive Order N-6-22 – Russia Sanctions.
- A statement that further assignments will not be made to any third or subsequent tier subcontractor without additional advance written consent of the CEC.
- Language conforming to the following provisions:
 - Publications - Legal Statement on Reports and Products (Section 5)
 - Equipment (Section 10)
 - Travel and Per Diem (Section 13)
 - Standard of Performance (Section 14)
 - Fiscal Accounting Requirements (Section 16)
 - Indemnification (Section 17)
 - Nondiscrimination Statement of Compliance (Section 20.b)
 - Site Visits (Section 21)

- Public Works – Payment of Prevailing Wages (Section 23)
- Intellectual Property (Section 24)
- Remedies for Non-Compliance (Section 25)
- Enforcement (Section 26)
- Receipt of Confidential Information and Personal Information (Section 28)
- Conflicts of Interest (Section 31)
- Survival of the following provisions:
 - Equipment (Section 10)
 - Fiscal Accounting Requirements (Section 16)
 - Intellectual Property (Section 24)
 - Receipt of Confidential Information and Personal Information (Section 28)

Recipients who are subcontracting with University of California (UC) may use the terms and conditions negotiated by the CEC with UC for their subcontracts. Recipients who are subcontracting with the United States Department of Energy (DOE) national laboratories may use the terms and conditions negotiated with DOE.

Without limiting any of the CEC's other remedies, failure to comply with the above requirements may result in the termination of this Agreement.

Retrofit Awards funded in whole or in part by this Agreement must incorporate all of the following:

- Provisions that allow for administrative, contractual, or legal remedies in instances where Retrofit Awardees violate or breach contract terms, including Program Participation Agreement terms and the tenant protections therein, and provide for such sanctions and penalties as may be appropriate, including the repayment to CEC of grant funds spent under the Retrofit Award.
- Provisions for termination by the Recipient, including termination procedures and the basis for settlement, and language conforming to the termination provision related to Executive Order N-6-22 – Russia Sanctions.
- A statement that further assignments will not be made to any third or subsequent tier Retrofit Awardee without additional advance written consent of the CEC.
- Language conforming to the following provisions:
 - Equipment (Section 10)
 - Indemnification (Section 17)

- Site Visits (Section 21)
- Remedies for Non-Compliance (Section 25)
- Enforcement (Section 26)
- Receipt of Confidential Information and Personal Information (Section 28), if applicable
- Conflicts of Interest (Section 31)
- Survival of the following provisions:
 - Equipment (Section 10)

8. Bonding and Insurance

The Recipient will follow its own bonding and insurance requirements relating to bid guarantees, performance bonds, and payment bonds without regard to the dollar value of the subcontract(s) as long as they reflect applicable state and local laws and regulations.

9. Permits and Clearances

The Recipient is responsible for ensuring all necessary permits and environmental documents are prepared and clearances are obtained from the appropriate agencies.

10. Equipment

Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least \$5,000, and purchased with grant funds. Equipment means any products, objects, machinery, apparatus, implements, or tools purchased, used, or constructed within the project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of materials purchased for the project. For purposes of determining depreciated value of equipment used in the Agreement, the project shall terminate at the end of the normal useful life of the equipment purchased, funded and/or developed with CEC funds. The CEC may determine the normal useful life of such equipment.

Title to equipment and any appliance acquired by the Recipient with grant funds shall vest in the Recipient, and the Recipient may transfer title to Retrofit Awardees. Title to equipment acquired by Retrofit Awardees with grant funds, if any, shall vest in the Retrofit Awardee. The Recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds, and the Recipient shall not encumber the property without CAM approval. When no longer needed for the original project or program, the Recipient shall contact the CAM for disposition instructions.

The Recipient shall also flow to Retrofit Awardee any requirements developed in the Program Participation Agreements developed under the Scope of Work. The Recipient shall require Retrofit Awardee to comply with any limitations on equipment or appliance disposition provided in any lease addendum, deed recording, or other document provided by the Recipient.

11. Termination

This project may be terminated for any reason set forth below.

With Cause

The CEC may, for cause, terminate this Agreement upon giving five (5) calendar days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

The term "for cause" includes but is not limited to the following:

- Reorganization to a business entity unsatisfactory to the CEC;
- Retention or hiring of subcontractors, or replacement or addition of personnel, that fail to perform to the standards and requirements of this Agreement;
- The Recipient's inability to pay its debts as they become due and/or the Recipient's default of an obligation that impacts its ability to perform under this Agreement; or
- Significant change in state or CEC policy such that the work or product being funded would not be supported by the CEC.

Without Cause

The CEC may terminate this Agreement without cause upon giving thirty (30) days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

If this Agreement is terminated with or without cause, the CEC reserves the right to transfer this project to another Equitable Building Decarbonization regional administrator and Recipient will use good faith efforts to take steps to effectuate the transfer.

12. Stop Work

CEC staff may, at any time, by written notice to Recipient, require Recipient to stop all or any part of the work tasks in this Agreement. Stop work orders may be issued for reasons such as a project exceeding budget, standard of performance, out of scope work, delay in project schedule, misrepresentations and the like.

- a. Compliance. Upon receipt of such a stop work order, Recipient shall immediately take all necessary steps to comply therewith and to stop the incurrence of costs allocable to the CEC.
- b. Canceling a Stop Work Order. Recipient shall resume the work only upon receipt of written instructions from CEC staff.

13. Travel and Per Diem

- a. The Recipient shall be reimbursed for travel and per diem expenses using the same rates provided to non-represented State employees, subject to any state-wide prohibition on travel. The Recipient must pay for travel in excess of these rates. The Recipient may obtain current rates from the [CEC's website](http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF) at:
http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF.
- b. For purposes of payment, Recipient's headquarters shall be considered the location of the Recipient's office where the employees' assigned responsibilities for this award are permanently assigned.
- c. Travel identified in the Budget section of this Agreement is approved and does not require further authorization.
- d. Travel that is not included in the Budget section of this Agreement shall require written authorization from the CAM and CAO prior to travel departure. The CEC will reimburse travel expenses from the Recipient's office location.
- e. The Recipient must retain documentation of travel expenses in its financial records. The documentation must be listed by trip and include dates and times of departure and return, departure city, and destination city. Travel receipts, including for travel meals and incidentals, shall be submitted with payment requests requesting reimbursement from the CEC.

14. Standard of Performance

Recipient, its subcontractors, and their employees, in the performance of Recipient's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Recipient's field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, as directed by CAM, shall be borne in total by Recipient and not the CEC.

It is the Recipient's duty to ensure that CEC funds are not misspent by subcontractors or misused by Retrofit Awardees. For example, Recipient must ensure CEC funds are used to reimburse or otherwise pay for allowable costs that are actually incurred. This includes that it is the Recipient's duty to develop internal controls to detect fraud, waste, and abuse.

In the event Recipient/subcontractor fails to perform in accordance with the above standard:

- a. Recipient/subcontractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of the CAM. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Recipient/subcontractor shall work any overtime required to meet the deadline for the task at no additional cost to the CEC;
- b. The CEC shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
- c. The CEC shall have the option to direct Recipient/subcontractor not to re-perform any task which was not performed to the reasonable satisfaction of the CAM pursuant to application of (a) and (b) above. In the event the CEC directs Recipient/subcontractor not to re-perform a task, the CEC and Recipient shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the CEC's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the CEC may have under law.

15. Payment of Funds

- a. Advance funds for Retrofit Awards

This Agreement is for the Recipient to administer a block grant program. Under Public Resources Code section 25661(b) the CEC has authority to advance up to 25 percent of the clean energy program moneys allocated to recipients of a financial incentive, and Public Resources Code section 25660(c) confers block grant authority.

Under this Agreement, the Recipient can request but is not guaranteed to receive advance funds for Retrofit Awards (i.e., incentives). Funds will not be advanced for other project expenditures. It is solely within the CEC's discretion to allow advance funds. Because the CEC earns interest on the funds in its accounts, the CEC can lose interest if it advances funds long before Recipient actually pays out the funds (i.e., the funds sit in Recipient's account instead of the CEC's interest-earning account). The Recipient shall establish a separate ledger account or fund for receipt and disbursement of advance funds under this Agreement.

Accordingly, the Recipient, if allowed to receive advance funds for Retrofit Awards, shall take reasonable efforts to minimize the time between receiving advance funds and paying them out. The CEC can request at any time that the Recipient repay to the CEC any funds advanced to Recipient that the Recipient has not paid out, and the Recipient shall repay the unspent advanced funds within 10 days of receiving the CEC's request.

The Recipient shall pay to the CEC any interest it earns on advanced funds that cumulatively total more than \$200. This means over the life of this Agreement, if the Recipient cumulatively earns more than \$200 on advanced funds, any additional interest amounts after that shall be paid to the CEC. Alternatively, the CEC in its sole discretion, can instead subtract the interest amount over \$200 from the amount paid to Recipient as requested in Recipient's future invoices.

In addition to other documentation the Recipient must provide under this Agreement, upon request by the CEC, the Recipient shall provide all documents related to advanced funds received and paid out and any interest earned on the funds.

b. Reimbursement for all other project expenditures

The CEC agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the Budget. The rates in the Budget are rate caps, or the maximum amount allowed to be billed.

The Recipient can only bill for actual expenses incurred at the Recipient's actual rates not to exceed the rates specified in the Budget (e.g., direct labor rates, fringe benefit rates, and indirect rates). For example, if the Budget includes an employee's hourly rate of \$50/hour but the employee is only paid \$40/hour, the Recipient can only bill for \$40/hour. Under the same example, if the employee earned \$70/hour but the Budget only lists \$50/hour, the Recipient can only bill for \$50. Another example is if the maximum fringe benefit rate listed in the Budget is 20% but the Recipient's actual fringe benefit rate is only 15%, the Recipient can only bill at 15%. The actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) should not exceed the approved rates in the Budget.

(1) Payment Requests

The Recipient may request payment from the CEC no more frequently than monthly. The final payment request must be received by the CEC along with the Final Report 60 days prior to the end of the Agreement term.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has incurred the cost for a service, product, supplies, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

Funds in this Agreement have a limited period in which they must be expended. All Recipient expenditures must occur within the approved term of this Agreement.

(2) Documentation

All payment requests must be submitted using a completed Payment Request form and emailed to invoices@energy.ca.gov. This form must be accompanied by an itemized list of all charges and copies of all receipts or invoices necessary to document these charges for the CEC, including backup documentation for actual expenditures, such as timecards, vendor invoices, and proof of payment. Any payment request that is submitted without the itemization will not be authorized. If the itemization or documentation is incomplete, inadequate, or inaccurate, the CAM will inform the Recipient via a Dispute Notification Form (Std. 209) and hold the invoice until all required information is received or corrected. Any penalties imposed on the Recipient by a subcontractor because of delays in payment will be paid by the Recipient.

Any documentation in foreign currency must be converted to dollars, and the conversion rate must be included in your itemization.

(3) Certification

The following certification shall be included on each Payment Request form and signed by the Recipient's authorized officer:

I certify that this invoice is correct and proper for payment, and reimbursement for these costs has not and will not be received from any other sources, including but not limited to a government entity contract, subcontract, or other procurement method.

Additional certification is required related to the payment of prevailing wages. Refer to Sections 20 and 23 of these terms and conditions for more information.

(4) Government Entity

Government Entity is defined as a governmental agency from California or any state or a state college or state university from California or any state; a local government entity or agency, including those created as a Joint Powers Authority; an auxiliary organization of the California State University or a California community college; the Federal Government; a foundation organized to support the Board of Governors of the California Community Colleges or an auxiliary organization of the Student Aid Commission established under Education Code 69522.

(5) Release of Funds

The CAM will not process any payment request during the Agreement term until the following conditions have been met:

- All required reports have been submitted and are satisfactory to the CAM.
- All applicable special conditions have been met.
- All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient and copies have been received by the CAM.
- All products due have been submitted and are satisfactory to the CAM.
- Other prepayment conditions as may be required by the CAM have been met. Such conditions will be specified in writing ahead of time, if possible.

(6) Fringe Benefits, Indirect Overhead, and General and Administrative (G&A)

Indirect cost rates must be developed in accordance with generally accepted accounting principles. If the Recipient has an approved fringe benefits or indirect cost rate (indirect overhead or G&A) from their cognizant Federal Agency, the Recipient may bill at the federal rate up to the Budget rate caps if the following conditions are met:

- The Recipient may bill at the federal provisional rate but must adjust annually to reflect their actual final rates for the year in accordance with the Labor, Fringe, and Indirect Invoicing Instructions which can be accessed in this agreement.
- The cost pools used to develop the federal rates must be allocable to the CEC Agreement, and the rates must be representative of the portion of costs benefiting the CEC Agreement. For example, if the federal rate is for manufacturing overhead at the Recipient's manufacturing facility and the CEC Agreement is for research and development at their research facility, the federal indirect overhead rate would not be applicable to the CEC Agreement.
- The federal rate must be adjusted to exclude any costs that are specifically prohibited in the CEC Agreement.
- The Recipient may only bill up to the Agreement Budget rate caps unless and until an amendment to the Agreement Budget is approved.

(7) Retention

It is the CEC's policy to retain 10 percent of any payment request or 10 percent of the total CEC award until the end of the project. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The CAM will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

Retention shall only be held for administrative costs.

The CEC may choose to release retention on an annual basis, if the Recipient's performance and completion of products and activities over the course of the year in question (referred to herein as a Retention Year) is determined by the CAM to be satisfactory. The Retention Year shall align with the reporting period for the Recipient's Annual Reports. After the completion of a Retention Year and submission of the associated Annual Report, the Recipient may submit a completed payment request form requesting release of retention pursuant to this paragraph.

(8) State Controller's Office

Payments are made by the State Controller's Office.

16. Fiscal Accounting Requirements

a. Accounting and Financial Methods

The Recipient shall establish a separate ledger account or fund for receipt and disbursement of CEC funds for each project funded by the CEC. Expenditure details must be maintained in accordance with the approved budget details using appropriate accounting practices.

b. Retention of Records

The Recipient shall retain all project records (including financial records, progress reports, and payment requests) for a minimum of three (3) years after the final payment has been received or five (5) years after the state grant term, whichever is later, unless otherwise specified in the funding Agreement.

Records for nonexpendable personal property acquired with grant funds shall be retained for five years after its final disposition or five years after the state grant term, whichever is later.

c. Audits

Upon written request from the CEC, the Recipient shall provide detailed documentation of all expenses at any time throughout the project. In addition, the Recipient agrees to allow the CEC or any other agency of the State, or their designated representative, upon written request, to have reasonable access to and the right of inspection of all records that pertain to the project during the term of this Agreement and for a period of three (3) years thereafter or three years after the federal grant term, whichever is later, unless the CEC notifies the Recipient, prior to the expiration of such three-year period, that a longer period of record retention is necessary. Further, the Recipient agrees to incorporate an audit of this project within any scheduled audits, when specifically requested by the State. Recipient agrees to include a similar right to audit in any subcontract.

Recipients are strongly encouraged to conduct annual audits in accordance with the single audit concept. The Recipient should provide two copies of the independent audit report and any resulting comments and correspondence to the CAM within 30 days of the completion of such audits.-

17. Indemnification

The Recipient agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to Recipient, the CEC, and to any and all contractors, subcontractors, Retrofit Awardees, vendors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Recipient in the performance of this Agreement.

This includes repayment to CEC for funds advanced which were not spent, either by the Recipient or a subcontractor, in accordance with the terms of this Agreement.

18. Workers' Compensation Insurance

- a. Recipient hereby warrants that it carries Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement, and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.
- b. If Recipient is self-insured for worker's compensation, it hereby warrants such self-insurance is permissible under the laws of the State of California and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.

19. General Provisions

a. Governing Law

It is hereby understood and agreed that this Agreement shall be governed by the laws of the State of California as to interpretation and performance.

b. Independent Capacity

The Recipient, and the agents and employees of the Recipient, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the CEC.

c. Assignment

Without the written consent of the CEC in the form of a formal written amendment, this Agreement is not assignable or transferable by Recipient either in whole or in part.

d. Timeliness

Time is of the essence in this Agreement.

e. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

f. Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

g. Assurances

The CEC reserves the right to seek further written assurances from the Recipient and its team that the work of the project under this Agreement will be performed consistent with the terms of the Agreement.

h. Change in Business

(1) Recipient shall promptly notify the CEC of the occurrence of each of the following:

(a) A change of address.

(b) A change in the business name or ownership.

(c) The existence of any litigation or other legal proceeding affecting the Project.

- (d) The occurrence of any casualty or other loss to Project personnel, equipment or third parties of a type commonly covered by insurance.
 - (e) Receipt of notice of any claim or potential claim against Recipient for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the CEC's rights.
- (2) Recipient shall not change or reorganize the type of business entity under which it does business except upon prior written notification to the CEC. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. In the event the CEC is not satisfied that the new entity can perform as the original Recipient, the CEC may terminate this Agreement as provided in the termination paragraph.

i. Survival of Terms

It is understood and agreed that certain provisions shall survive the completion or termination date of this Agreement for any reason. The provisions include, but are not limited to:

- Publications - Legal Statement on Reports and Products (Section 5)
- Equipment (Section 10)
- Termination (Section 11)
- Payment of Funds (Section 15)
- Fiscal Accounting Requirements (Section 16)
- Indemnification (Section 17)
- Change in Business (Section 19.h)
- Intellectual Property (Section 24)

20. *Certifications and Compliance*

Federal, State and Municipal Requirements

Recipient must obtain any required permits and shall comply with all applicable federal, State, and municipal laws, rules, codes, and regulations for work performed under this Agreement.

Nondiscrimination Statement of Compliance

During the performance of this Agreement, Recipient and its subcontractors shall not unlawfully discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Recipient and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code sections 12990 et seq.) and the applicable regulations promulgated thereunder (CCR, Title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the CCR are incorporated into this Agreement by reference and made a part of it as if set forth in full. Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

Drug-Free Workplace Certification

By signing this Agreement, the Recipient hereby certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- (1) 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 as required by Government Code section 8355(a)(1).
- (2) Establish a Drug-Free Awareness Program as required by Government Code section 8355(a)(2) to inform employees about all of the following:
 - The dangers of drug abuse in the workplace;
 - The person's or organization's policy of maintaining a drug-free workplace;

- Any available counseling, rehabilitation, and employee assistance programs; and
 - Penalties that may be imposed upon employees for drug abuse violations.
- (3) Provide, as required by Government Code section 8355(a)(3), that every employee who works on the proposed project:
- Will receive a copy of the company's drug-free policy statement;
 - Will agree to abide by the terms of the company's statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future State awards if the CEC determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

d. Child Support Compliance Act (Applicable to California Employers)

For any Agreement in excess of \$100,000, the Recipient acknowledges that:

- It recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

e. Americans with Disabilities Act

By signing this Agreement, Recipient assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

f. Air or Water Pollution Violation

Under state laws, the Recipient will 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 a 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.
- g. National Labor Relations Board Certification (Not applicable to public entities)
- The Recipient, by signing this Agreement, swears under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Recipient within the immediately preceding two-year period because of the Recipient's failure to comply with an order of a federal court that orders the Recipient to comply with an order of the National Labor Relations Board.

21. Site Visits

The CEC and/or its designees have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Recipient must provide and must require subcontractors and Retrofit Awardees to provide reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

22. Budget Contingency Clause

It is mutually agreed that this Agreement shall be of no further force and effect if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the work identified in the Scope of Work. In this event, the CEC shall have no liability to pay any funds whatsoever to the Recipient or to furnish any other consideration under this Agreement, and the Recipient shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the CEC shall have the option to either: 1) cancel this Agreement with no liability occurring to the CEC; or 2) offer an Agreement Amendment to the Recipient to reflect the reduced amount.

23. Public Works -- Payment of Prevailing Wages

Generally Required by Law

Projects that receive an award of public funds from the CEC often involve construction, alteration, demolition, installation, repair, or maintenance work over \$1,000.

NOTE: Projects that receive an award of public funds from the CEC are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with section 1720 and Title 8, CCR, Chapter 8, Subchapter 3, commencing with section 16000.

Accordingly, the CEC assumes that all projects it funds are public works. Projects deemed to be public works require among other things the payment of prevailing wages.

NOTE: Prevailing wage rates can be significantly higher than non-prevailing wage rates.

By accepting this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Public Resources Code section 25665.3(f) provides that “[p]rojects funded pursuant the [Equitable Building Decarbonization] direct install program shall be performed by workers paid prevailing wage where possible and when applicable.” Therefore, as a material term of this Agreement, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

- (i) prevailing wages are paid; and
- (ii) the project budget for labor reflects these prevailing wage requirements; and
- (iii) the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations;

or,

(b) Timely obtain a legally binding determination from the California Department of Industrial Relations (DIR) or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

NOTE: Only the DIR and courts of competent jurisdiction have jurisdiction to issue legally binding determinations that a particular project is or is not a public work.

If the Recipient is unsure whether the project receiving this award is a “public work” as defined in the California Labor Code, it may wish to seek a timely determination from the DIR or an appropriate court.

NOTE: Such processes can be time consuming and therefore it may not be possible to obtain a timely determination before the date for performance of the award commences.

If the Recipient does not timely obtain a binding determination from DIR or a court of competent jurisdiction that the project is not a public work, before this Agreement from the CEC is executed, the Recipient shall assume that the project is a public work and that payment of prevailing wages is required and shall pay prevailing wages unless and until such time as the project is subsequently determined to not be a public work by DIR or a court of competent jurisdiction.

NOTE: California Prevailing Wage law provides for substantial damages and financial penalties for failure to pay prevailing wages when payment of prevailing wages is required.

Subcontractors and Flow-down Requirements. Recipient shall ensure that its subcontractors, if any, also comply with above requirements with respect to public works/prevailing wage. Recipient shall ensure that all agreements with its contractors/subcontractors to perform work related to this project contain the above terms regarding payment of prevailing wages on public works projects. Recipient shall be responsible for any failure of Recipient's subcontractors to comply with California prevailing wage and public works laws.

Indemnification and Breach. Any failure of Recipient or its subcontractors to comply with the above requirements shall constitute a breach of this Agreement that excuses the CEC's performance of this Agreement at the CEC's option, and shall be at Recipient's sole risk. In such a case, CEC may refuse payment to Recipient of any amount under this Agreement and CEC shall be released, at its option, from any further performance of this award or any portion thereof. By accepting this Agreement, and as a material term of this Agreement, Recipient agrees to indemnify the CEC and hold the CEC harmless for any and all financial consequences arising out of or resulting from the failure of Recipient and/or any of Recipient's subcontractors to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law.

Budget. Recipient's budget and subcontractors' budgets on public works projects must indicate which job classifications are subject to prevailing wage. For detailed information about prevailing wage and the process to determine if the proposed project is a public work, Recipient may wish to contact the DIR or a qualified labor attorney of their choice for guidance.

Covered Trades. For public works projects, Recipient may contact DIR for a list of covered trades and the applicable prevailing wage.

Questions. If Recipient has any questions about this contractual requirement or the wage, record keeping, apprenticeship or other significant requirements of California prevailing wage law, it is recommended that Recipient consult DIR and/or a qualified labor attorney of its choice before accepting this Agreement.

Certification. Recipient shall certify to the CEC on each Payment Request Form, either that (1) prevailing wages were paid to eligible workers who provided labor for work covered by the payment request and that the Recipient and all contractors and subcontractors otherwise complied with all California prevailing wage laws, or (2) that the project is not a public work requiring the payment of prevailing wages. In the latter case, Recipient shall provide competent proof of a DIR or court determination that the project is not a public work requiring the payment of prevailing wages.

Prior to the release of any retained funds under this Agreement, the Recipient shall submit to the CEC the above-described certificate signed by the Recipient and all contractors and subcontractors performing public works activities on the project. Absent such certificate, Recipient shall have no right to any funds under this Agreement, and CEC shall be relieved of any obligation to pay said funds.

24. Intellectual Property

- a. The CEC makes no claim to "intellectual property" developed under this Agreement except as expressly provided herein.
- b. "Intellectual property" means: (a) inventions, technologies, designs, drawings, software, formulas, compositions, processes, techniques, works of authorship, trademarks, service marks, and logos that are created, conceived, discovered, made, developed, altered, or reduced to practice with Agreement or match funds during or after the Agreement term; (b) any associated proprietary rights to these items, such as patent and copyright; and (c) any upgrades or revisions to these items.

"Product" means any tangible item specified for delivery to the CEC in the Scope of Work.

"Works of authorship" does not include written products created for Agreement reporting and management purposes, such as reports, summaries, lists, letters, agendas, schedules, and invoices.

- c. The CEC owns all products identified in the Scope of Work, with the exception of products that fall within the definition of "intellectual property."
- d. The CEC has a no-cost, non-exclusive, transferable, irrevocable, royalty-free, worldwide, perpetual license to use, publish, translate, modify, and reproduce intellectual property for governmental purposes, including but not limited to providing data and reports to other government entities, state

legislature, and utility companies and using data for the development of future programs.

- e. The Recipient may not, in supplying work under this Agreement, knowingly infringe or misappropriate any intellectual property right of a third party and will take reasonable actions to avoid infringement.

To the extent allowed under California law, the Recipient will defend and indemnify the CEC from and against any claim, lawsuit, or other proceeding, loss, cost, liability, or expense (including court costs and reasonable fees of attorneys and other professionals) to the extent arising out of: (i) any third party claim that a product infringes any patent, copyright, trade secret, or other intellectual property right of any third party; or (ii) any third party claim arising out of the negligent or other tortious acts or omissions by the Recipient or its employees, subcontractors, or agents in connection with or related to the products or the Recipient's performance under this Agreement.

25. CEC Remedies for Recipient's Non-Compliance

Without limiting any of its other remedies, the CEC may, for Recipient's noncompliance of any Agreement requirement, withhold future payments, demand and be entitled to repayment of past reimbursements, or suspend or terminate this Agreement. The tasks in the Scope of Work are non-severable, and completion of all of them is material to this Agreement. Thus, the CEC, without limiting its other remedies, is entitled to repayment of all funds paid to Recipient if the Recipient does not timely complete all tasks in the Scope of Work. These remedies will also be flowed down to Retrofit Awardees in the event of breach of their Program Participation Agreements.

Further, if any penalty, fine, or other assessment is issued against the CEC or the CEC and other parties as a result of the Recipient's, its subcontractors', or a Retrofit Awardee's failure to comply with the Agreement requirements, the Recipient shall pay all assessment amounts with its own, non-grant funds, including any assessment against the CEC. Should the Recipient fail to pay the penalty, fine, or other assessment, the Recipient acknowledges that such monies may be paid out of retention.

26. Enforcement

- a. Recovery of Overpayment or Misuse of Funds

The CEC may direct the CEC's Office of Chief Counsel to commence formal legal action against any applicant or Recipient to recover any portion of a payment under the Agreement that the Executive Director determines the applicant or Recipient was not otherwise entitled to receive.

- b. Fraud and Misrepresentation

The Executive Director may initiate an investigation of any applicant, Recipient, subcontractor, vendor, or Retrofit Awardee that the Executive Director has reason to believe may have misstated, falsified, or misrepresented information in submitting an application, payment claim, or reporting any information required by the Agreement. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, termination of the Agreement, recovery of any overpayment, and, with the concurrence of the CEC, recommending the Attorney General initiate an investigation and prosecution under Government Code section 12650, et seq., or other provisions of law.

27. Confidential Recipient Information

a. Identification of Confidential Recipient Information

- (1) For the purposes of this Section, "Confidential Recipient Information" refers to information belonging to the Recipient that the Recipient has satisfactorily identified as confidential and the CEC has agreed to designate as confidential under Title 20 CCR section 2505.
- (2) Prior to the effective date of this Agreement, the Recipient will identify all products (or information contained within products) it considers Confidential Recipient Information, and provide the legal basis for confidentiality, in Attachment 1 to this Exhibit. If the CEC agrees the information is confidential, it will not disclose it except as provided in subsection (b).
- (3) During the Agreement, if the Recipient obtains or develops additional products (or information contained within products) not originally identified as Confidential Recipient Information in Attachment 1 to this Exhibit, the Recipient will follow the procedures for a request for designation of confidential information as specified in Title 20 CCR section 2505.

The CEC's Executive Director will make the confidentiality determination. Such subsequent determinations may be added to the list of confidential deliverables in the Attachment 1 to this Exhibit. The CEC will not disclose information subject to an application for confidential designation except as provided in subsection (b).

- (4) When submitting products containing Confidential Recipient Information, the Recipient will mark each page of any document containing Confidential Recipient Information as "confidential" and present it in a sealed package to the Contracts, Grants, and Loans Office.

The CAM may require the Recipient to submit a non-confidential version of the product if it is feasible to separate the Confidential Recipient Information from the non-confidential information. The Recipient is not required to submit such products in a sealed package.

b. Disclosure of Confidential Recipient Information

The CEC will only disclose Confidential Recipient Information under the circumstances specified in Title 20 CCR sections 2506, 2507, and 2508. All Confidential Recipient Information that is legally disclosed by the Recipient or any other entity will become a public record and will no longer be subject to the CEC's confidentiality designation.

c. Waiver of Consequential Damages

In no event will the CEC or the state of California be liable for any special, incidental, or consequential damages based on breach of warranty, breach of contract, negligence, strict tort, or any other legal theory for the disclosure of the Confidential Recipient Information, even if the CEC has been advised of the possibility of such damages.

Damages that the CEC and the state of California will not be responsible for include but are not limited to lost profit; lost savings or revenue; lost goodwill; lost use of the product or any associated equipment; cost of capital; cost of any substitute equipment, facilities, or services; downtime; the claims of third parties including customers; and injury to property.

d. Limitations on the Disclosure of Products

During the Agreement, the Recipient, subcontractors, any lower-tiered level of sub-subcontractors, and Vendors must receive written approval from the CAM prior to disclosing the contents of any draft product to a third party. However, if the CEC makes a public statement about the content of any product provided by the Recipient and the Recipient believes the statement is incorrect, the Recipient may state publicly what it believes is correct.

28. Receipt of Confidential Information and Personal Information

For the purposes of this Section, "confidential information" refers to information the CEC has designated as confidential pursuant to Title 20 CCR section 2505 *et seq.*, information the CEC has otherwise deemed or stated to be confidential, and other information exempt from public disclosure under the provisions of the California Public Records Act or other applicable state or federal laws.

For the purposes of this Section, "personal information" refers to information that meets the definition of "personal information" in California Civil Code section 1798.3(a) or one of the data elements set forth in California Civil Code section 1798.29(g)(1) or (g)(2). Personal information is a type of confidential information and is therefore subject to all requirements for confidential information provided in this Agreement and applicable law. However, there are additional requirements specific to personal information.

For the purposes of this Section, "special terms for confidential information" refers to the CEC's special terms and conditions for the receipt of confidential information and personal information. The CEC's special terms for confidential information include, but are not limited to, having in place an Information Security Program Plan, and obtaining nondisclosure agreements from all individuals who will be provided access to confidential information or personal information.

If the Recipient will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, the Recipient must first agree to and comply with the CEC's special terms for confidential information.

If any other individual or entity participating in any way with this Agreement, including but not limited to subcontractors, Retrofit Awardees, vendors, and other project partners, will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, that individual or entity must first agree to and comply with the CEC's special terms for confidential information. The Recipient must flow-down the CEC's special terms for confidential information into each subcontract, Retrofit Award, vendor agreement, or other project partner agreement that will be provided access to confidential information or personal information before the individual or entity has access to any such information. Recipient must also require all individuals and entities to flow-down this Section to any lower tier subcontractors, Retrofit Awardees, vendors, project partners, and other individual or entity participating in any way with this Agreement that will be provided access to Confidential Information or Personal Information before the individual or entity has access to any such information.

If this Agreement does not include the CEC's special terms for confidential information and CEC determines the Recipient or any other individual or entity participating in any way with this Agreement will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, the CEC reserves the option to amend this Agreement to add its special terms for confidential information.

Except as provided in Title 20 CCR sections 2506, 2507, and 2508, and the CEC's special terms for confidential information, Recipient or any other individual or entity participating in any way with this Agreement may not disclose any information provided to it by the CEC or a third party for the performance of this Agreement if the information has been designated as confidential or is the subject of a pending application for confidential designation.

29. *Executive Order N-6-22 – Russia Sanctions*

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine the Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide the Recipient advance written notice of such termination, allowing the Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the CEC.

30. *Greenhouse Gas Reduction Fund Requirements*

a. This Agreement is funded in part by the Greenhouse Gas Reduction Fund (GGRF) created pursuant to Government Code section 16428.8. This Agreement is subject to, and Recipient shall comply with, the provisions of the laws enacted for spending of auction proceeds deposited into the GGRF, including without limitation: Health and Safety Code section 39710 et. seq.; Government Code section 16428.8 – 16428.95, including any amendments to these sections. In addition to GGRF reporting requirements, Recipients will be responsible for other reporting requirements as outlined in the Scope of Work and specified by the CAM.

b. Reporting

Recipients of GGRF funds must submit reports on expenditures, investment benefits, and project outcomes, per guidance from the California Air Resources Board (CARB). Recipient shall provide reports on all projects during the term of this Agreement and for a period specified by CARB to meet project outcome reporting requirements.

Reporting shall follow the technical standards, format, process, and timing specified by the CAM, consistent with the project-type specific reporting requirements in CARB guidance and methodologies. Information to be reported includes, but is not limited to:

- (1) Greenhouse Gas (GHG) Reductions
- Recipient Name or Project ID
 - Project description
 - Project location
 - Census tract
 - Project Stages and Dates for Reaching Milestones: Project Selected; Completed; Operational; GHG reductions began
 - GGRF dollars allocated and total project cost including GGRF and non-GGRF monies
 - Leveraged and/or match funds
 - Quantification Period (number of years the project will provide GHG emission reductions)
 - Number of projects/incentives/dwellings modified
 - Estimated /actual total project GHG emission reductions
 - Other information as specified by the CAM and in accordance with CARB requirements

(2) Priority Populations

Recipient reporting shall include information regarding benefits to priority populations, consistent with the detailed information in the CARB guidance which is posted at www.arb.ca.gov/cqi-quantification. Recipient reporting shall include any information needed to evaluate, using the appropriate Benefit Criteria Table, whether the project has a direct benefit to priority populations.

“Priority populations” include residents of: (A) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (B) census tracts identified as low-income per AB 1550; or (C) a low-income household per AB 1550.

(3) Co-Benefits

Recipient reporting shall include each project’s economic, environmental, or public health benefits, including, but not limited to:

- Estimated /actual total reductions in other criteria air pollutants (PM 2.5, NOx, etc.)

- Estimated /actual energy and fuel costs saved (kWh, therms, or other fuels) for energy efficiency and electrification projects
- Other information as specified by the CAM and in accordance with CARB requirements.

(4) Job Creation Benefits

Recipient reporting shall include data related to the number of job-years provided, average wages and benefits, the number of people who completed job training or received industry-recognized certifications, targeted hiring strategy and residence location of job/training recipients, as specified by the CAM and in accordance with CARB requirements.

31. Conflicts of Interest

a. Recipient agrees to continuously review new and upcoming projects in which Recipient, its subcontractors or other project partners may be involved for potential conflicts of interest (e.g., Gov. Code § 81000 et seq., and Gov. Code § 1090 et seq.). Recipient shall inform the CAM as soon as a question arises about whether a potential conflict may exist or as soon as the Recipient knows a conflict exists. The CAM and CEC’s Chief Counsel’s Office shall determine what constitutes a potential conflict of interest. The CEC reserves the right to redirect work and funding on a project if the CEC’s Chief Counsel’s Office determines that there is a potential conflict of interest.

b. Appearances of Conflicts of Interest

The Recipient acknowledges that in governmental agreements even the appearance of a conflict of interest can be harmful to the interest of the State. Thus, the Recipient, its subcontractors and project partners shall refrain from any practices, activities, or relationships that appear to conflict with their obligations under this Agreement, unless the Recipient receives prior written approval of the CEC. In the event the Recipient is uncertain whether the appearance of a conflict of interest may exist, the Recipient shall submit to the CAM a written description of the relevant details.

c. Prohibition on Participating in CEC Funding Opportunities

Under this Agreement, the Recipient and its subcontractors and project partners will, with oversight from the CEC, develop and implement programs. Accordingly, the Recipient and its subcontractors and project partners are prohibited from participating and agree not to participate in any manner (e.g., as an applicant, subcontractor, or match-funding partner) in any financial incentive program implemented under this Agreement.

d. Possible amendment of conflicts of interest provisions

The Recipient acknowledges that, if amendments to this Agreement are made to develop and fund programs or otherwise expand the scope of work, the role of employees of the Recipient, subcontractors and project partners may become more defined. As those responsibilities and tasks are defined, the CAM and CEC's Chief Counsel's Office reserve the right to determine if it is appropriate to designate certain individuals who are participating in the making of government decisions as "consultants" under the Political Reform Act and therefore require the disclosure of economic interests pursuant to Government Code section 87300 and the CEC's Conflict of Interest Code at CCR, Title 20, sections 2401-2402. Upon such determination, this Agreement shall be amended to include the specific procedural requirements applicable to the Recipient, subcontractors and project partners, and any designated consultants.

32. Disclosure.

The Recipient shall promptly inform the CEC when it is engaged by another State agency for work that is similar to a product under the scope of work contemplated in this Agreement. Where that similar work product or deliverable is applicable to this Agreement, the Recipient may use such work product or deliverable, but is barred from billing the CEC in this Agreement for the work performed under the other agreement and not actually performed under this Agreement. Where actual labor is expended to generate the same or similar work product or deliverable under this Agreement as another agreement, the Recipient is allowed to bill for such labor actually performed.

ATTACHMENT E

DOE HOMES TERMS AND CONDITIONS

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Subpart A. Award Provisions

1. Purpose

The purpose of this exhibit is to provide the federal terms and conditions for California Energy Commission (CEC)’s award to Subrecipient under this Agreement. This award is made pursuant to the Section 50121 of the Inflation Reduction Act (IRA), which is referred to as the Home Owner Managing Energy Savings (HOMES) Rebate Program.

2. Summary of Award

Name of Federal awarding agency	U.S. Department of Energy
Name of Recipient /pass-through entity, and contact information for awarding official of the Recipient	California Energy Commission
Name of Subrecipient	
Subrecipient’s unique entity identifier (DUNS)	
Federal award identification number (FAIN)	
Federal Award Date of award to the Recipient by the Federal agency	
Subaward period of performance start and end date	
Amount of Federal funds obligated by this action by the pass-through entity to the Subrecipient	
Total amount of Federal funds obligated to the Subrecipient by the pass-through entity including the current obligation	
Total amount of the Federal award committed to the Subrecipient by the pass-through entity	
Federal award description as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)	
Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;	
Identification of whether the award is research and development (R&D)	
Indirect cost rate for Federal award (including if the application of the de minimis rate per §200.414 Indirect (F&A) costs)	[refer to Sub’s grant application]

3. Resolution of Conflicting Terms

In the event of any conflict in the terms of this Agreement, this Exhibit will take precedence.

4. **Documents Incorporated by Reference**

The following documents are hereby incorporated by reference:

- a. Award Agreement between the U.S. Department of Energy (DOE) and CEC, Award No. DE-SE0000024 (Award).
- b. Public Law 117-169, IRA.
- c. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 Code of Federal Regulations (CFR) part 200 as amended by 2 CFR part 910, located at <http://www.eCFR.gov>.
- d. The Administrative and Legal Requirements Document (ALRD) for the HOMES Rebate Program, located at <https://www.energy.gov/scep/home-energy-rebate-programs-guidance>.
- e. The standard DOE financial assistance intellectual property provisions applicable to various types of recipients, located at: <https://energy.gov/gc/standard-intellectual-property-ip-provisions-financial-assistance-awards>.
- f. The National Policy Assurances, located at: <http://www.nsf.gov/awards/managing/rtc.jsp> and <https://www.energy.gov/management/articles/national-policy-assurances-be-incorporated-award-terms>.
- g. Research Terms and Conditions and the DOE Agency Specific Requirements at <http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp> (if the Award is for research and the Award is to a university or non-profit).
- h. Subrecipient's application or proposal for the HOMES Rebate Program as accepted by CEC.

5. **Funding Restrictions**

Funding is contingent upon the availability of funds appropriated by Congress for the purpose of this program and the availability of future-year budget authority.

6. **Flow down requirements**

- a. Subrecipient must require inclusion in all lower tier subrecipient or subcontract agreements, all federal award terms, and conditions in 2 CFR part 200 as amended by 2 CFR part 910 as set forth in 2 CFR 200.101 and ensure strict compliance.
- b. Subrecipient must require inclusion in all lower tier subrecipient or subcontract agreements all applicable Intellectual Property provisions and National Policy Assurances incorporated by reference in Subpart A.3.
- c. Subrecipient must require inclusion in all lower tier subrecipient or subcontract agreements, all other requirements as applicable in this Exhibit or elsewhere in the Agreement.

7. **Reporting Requirements**

- a. The federal reporting requirements are described in the Federal Assistance Reporting Checklist, Attachment 2 to Award DE-SE000024.

- b. CEC's noncompliance with reporting requirements may result in withholding of future payments, suspension, or termination of the Award, and withholding of future federal awards.
- c. Subrecipient must assist CEC with meeting all federal reporting requirements by providing all information requested by CEC for reporting purposes within the timeframes requested by CEC. Failure to by Subrecipient to comply with this requirement is a material breach of this Agreement.
- d. Scientific and Technical Information (STI) generated under this Award will be submitted to DOE via the Office of Scientific and Technical Information's Energy Link system. STI submitted under this Award will be disseminated via DOE's OSTI.gov website subject to approved access limitations. Citations for journal articles produced under the Award will appear on the DOE PAGES website. STI submitted to E-Link must not contain any Protected Personal Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

8. Stewardship

- a. CEC and the Office of State and Community Energy Programs (SCEP) within DOE will exercise normal stewardship in overseeing the project activities performed under this Agreement. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to address deficiencies that develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to ensure that the project objectives have been accomplished.
- b. Subrecipient may be required to participate in, or provide information, documents, or other assistance requested by CEC or SCEP for the purpose of CEC or SCEP's federal stewardship.

9. CEC and Federal Involvement

- a. Subrecipient may be required to participate in periodic review meetings with SCEP to assess work performance under the Award and the timely achievement of technical milestones and deliverables. SCEP will determine the frequency of review meetings and select the day, time, and location of each review meeting. Subrecipient may be required to provide an overview of work performed under this Agreement, including but not limited to:
 - i. Technical progress compared to the Milestone Summary Table stated in Attachment 1 of Award DE-SE000024.
 - ii. Subrecipient's actual expenditures compared to the approved budget in Attachment 3 of Award DE-SE000024.
 - iii. Other subject matter specified by the DOE Technology Manager/Project Officer.
- b. Subrecipient must notify CEC, who in turn will notify SCEP, in advance of scheduled tests and internal project meetings that would entail discussion of topics that could result in major changes to the baseline project technical scope/approach, cost, or schedule. Upon request by CEC or SCEP, Subrecipient must provide CEC and SCEP with reasonable access (by telephone, webinar, or otherwise) to the tests and project meetings.
- c. CEC and SCEP's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Subrecipient must provide, and must require any lower tier

subrecipients to provide, reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the

performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

- d. Subrecipient must provide, and must require any lower tier subrecipients to provide, any information, documents, site access, or other assistance requested by CEC SCEP for the purpose of federal stewardship or substantial involvement.

10. Audits

- a. Subrecipient and its lower tier subrecipients, contractors, and subcontractors must provide any information, documents, site access, or other assistance requested by SCEP, DOE or Federal auditing agencies (e.g., DOE Inspector General, Government Accountability Office) for the purpose of audits and investigations. Such assistance may include, but is not limited to, reasonable access to records of the Subrecipient and its lower tier subrecipients, contractors, and subcontractors relating to this Agreement.
- b. Consistent with 2 CFR part 200 as amended by 2 CFR part 910, DOE may audit the financial records or administrative records of the Subrecipient and its lower tier subrecipients, contractors, and subcontractors relating to this Award at any time. Government-initiated audits are generally paid for by DOE.
- c. DOE may conduct a final audit at the end of the project period (or the termination of the Award, if applicable). Upon completion of the audit, the Subrecipient and its lower tier subrecipients, contractors, and subcontractors are required to refund to DOE any payments for costs that were determined to be unallowable. If the audit has not been performed or completed prior to the closeout of the award, DOE retains the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.
- d. DOE will provide reasonable advance notice of audits and will minimize interference with ongoing work, to the maximum extent practicable.

11. Refund Obligation

Subrecipient must refund any excess payments, received from CEC, including any interest. This obligation to refund excess payment also applies to any Subrecipient costs determined unallowable by CEC or DOE.

12. Foreign Travel

Subrecipient must obtain the prior written approval of CEC for any foreign travel costs.

13. Program Income

If the Subrecipient earns program income during the project period as a result of this Agreement, Subrecipient must add the program income to the funds committed to this Agreement and used to further eligible project objectives.

14. Decontamination and/or Decommissioning (D&D) Costs

Notwithstanding any other provision, DOE or CEC are not responsible for or have any obligation to Subrecipient for (1) Decontamination and/or Decommissioning (D&D) of any of Subrecipient's facilities, or (2) any costs which may be incurred by Subrecipient in connection with the D&D of any of its facilities due to the performance of the work under this Agreement, whether said work was performed prior to or subsequent to the effective date of this Agreement.

15. National Environmental Policy Act (NEPA)

- a. DOE must comply with the National Environmental Policy Act prior to authorizing the use of Federal funds.
- b. DOE has determined that certain "Allowable Activities" listed in the State Energy Office NEPA Determination (Attachment 5) to Award DE-SE000024 are categorically excluded and require no further NEPA review. Subrecipient is thereby authorized to use Federal funds for the "Allowable Activities" listed in the IRA 50121 and 50122, Home Energy Rebate Programs Early Admin Funds ALRD NEPA Determination, subject to this Section 14 and the restrictions listed in Attachment 5.
- c. This NEPA Determination only applies to activities funded by the IRA 50121 and 50122, Home Energy Rebate Programs Early Admin Funds ALRD.
- d. Activities not listed under "Allowable Activities" are subject to additional NEPA review and approval by DOE. For activities requiring additional NEPA review, Subrecipient may be required to complete the environmental questionnaire found at <https://www.eere-pmc.energy.gov/NEPA.aspx> and receive notification from DOE that the NEPA review has been completed and approved by DOE's Contracting Officer prior to initiating the project or activities.
- e. Subrecipient must identify and promptly notify CEC of extraordinary circumstances, cumulative impacts or connected actions that may lead to significant effects on the human environment, or any inconsistency with the "integral elements" (as contained in 10 CFR Part 1021, Appendix B) as they relate to project activities.
- f. Subrecipient must adhere to the terms and restrictions of California's DOE executed Historic Preservation Programmatic Agreement (PA). DOE executed Historic Preservation PA are available on the Office of State and Community Energy Programs website: <https://www.energy.gov/scep/historic-preservation-executed-programmatic-agreements>.
- g. Subrecipients are responsible for completing the online NEPA and Historic preservation training at <http://www.energy.gov/node/4816816> and contacting NEPA with any questions GONEPA@ee.doe.gov.
- h. If Subrecipient intends to undertake activities or projects that do not fall within the NEPA determination, those activities and projects are subject to additional NEPA review by DOE and are not authorized for Federal funding unless and until DOE's Contracting Officer provides written authorization on those additions or modifications. Should Subrecipient elect to undertake activities or projects prior to written authorization from DOE's Contracting Officer, Subrecipient does so at risk of not receiving Federal funding for those activities and projects, and such costs may not be recognized as allowable cost match.

16. Historic Preservation

- a. DOE must comply with the requirements of Section 106 of the National Historic Preservation Act prior to authorizing the use of Federal funds. Section 106 applies to historic properties

that are listed in or eligible for listing in the National Register of Historic Places.

- b. Subrecipient must comply with all the Stipulations of California's DOE executed Historic Preservation PA. All DOE executed PAs are available on the Office of State and Community Energy Programs website: <https://www.energy.gov/scep/historic-preservation-executed-programmatic-agreements>.
- c. In addition to the Stipulations in their PAs, Recipients must notify CEC, who will in turn DOE via GONEPA@ee.doe.gov whenever:
 - i. Subrecipient or the State Historic Preservation Office (SHPO)/Tribal Historic Preservation Office (THPO) believes that the Criteria of Adverse Effect pursuant to 36 CFR § 800.5, apply to the proposal under consideration by DOE;
 - ii. There is a disagreement between an applicant, or its authorized representative, and the SHPO/THPO about the scope of the area of potential effects, identification, and evaluation of historic properties and/or the assessment of effects;
 - iii. There is an objection from a consulting party or the public regarding their involvement in the review process established by 36 CFR Part 800, Section 106 findings and determinations, or implementation of agreed upon measures; or
 - iv. There is the potential for a foreclosure situation or anticipatory demolition as defined under 36 CFR §800.9 (b) and 36 CFR § 800.9 (c).

17. Intellectual Property

Intellectual property rights are subject to 2 CFR 200.315 (e.g., institution of higher education or nonprofit organizations) or 2 CFR 910.362 (e.g., for-profit).

18. Performance of Work in United States

- a. All work performed under this Agreement must be performed in the United States unless DOE provides a waiver. This requirement does not apply to the purchase of supplies and equipment; however, Subrecipient should make every effort to purchase supplies and equipment within the United States.
- b. If Subrecipient fails to comply with the Performance of Work in the United States requirement, DOE's Contracting Officer may deny reimbursement for the work conducted outside the United States and such costs may not be recognized as allowable Subrecipient cost share regardless if the work is performed by Subrecipient or its lower tier subrecipients, vendors or other project partners.
- c. DOE may approve the performance of a portion of the work outside the United States under limited circumstances. Contractor must obtain a waiver via CEC prior to conducting any work outside the U.S.
- d. Subrecipient must obtain a waiver from DOE's Contracting Officer prior to conducting any work outside the U.S. To request a waiver, the Contractor must submit a written request to CEC, who in turn will provide to DOE, that includes:
 - i. The rationale for performing the work outside the U.S.;

- ii. A description of the work proposed to be performed outside the U.S;
- iii. The proposed budget of work to be performed; and
- iv. The countries in which the work is proposed to be performed.

The rationale must demonstrate to the satisfaction of DOE that the performance of work outside the United States would further the purposes of the Federal Program and is in the economic interests of the United States. DOE's Contracting Officer may require additional information before considering such a request.

19. Foreign National Involvement

Subrecipients and its lower tier subrecipients and contractors who anticipate involving foreign nationals in the performance of an award, may be required to provide CEC and DOE with specific information about each foreign national to satisfy requirements for foreign national participation. A foreign national is defined as any person who is not a U.S. citizen by birth or naturalization. The volume and type of information collected may depend on various factors associated with the award.

20. Publications

Subrecipient is required to include the following acknowledgement in publications arising out of, or relating to, work performed under this Agreement, whether copyrighted or not:

- a. Acknowledgment: "This material is based upon work supported by the U.S. Department of Energy's Office of State and Community Energy Programs (SCEP) under the IRA Home Energy Rebates Award Number DE-SE000024."
- b. Full Legal Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."
- c. Abridged Legal Disclaimer: "The views expressed herein do not necessarily represent the views of the U.S. Department of Energy or the United States Government."

Subrecipient should make every effort to include the full Legal Disclaimer. However, in the event Subrecipient is constrained by formatting and/or page limitations set by the publisher, the abridged Legal Disclaimer is an acceptable alternative.

21. Budget Changes

- a. Any increase in the total project cost, whether DOE share or Cost Share, must be approved in advance and in writing by CEC and DOE's Contracting Officer. Any change that alters the project scope, milestones or deliverables requires prior written approval of CEC and DOE's

Contracting Officer. SCEP may deny reimbursement for any failure to comply with the requirements in this term.

- b. Subrecipient must obtain the prior written approval for any transfer of funds among direct cost categories where the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total project cost. Subrecipient must notify CEC, who will in turn the DOE Technology Manager/Project Officer of any transfer of funds among direct cost categories where the cumulative amount of such transfers is equal to or below 10 percent of the total project cost.
- c. Subrecipient must obtain the prior written approval for any transfer of funds between direct and indirect cost categories. If Subrecipient's actual allowable indirect costs are less than those budgeted, Subrecipient may use the difference to pay additional allowable direct costs during the project period so long as the total difference is less than 10% of total project costs and the difference is reflected in actual requests for reimbursement.

22. Interim Conflict of Interest Policy for Financial Assistance

- a. The DOE interim Conflict of Interest Policy for Financial Assistance (COI Policy) can be found at <https://www.energy.gov/management/pf-2022-17-department-energy-interim-conflict-interest-policy-requirements-financial>. This policy is applicable to all non-Federal entities applying for, or that receive, DOE funding by means of a financial assistance award (e.g., a grant, cooperative agreement, or technology investment agreement) and, through the implementation of this policy by the entity, to each Investigator who is planning to participate in, or is participating in, the project funded wholly or in part under this Award. The term "Investigator" means the Principal Investigator and any other person, regardless of title or position, who is responsible for the purpose, design, conduct, or reporting of a project funded by DOE or proposed for funding by DOE.
- b. Subrecipient must flow down the requirements of the interim COI Policy to any lower tier subrecipients, with the exception of DOE National Laboratories.
- c. Further, Subrecipient must identify all financial conflicts of interests (FCOI), i.e., managed, and unmanaged/unmanageable, in its initial and ongoing FCOI reports. It is understood that non-Federal entities and individuals receiving DOE financial assistance awards will need sufficient time to come into full compliance with DOE's interim COI Policy. To provide some flexibility, DOE allows for a staggered implementation. **Specifically, prior to award, Subrecipient must ensure all Investigators on this Award complete their significant financial disclosures; review the disclosures; determine whether a FCOI exists; develop and implement a management plan for FCOIs; and provide DOE with an initial FCOI report that includes all FCOIs (i.e., managed, and unmanaged/unmanageable).** Subrecipient will have 180 days from the date of this Award to come into full compliance with the other requirements set forth in DOE's interim COI Policy.

23. Terms Subject to Change Upon Obligation of Full Formula Award Allocation

- a. These terms and conditions cover the initial allocation of funds for this program. Subrecipient is advised that some terms may be added, modified, or removed upon CEC's application and approval for the full formula allocation under this program, in order to properly implement all programmatic requirements associated with the program.
- b. Additional terms that may be incorporated include, but are not limited to:

- i. Publication of Information on the Internet
- ii. Certification and Registration
- iii. Whistleblowers and False Claims

24. Reporting Tracking and Segregation of Incurred Costs

IRA funds may be used in conjunction with other funding, as necessary to complete projects, but tracking and reporting must be separate. Subrecipient must keep separate records for IRA funds and must ensure those records comply with the requirements of the IRA.

Subpart B. General Provisions

1. Compliance with Federal, State, and Municipal Law

- a. Subrecipient must comply with all applicable federal, state, and local laws and regulations for all work performed under this Agreement.
- b. Subrecipient must obtain all necessary federal, state, and local permits, authorizations, and approvals for all work performed under this Agreement.
- c. Any apparent inconsistency between federal and state laws and regulations and the terms and conditions of this Award must be referred to CEC's Contract Administration Manager for guidance.

2. Record Retention

Subrecipient is required to retain records relating to this Award consistent with 2 CFR 200.334 through 200.338.

3. Allowable costs

- a. Allowable costs are determined in accordance with 2 CFR part 200 as amended by 2 CFR part 910. All project costs must be allowable, allocable, and reasonable in accordance with the applicable federal cost principles. Pursuant to 2 CFR 910.352, the cost principles in the Federal Acquisition Regulations (48 CFR Part 31.2) apply to for-profit entities. The cost principles contained in 2 CFR Part 200, Subpart E apply to all entities other than for-profits. Costs to support or oppose union organizing, whether directly or as an offset for other funds, are unallowable.
- b. Subrecipient must document and maintain records of all project costs, including, but not limited to, the costs paid by Federal funds, costs claimed by its lower-tier subrecipients and project costs that the Subrecipient claims as cost sharing, including in-kind contributions. Subrecipient is responsible for maintaining records adequate to demonstrate that costs claimed have been incurred, are reasonable, allowable, and allocable, and comply with the cost principles. Upon request, the Subrecipient is required to provide such records. Such records are subject to audit. Failure to provide adequate supporting documentation may result in a determination that those costs are unallowable.
- c. Payments made for costs determined to be unallowable by either DOE, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal

agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also 2 CFR 200.300 through 200.309.

4. Indirect Costs

Subrecipient's indirect costs must be appropriately managed, be allowable, and comply with the requirements of the Award and 2 CFR Part 200 as amended by 2 CFR Part 910.

5. Profit or Fees

See 2 CFR 910.358 for limitations pertaining to profit or fees.

6. Project Closeout

In addition to any other requirements set forth in this Agreement, Subrecipient must comply with the project closeout requirements in 2 CFR 200.344.

7. Property Standards

See 2 CFR 200.310 through 200.316 for requirements. Also see 2 CFR 910.360 for additional requirements for real property and equipment for For-Profit Subrecipients, which include but are not limited to prior approval for real property or equipment with an acquisition cost per unit of \$5,000 or more and, in certain circumstances, recording UCC financing statements.

8. Insurance Coverage

See 2 CFR 200.310 for insurance requirements for real property and equipment acquired or improved with Federal funds. Also see 2 CFR 910.360(d) for additional requirements for real property and equipment for For-Profit recipients.

9. Real Property

- a. Subject to the conditions set forth in 2 CFR 200.311, title to real property acquired or improved under a Federal award will conditionally vest upon acquisition in the non-Federal entity. The non-Federal entity cannot encumber this property and must follow the requirements of 2 CFR 200.311 before disposing of the property.
- b. Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from DOE or pass-through entity. The instructions must provide for one of the following alternatives: (1) retain title after compensating DOE as described in 2 CFR 200.311(c)(1); (2) Sell the property and compensate DOE as specified in 2 CFR 200.311(c)(2); or (3) transfer title to DOE or to a third party designated/approved by DOE as specified in 2 CFR 200.311(c)(3).
- c. See 2 CFR 200.311 for additional requirements pertaining to real property acquired or improved under a Federal award. Also see 2 CFR 910.360 for additional requirements for real property for For-Profit recipients.

10. Equipment

- a. Subject to the conditions provided in 2 CFR 200.313, title to equipment (property) acquired under a Federal award will vest conditionally with the non-Federal entity. The non-Federal entity cannot encumber this property and must follow the requirements of 2 CFR 200.313 before disposing of the property.
- b. States must use equipment acquired under a Federal award by the state in accordance with state laws and procedures.
- c. Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as it is needed, whether or not the project or program continues to be supported by the Federal award. When no longer needed for the originally authorized purpose, the equipment may be used by programs supported by DOE in the priority order specified in 2 CFR 200.313(c)(1)(i) and (ii).
- d. Management requirements, including inventory and control systems, for equipment are provided in 2 CFR 200.313(d).
- e. When equipment acquired under a Federal award is no longer needed, the non-Federal entity must obtain disposition instructions from DOE or pass-through entity.
- f. Disposition will be made as follows: (a) items of equipment with a current fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to DOE; (b) Non-Federal entity may retain title or sell the equipment after compensating DOE as described in 2 CFR Part 200.313(e)(2); or (c) transfer title to DOE or to an eligible third Party as specified in CFR Part 200.313(e)(3).
- g. See 2 CFR 200.313 for additional requirements pertaining to equipment acquired under a Federal award. Also see 2 CFR 910.360 for additional requirements for equipment for For-Profit recipients. See also 2 CFR 200.439 Equipment and other capital expenditures.

11. Supplies

See 2 CFR 200.314 for requirements pertaining to supplies acquired under a Federal award. See also 2 CFR 200.453 Materials and supplies costs, including costs of computing devices.

12. Property Trust Relationship

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. See 2 CFR 200.316 for additional requirements pertaining to real property, equipment, and intangible property acquired or improved under a Federal award.

13. Uniform Commercial Code (UCC) Financing Statements

Per 2 CFR 910.360 (Real Property and Equipment), when applicable, requires when Subrecipient purchases with federal funds, and federal share of the financial assistance agreement is more than \$1,000,000, Subrecipient must:

Properly record, and consent to DOE's ability to properly record if the Subrecipient fails to do so, UCC financing statement(s) for all equipment in excess of \$5,000 purchased with project funds. These financing statement(s) must be approved in writing by the DOE Contracting Officer prior to the recording, and they shall provide notice that the recipient's title to all equipment (not real

property) purchased with federal funds under the financial assistance agreement is conditional pursuant to the terms of this section, and that the government retains an undivided reversionary interest in the equipment. The UCC financing statement(s) must be filed before the DOE Contracting Officer may reimburse the recipient for the federal share of the equipment unless otherwise provided for in the relevant financial assistance agreement. The recipient shall further make any amendments to the financing statements or additional recordings, including appropriate continuation statements, as necessary or as the Contracting Officer may direct.

14. **Conference Spending**

Subrecipient must not expend any funds on a conference not directly and programmatically related to the purpose for which the grant or cooperative agreement was awarded that would defray the cost to the United States Government of a conference held by any Executive branch department, agency, board, commission, or office for which the cost to the United States Government would otherwise exceed \$20,000, thereby circumventing the required notification by the head of any such Executive Branch department, agency, board, commission, or office to the Inspector General (or senior ethics official for any entity without an Inspector General), of the date, location, and number of employees attending such conference.

15. **Lobbying**

- a. By accepting funds under this Award, the Subrecipient agrees that it must not use, directly or indirectly, any federal funds to influence or attempt to influence, directly or indirectly, congressional action on any legislative or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.
- b. If this Award to subrecipient exceeds \$100,000, the Subrecipient must complete and submit SF-LLL, "Disclosure of Lobbying Activities" (<https://www.grants.gov/web/grants/forms/sf-424-individual-family.html>) to ensure that non-federal funds have not been paid and will not be paid to any person for influencing or attempting to influence any of the following in connection with the application for this Program

16. **Telecommunications and Video Surveillance Services or Equipment Prohibition**

As set forth in 2 CFR 200.216, Subrecipient is prohibited from obligating or expending project funds (Federal funds and Subrecipient cost share) to:

- a. Procure or obtain;
- b. Extend or renew a contract to procure or obtain; or
- c. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
- i. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology

Company (or any subsidiary or affiliate of such entities).

- ii. Telecommunications or video surveillance services provided by such entities or using such equipment.
- iii. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

See Public Law 115-232, section 889, 2 CFR 200.216, and 2 CFR 200.471 for additional information.

17. Affirmative Action and Pay Transparency Requirements

All federally assisted construction contracts exceeding \$10,000 annually will be subject to the requirements of Executive Order 11246:

- a. Subrecipient and its subrecipients, contractors and subcontractors are prohibited from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin.
- b. Subrecipient and its subrecipients, contractors and subcontractors are required to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This includes flowing down the appropriate language to all subrecipients, contractors and subcontractors.
- c. Subrecipient and its subrecipients, contractors and subcontractors are prohibited from taking adverse employment actions against applicants and employees for asking about, discussing, or sharing information about their pay or, under certain circumstances, the pay of their co-workers.

The Department of Labor's (DOL) Office of Federal Contractor Compliance Programs (OFCCP) uses a neutral process to schedule contractors for compliance evaluations. OFCCP's Technical Assistance Guide⁴ should be consulted to gain an understanding of the requirements and possible actions the Subrecipient and its subrecipients, contractors and subcontractors must take. Additionally, for construction projects valued at \$35 million or more and lasting more than one year, the Subrecipient and its subrecipients, contractors and subcontractors may be selected by OFCCP as a mega construction project. If selected, DOE, under relevant legal authorities including Sections 205 and 303(a) of Executive Order 11246, will require participation as a condition of the award. This program offers extensive compliance assistance with EO 11246. For more information regarding this program, see <https://www.dol.gov/agencies/ofccp/construction/mega-program>.

18. Nondiscrimination

By signing this Agreement or accepting funds under this Agreement, Subrecipient assures that it will comply with applicable provisions of the following, national policies prohibiting discrimination:

⁴ See OFCCP's Technical Assistance Guide at: <https://www.dol.gov/sites/dolgov/files/ofccp/Construction/files/ConstructionTAG.pdf?msclkid=9e397d68c4b111ec9d8e6fecb6c710ec>. Also see the National Policy Assurances at <http://www.nsf.gov/awards/managing/rtc.jsp>.

- a. On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), as implemented by DOE regulations at 10 CFR part 1040.
- b. On the basis of race, color, religion, sex, or national origin, in Executive Order 11246 [3 CFR, 1964-1965 Comp., p. 339], as implemented by Department of Labor regulations at 41 CFR part 60.
- c. On the basis of sex or blindness, in Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), as implemented by DOE regulations at 10 CFR parts 1041 and 1042.
- d. On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), as implemented by Department of Health and Human Services regulations at 45 CFR part 90 and DOE at 10 CFR part 1040.
- e. On the basis of handicap, in (1) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR part 41 and DOE regulations at 10 CFR part 1041 and (2) The Architectural Barriers Act of 1968 (42 U.S.C. 4151, et seq.).

19. **Americans with Disabilities Act of 1990**

Subrecipient shall comply with: (i) section 504 of the Rehabilitation Act of 1973 which prohibits discrimination on the basis of disability in federally assisted programs; (ii) the Americans with Disabilities Act (ADA) of 1990 which prohibits discrimination on the basis of disability irrespective of funding; and (iii) all applicable regulations and guidelines issued pursuant to both the Rehabilitation Act and the ADA.

20. **Promoting Free Speech and Religious Liberty**

States, local governments, or other public entities may not condition sub-awards in a manner that would discriminate, or disadvantage sub-recipients based on their religious character.

21. **Nondisclosure and Confidentiality Agreement Assurances**

- a. By entering into this Agreement, Subrecipient attests that it does not and will not require its employees or contractors to sign internal nondisclosure or confidentiality agreements or statements prohibiting or otherwise restricting its employees or contractors from lawfully reporting waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.
- b. The Subrecipient further attests that it **does not and will not** use any Federal funds to implement or enforce any nondisclosure and/or confidentiality policy, form, or agreement it uses unless it contains the following provisions:

“These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General or any investigative or law enforcement representative of a Federal department or agency of a suspected violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this Agreement and are controlling.”

- c. The limitation above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.
- d. Notwithstanding the provision listed in paragraph (a), a nondisclosure or confidentiality policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure or confidentiality forms shall also make it clear that they do not bar disclosures to Congress, or to an authorized official of an executive agency or the Department of Justice, that are essential to reporting a substantial violation of law.

22. Export Control

- a. The United States Government regulates the transfer of information, commodities, technology, and software considered to be strategically important to the U.S. to protect national security, foreign policy, and economic interests without imposing undue regulatory burdens on legitimate international trade. There is a network of federal agencies and regulations that govern exports that are collectively referred to as "Export Controls". Subrecipient is responsible for ensuring compliance with all applicable U.S. Export Control laws and regulations relating to any work performed under this Award, at the Subrecipient or lower tier level.
- b. Subrecipient must immediately report to DOE any export control violations related to the project funded under this Award, at the Subrecipient or a lower tier level, and provide the corrective actions to prevent future violations.

23. Corporate Felony Conviction and Federal Tax Liability Assurances

- a. By entering into this Agreement, Subrecipient attests that it has not been convicted of a felony criminal violation under Federal law in the 24 months preceding the date of signature.
- b. Subrecipient further attests that it does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- c. For purposes of these assurances, the following definitions apply:

A Corporation includes any entity that has filed articles of incorporation in any of the 50 states, the District of Columbia, or the various territories of the United States [but not foreign corporations]. It includes both for-profit and non-profit organizations.

24. Insolvency, Bankruptcy or Receivership

- a. Subrecipient shall immediately notify the CEC, who will in turn notify DOE, of the occurrence of any of the following events:
 - i. the Subrecipient, or its parent's filing of a voluntary case seeking liquidation or reorganization under the Bankruptcy Act;

- ii. the Subrecipient's consent to the institution of an involuntary case under the Bankruptcy Act against the Subrecipient, or its parent;
 - iii. the filing of any similar proceeding for or against the Subrecipient, or its parent, or its consent to, the dissolution, winding-up or readjustment of the Subrecipient's debts, appointment of a receiver, conservator, trustee, or other officer with similar powers over the Subrecipient under any other applicable state or federal law; or
 - iv. The Subrecipient's insolvency due to its inability to pay its debts generally as they become due.
- b. Such notification shall be in writing and shall:
- i. specifically set out the details of the occurrence of an event referenced in paragraph (a);
 - ii. provide the facts surrounding that event; and
 - iii. provide the impact such event will have on the project being funded by this Award.
- c. Upon the occurrence of any of the four events described in the first paragraph, CEC and DOE reserve the right to conduct a review of the Subrecipient's award to determine the Subrecipient's compliance with the required elements of the Award (including such items as cost share, progress towards technical project objectives, and submission of required reports). If the DOE review determines that there are significant deficiencies or concerns with the Subrecipient's performance under the Award, the DOE reserves the right to impose additional requirements, as needed, including
- i. change the Subrecipient's payment method; or
 - ii. institute payment controls.
- d. Failure of the Subrecipient to comply with this term may be considered a material noncompliance of this financial assistance award by the DOE Contracting Officer.

25. Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

All contracts made by a non-Federal entity under the Federal award, including those made by the Subrecipient, must contain the provisions listed in Appendix II to 2 CFR Part 200.

26. Final Incurred Cost Audit

In accordance with 2 CFR Part 200 as amended by 2 CFR Part 910, the CEC and/or DOE reserves the right to initiate a final incurred cost audit on this Award. If the audit has not been performed or completed prior to the closeout of the award, the CEC and/or DOE retains the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

27. Required Reporting under the Federal Funding and Transparency Act of 2006

- a. Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA), requires certain disclosures of entities and organizations receiving federal funds. The administrative requirements for complying with FFATA are contained in 2 CFR Part 170. Subrecipient must comply, as applicable, with all FFATA requirements including but not

limited to providing CEC with any required data within the timeframe requested by CEC.

- b. Unless an exemption applies, CEC must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a “non-federal entity” as defined in 2 CFR Part 170 to <https://www.fsrc.gov>.
- c. Unless an exemption applies, CEC must report the names and total compensation of each of Subrecipient’s five most highly compensated executives for the preceding fiscal year if:
 - i. In Subrecipient's preceding fiscal year, Subrecipient received: (a) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and (b) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards)
 - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).
- d. Additional definitions relevant to this Section are contained in 2 CFR Part 170.

28. Unique Entity Identifier

- a. Unique Entity Identifier refers to the identifier assigned by the Federal repository, System for Award Management (SAM), to uniquely identify business entities.
- b. No entity may receive a subaward under this Program from CEC until the Subrecipient entity has provided its Unique Entity Identifier to CEC. CEC may not make a subaward to an entity unless the entity has provided its Unique Entity Identifier number to CEC.
- c. Entity includes non-Federal entities as defined at 2 CFR 200.1 and also includes all of the following for purposes of this Section:
 - i. A foreign organization;
 - ii. A foreign public entity;
 - iii. A domestic for-profit organization; and
 - iv. A Federal agency.
 - v. Subaward has the meaning given in 2 CFR 200.1.
 - vi. Subrecipient has the meaning given in 2 CFR 200.1.

29. Annual Independent Audits

- a. Subrecipient must comply with the annual independent audit requirements in 2 CFR 200.500 through .521 for institutions of higher education, nonprofit organizations, and state and local governments (Single audit), and 2 CFR 910.500 through .521 for for-profit entities (Compliance audit).
- b. The annual independent audits are separate from any Government-initiated audits and must be paid for by Subrecipient. To minimize expense, Subrecipient may have a Compliance audit

in conjunction with its annual audit of financial statements. The financial statement audit is **not** a substitute for the Compliance audit. If the audit (Single audit or Compliance audit, depending on Subrecipient entity type) has not been performed or completed prior to the closeout of the award, DOE may impose one or more of the actions outlined in 2 CFR 200.338, Remedies for Noncompliance.

30. Integrity and Performance Matters

- a. Subrecipient must immediately notify CEC of any civil, criminal, or administrative proceedings as described in part b. of this Section, below.
- b. Subrecipient must submit information as directed by CEC about each proceeding that (1) is in connection with the award or performance of a Financial Assistance, cooperative agreement, or procurement contract from the Federal Government; (2) reached its final disposition during the most recent five-year period; and (3) is one of the following:
 - i. A criminal proceeding that resulted in a conviction (judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of *nolo contendere*).
 - ii. A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more.
 - iii. An administrative proceeding, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000. An administrative proceeding is a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or Financial Assistance awards. It does not include audits, site visits, corrective plans, or inspection of deliverables.
 - iv. Any other criminal, civil, or administrative proceeding if (1) it could have led to an outcome described in paragraph i., ii., or .iii., above; (2) it had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and (3) the requirement in this Section to disclose information about the proceeding does not conflict with applicable laws and regulations.

31. Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

32. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)

Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40

U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

33. Rights to Inventions Made Under a Contract or Agreement.

If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the Recipient or Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the Recipient or Subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

34. Clean Air Act and the Federal Water Pollution Control Act

If this award to Subrecipient exceeds \$150,000, Subrecipient agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the CEC, which will in turn report to the DOE and the Regional Office of the U.S. Environmental Protection Agency (EPA).

35. Debarment and Suspension

Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the SAM, in accordance with the Office of Management and Budget (OMB) guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

36. Procurement of recovered materials

A Subrecipient that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

37. Domestic Preferences for Procurements

- a. As appropriate and to the extent consistent with law, Subrecipient should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- b. For purposes of this section:
 - i. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
 - ii. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- c. Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184.

38. Fraud, Waste, and Abuse

- a. The mission of the DOE Office of Inspector General (OIG) is to strengthen the integrity, economy and efficiency of DOE’s programs and operations including deterring and detecting fraud, waste, abuse, and mismanagement. The OIG accomplishes this mission primarily through investigations, audits, and inspections of DOE activities to include grants, cooperative agreements, loans, and contracts. The OIG maintains a Hotline for reporting allegations of fraud, waste, abuse, or mismanagement. To report such allegations, please visit <https://www.energy.gov/ig/ig-hotline>.
- b. Subrecipient must disclose, in a timely manner, in writing to CEC and DOE all violations of State and Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.
- c. Failure to make the required disclosures can result in any of the remedies described in 2 CFR 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)

ATTACHMENT F
CEC INVOICE TEMPLATE



Staff Report

DATE: February 27, 2025
TO: Clean Energy Alliance Board of Directors
FROM: Gregory Wade, Chief Executive Officer
ITEM 3: Clean Energy Alliance Chief Executive Officer Operational and Administrative Report

RECOMMENDATION:

Receive and File the Chief Executive Officer Operational and Administrative Report.

BACKGROUND AND DISCUSSION:

This report provides an update to the Clean Energy Alliance (CEA) Board regarding operational and administrative activity.

OPERATIONAL UPDATE

Oceanside & Vista May 2024 Enrollment

CEA continues to enroll remaining Net Energy Metering (NEM) customers in Oceanside and Vista on a monthly basis as each of these customers approaches their annual true-ups. On average, CEA is enrolling approximately 1,800 NEM customers each month. Pre-enrollment notices have been mailed to the last batch of NEM customers.

Following each monthly enrollment, CEA continues to receive calls, opt-outs, and opt-up requests from Oceanside and Vista residents and businesses.

The statistics as of January 30, 2025, are as follows:

City	Eligible Customers	Opt-Downs to 50% Renewable	Opt-Ups to 100% Renewable	Opt-Outs	Participation Rate
Oceanside	73,939	216	94	4,217	94.3%
Vista	39,517	88	316	1,722	95.6%
TOTAL	113,456	304	410	5,939	94.8%

OhmConnect 2024 Program

Our partnership was incredibly successful last year, CEA brought in 569 utility-connected customers, totaling a \$2,845 donation to CEA. OhmConnect is an energy management program that helps you lower your electricity bill by reducing your energy usage when it is most expensive. CEA customers can sign up for OhmConnect by visiting our website under programs.

EBD Grant MOU and Next Steps

The California Energy Commission (CEC) has selected the Southern California Equitable Building Decarbonization Coalition (SoCal EBD Coalition) as the recipient of the \$329M Equitable Building Decarbonization Direct Install (EBD DI) Program award. This program aims to accelerate residential building decarbonization in Southern California, especially in historically underserved communities.

CEA is one of the 50 coalition members participating in the program. CEA will participate and assist with general program design and support, program marketing, regional engagement support, energy planning, education and training, and identification of pilot activities.

With CEA board approval, CEA will enter into an MOU with the County of Los Angeles through ISD, effective March 1, 2025 through December 31, 2029.

Commercial & Industrial (C&I) Solar Generation Plus Storage BTM RFP

CEA will issue a Request for Proposals (RFP) to solicit qualified organizations and business entities to implement a programmatic deployment of safe and affordable Commercial & Industrial (C&I) behind-the-meter (BTM) solar generation and battery storage solutions within CEA's service territory. The RFP will encompass solar-plus-storage systems, as well as standalone battery storage installations.

Staff anticipates soliciting and evaluating proposals in a timely manner to facilitate the presentation of recommendations to the Board for consideration at the May Board Meeting.

CEA in the Community

To provide opportunities for the communities we serve to meet with CEA staff and have their questions answered, staff continue to attend several in-person community events and give presentations.

CEA has been busy with many of these scheduled outreach efforts. Recent events and presentations that CEA participated in:

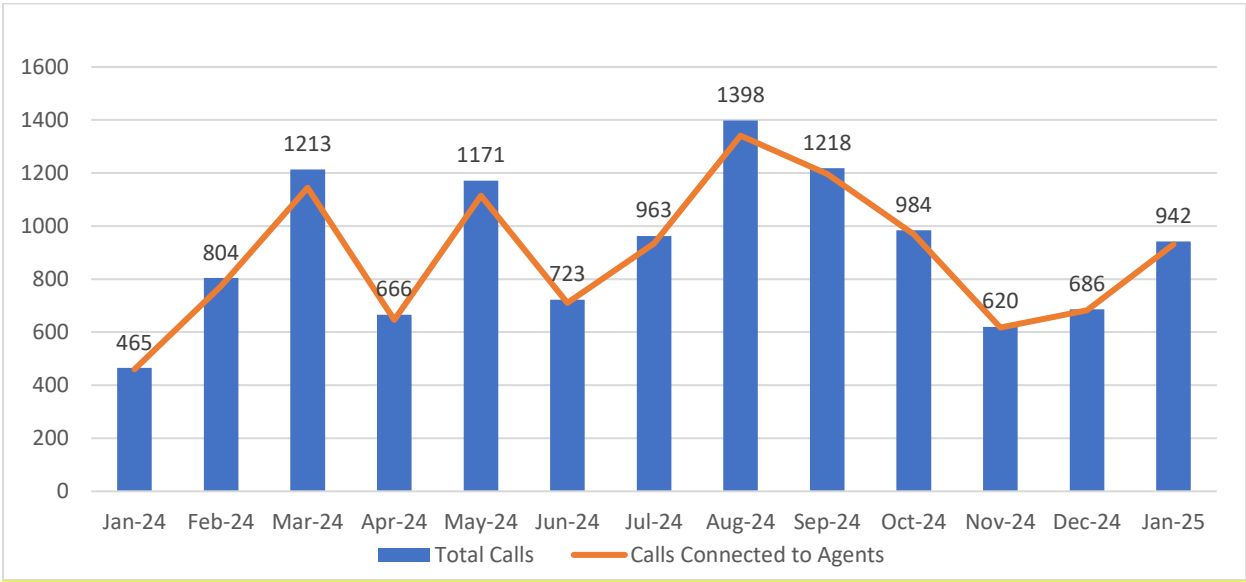
DATE	DESCRIPTION
February 5, 2025	California Efficiency + Demand Management Council (EM&V Forum)
February 12, 2025	SANDAG Regional Climate Table Workshop
February 15, 2025	NSDC NAACP Youth Council 7th Annual Celebration Black History Brunch
February 19, 2025	San Marcos CAP Citizens Advisory Committee

Upcoming events in which CEA will be participating include:

DATE	DESCRIPTION
March 15, 2025	NCAAWA 30th Anniversary Women's Conference
March 26, 2025	VUSD STEM 2 Career Expo
April 16, 2025	Carlsbad Chamber of Commerce: Green Business Expo
April 23, 2025	Vista Environmental Commission Presentation

Call Center Activity and Participation Statistics

The following chart reflects customer activity through January 30, 2025.



Call volumes to CEA’s Call Center increased 37% from December 2024 to January 2025. The most common call topics for all customers (commercial and residential) were related to Billing inquiries, Net Energy Metering, and Opt Out Submitted

The total number of calls received, response times and call duration through January 30, 2025, were as follows:

Monthly Summary – January 30, 2025					
Stats by Month	Jan	Dec	Nov	Oct	Total
Total Calls	942	686	620	984	27,181
Total Calls Connected to Agents	931	683	618	969	26,591
Average Seconds to Answer	0:00:10	0:00:07	0:00:06	0:00:23	
Average Call Duration	0:10:49	0:10:17	0:10:22	0:08:52	

The following chart reflects enrollments in CEA’s power supply products by City as of February 14, 2025:

Member City	Clean Impact – 50% Renewable	Clean Impact Plus - 75% Carbon Free	Green Impact – 100% Renewable
Carlsbad	158	49,443	225
Del Mar	4	2,774	72
Escondido	143	53,085	62
Oceanside	189	69,121	89
San Marcos	114	34,518	63
Solana Beach	15	7,091	158
Vista	82	37,241	311
TOTAL ACCOUNTS	697	248,734	955

Risk Oversight Committee

The Risk Oversight Committee (ROC) will hold its first meeting of the calendar year on Thursday, March 13, 2025. In addition to reviewing energy market prices, CEA load forecast, procurement activity, portfolio positions and future procurement activities, the Committee will also discuss the rate design for CEA’s three energy products – Clean Impact, Clean Impact Plus and Green Impact. Specifically, the Committee will continue discussion of adjusting the rate premiums to meet energy actual procurement costs. Following its discussion, it is expected that the ROC will recommend bringing this rate design discussion forward to the Board for discussion and consideration. Staff expects this to occur at the Board meeting for March of April.

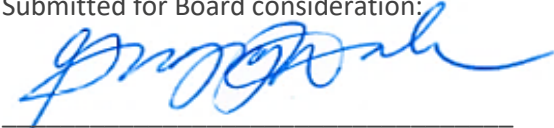
Contracts \$50,000 - \$100,000 entered into by Chief Executive Officer

VENDOR	DESCRIPTION	AMOUNT
None		

FISCAL IMPACT:

There is no fiscal impact with this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: February 27, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 4: Receive Regulatory Update from Keyes & Fox

RECOMMENDATION:

Receive the Regulatory Update from Keyes & Fox.

BACKGROUND AND DISCUSSION:

Clean Energy Alliance contracts with Keyes and Fox for Regulatory Advocacy related activities. Each month Keyes and Fox provides an update to the CEA Board on key items of interest.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

- A. Keyes & Fox Regulatory Report

Clean Energy Alliance

Regulatory Monitoring Report

To: Clean Energy Alliance (CEA) Board of Directors

From: Tim Lindl, Partner, Keyes & Fox LLP
Jacob Schlesinger, Partner, Keyes & Fox LLP
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Memo

Date: February 14, 2025

Keyes & Fox LLP and EQ Research LLC are pleased to provide CEA's Board of Directors with this informational memo describing recent developments in key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC). Additional information is available in CEA's [Digest of Regulatory Updates](#).

PCIA/ERRA OIR (R.25-02-___)

- At its February 20 meeting, the CPUC is scheduled to hear the [Proposed OIR](#) to Update and Reform Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) Policies and Processes (Item 34, Regular Agenda). **All CCAs are made respondents to this proceeding and must comment on the preliminary scoping memo within 20 days after issuance of the OIR.** The proceeding includes an expedited Track 1 to revise the resource adequacy (RA) market-price benchmark (MPB) calculation methodology with a proposed decision in May 2025 and for the revised methodology to be used in the October 2025 MPBs. Track 2 will delve deeper into related issues including RA-related ERRA guidance, bundled procurement plans, PCIA and ERRA mechanisms to reduce rate volatility, and additional guidance on vintaging resources.
- This rulemaking states it will address issues arising from fundamental market changes, including changes in the RA program, with the intent to ensure indifference among bundled and departed customers by improving the accuracy of the MPBs' reflection of the market value of IOU resource portfolios. Per the OIR, historically, IOUs have held the larger share of legacy renewables contracts which are more expensive than CCAs' newly procured renewable resources. However, recent "extreme" price increases for system RA and the associated RA market price benchmark has increased the market value of IOU resource portfolios compared to the portfolios' costs which has resulted in the PCIA changing from a charge to a credit on the bills of some departed load customers at times.
- For the October 2025 MPBs, Track 1 will consider changes in how the MPBs are calculated, such as whether to include all RA transactions (i.e., adding long-term contracts) for a given delivery year, excluding both transactions between affiliated companies and swap/sleeve transactions, the use of monthly values for the MPBs, and consolidating the values for flexible, local, and system RA into a single RA value amount.

Resource Adequacy (R.23-10-011)

- On January 21, the CPUC issued a [Ruling](#) providing Energy Division [Staff's Track 3 Proposals](#) and a [Status Update](#) on the Joint Staff Qualifying Capacity Proposal. The Energy Division also hosted an RA workshop ([slide deck](#)) on January 23 to present its revised slice-of-day (SOD) tool analysis and updates to the SOD planning reserve margin (PRM) calibration tool.
- Energy Division [Staff's Track 3 Proposals](#) further develop the concepts presented in the [revised LOLE Study](#). Proposal A would adopt a 17% PRM for the 2026 RA compliance year and establish an effective PRM framework under which the IOUs would have a non-binding MW-quantity procurement target for June-September that is the equivalent to the 22.5% PRM LOLE study results. Alternatively, Proposal B would adopt a 22.5% PRM for the 2026 RA compliance year but allow LSEs to request a temporary System RA waiver, similar to the current Local RA waiver process, during the peak months (June – September) for RA requirements above 17% under certain conditions, i.e. actively seeking bids and exhausting all commercially

reasonable efforts. The proposed waiver would only apply to Commission-imposed penalties and deficient LSEs would still be responsible for any backstop procurement costs.

Energization & Grid Modernization ([R.24-01-018](#) & [R.21-06-017](#))

- On February 7, the CPUC issued two coordinated rulings related to energization. Comments on both rulings are due February 27. The first [Ruling](#), in the Energization proceeding, focuses on near-term actions and clarifies the next steps for development of flexible service connections. The flexible service connections will expedite new load energization by allowing new loads, such as EV chargers, to be energized with variable limits on electricity use at certain times while the IOU builds additional upstream capacity necessary to service the load fully.
- Medium- and longer-term mechanisms for the implementation of dynamic (i.e., non-firm) flexible grid connections are the subject of the [Ruling](#) in the grid modernization proceeding. These issues include consideration of the comprehensive suite of topics covered in the Smart Inverter Operationalization (SIO) Reports and each of the eleven sub-issues raised in a party motion last year. Commission staff will prepare a proposal, expected in Q2 2025, that operationalizes the flexible grid connection use cases that potentially involve non-firm import and export limits, granular and dynamic schedules, and communicating distributed energy resource management software/technology.

SDG&E Wildfire Mitigation Plan ([OEIS Docket](#))

- On January 27, SDG&E submitted its [2025 Change Order Request](#) to revise its 2024 and [2025 Wildfire Mitigation Plan](#) (WMP) targets and align them with the Commission's Final Decision in the Company's recent rate case. The Commission's Final Decision in SDG&E's GRC rejected the proposed Settlement Agreement with respect to wildfire mitigation costs and adopted several significant cuts to SDG&E's requested wildfire mitigation capital costs.
- SDG&E's requested changes to its WMP include large reductions in target quantities for improvements in distribution communications reliability improvements, drone and infrared assessments, miles of buried lines, protective equipment replacement, and vegetation management inspections, among other reductions. The requested changes are expected to have a negligible impact on overall risk reduction achieved during the current 3-year cycle, but the Company anticipates an increase in Public Safety Power Shutoff events.

General Order 131-D Update ([R.23-05-018](#))

- On February 7, the CPUC issued [D.25-01-055](#) adopting General Order 131-E ([redline version](#)) to streamline the environmental permitting process and accelerate the processing time for Certificate of Public Convenience (CPCN) and Permit to Construct (PTC) applications by allowing applicants to prepare and submit a draft version of California Environmental Quality Act (CEQA) documents in lieu of the Proponent's Environmental Assessment (PEA). The Decision also revises GO 131-D to establish a rebuttable presumption in favor of the California Independent System Operator's (CAISO) need evaluation when considering the issuance of a CPCN for a proposed transmission project. These changes will support the development of new transmission infrastructure at a faster pace by increasing the efficiency of the permitting process.

Staff Report

DATE: February 27, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Gregory Wade, Chief Executive Officer

ITEM 5: Overview of Battery Energy Storage Systems

RECOMMENDATION:

Receive an overview of Battery Energy Storage Systems (BESS).

BACKGROUND AND DISCUSSION

California is a world leader in energy storage with the largest fleet of batteries that store energy for the electricity grid. Energy storage is an important tool to support grid reliability and complement the state's abundant renewable energy resources. These technologies capture energy generated during non-peak energy demand times to be dispatched at the end of the day and into the evening as the sun sets and solar resources go offline, reducing dependence on fossil fuel generation to meet peak loads.

The Public Utilities Code defines an energy storage system as a commercially available technology that absorbs energy, stores it for a specified period, and then dispatches the energy. From 2018 to 2024, battery storage capacity in California increased from 500 megawatts (MW) to more than 13,300 MW, with an additional 3,000 MW planned to have come online by the end of 2024. The state projects 52,000 MW of battery storage will be needed by 2045.

As noted, energy storage systems allow electricity to be stored – and then discharged – at the most strategic times. Today, Lithium-ion batteries, the same batteries that are used in cell phones and electric vehicles, are the most commonly used type of energy storage. Like the batteries in cell phones, commercial-, industrial-, and utility-scale battery energy storage systems can be charged with electricity from the grid (or from energy generation such as renewable resources), stored, and then discharged into the grid when there is a deficit in supply or when energy is most expensive (i.e., during peak demand). Increasingly, battery energy storage is being paired with solar power, which maximizes the value of solar energy to the grid by storing the solar-generated electricity to be discharged when it is cloudy, after the sun sets, or when electricity is typically more expensive and renewable energy resources are less available.

Batteries are available at different scales. Batteries can range from small scale use for single family residences or businesses up to utility scale BESS. Utility scale BESS are typically 10MW or more, and

residential or commercial systems are smaller and typically behind-the-meter installations or connected at a distribution level for on-site or nearby needs, respectively. Batteries larger than those for residential use, and particularly at utility scale, are designed to store 4 hours' worth of energy. This is currently the industry standard for short-duration energy storage batteries which typically charge during the 10 AM – 2 PM or 11 AM –3 PM solar windows and then discharge that same evening from 4-8 PM or 5-9 PM which constitutes one “cycle” per day of these batteries. Long duration energy storage (LDES) generally consists of batteries that can store energy for longer than 8 hours. The California Energy Commission (CEC) launched its own funding initiative in 2020 for new LDES technologies, which it defined as 10+ hours of storage.

Obligations

Battery storage is important to Clean Energy Alliance (CEA) for a variety of reasons.

- Grid reliability – Battery storage allows electricity to be stored and discharged at strategic times, typically during evening hours when demand is high and renewable resources are not generating energy, helping to balance supply and demand and improve grid reliability.
- Affordability/maximizing renewable energy – Battery storage can be paired with solar or other renewables to store electricity for later use at the most cost-effective times.
- Meeting Resource Adequacy (RA) or other procurement requirements – CCAs, like other load-serving entities (LSEs), are required to demonstrate they have procured sufficient capacity (RA) to maintain normal electrical grid operations. Other obligations include:
 - Midterm Reliability – Incremental project capacity including LDES to be brought online on or earlier than each year from 2023 to 2028
 - 24-Hour Slice of Day (SOD) Resource Adequacy (RA) requirements – CEA’s obligations to provide capacity for grid reliability are now set hour-by-hour; batteries meet these requirements (e.g., a 4-hour battery can help meet CEA’s RA requirements for four hours)
 - Integrated Resource Planning – CEA’s energy supply planning (including both generation and storage) are incorporated along with all other LSEs in CAISO to develop the State’s 10-year look-ahead plan
 - Renewable Portfolio Standards (indirectly – more storage will reduce curtailment of current and future renewable resources, particularly solar).
- Supporting member agencies’ Climate Action Plan goals and local economic growth.
- Consumer demand (residential and commercial) – use for affordability and demand management

BESS in the San Diego Region

Regional discussions have focused recently on the safety of these larger systems. Utility-scale systems built prior to 2020 have been a catalyst for these discussions as the safety of these systems has improved significantly since then. Advancements have been seen in two main areas:

- **Technology** – energy efficiency, density (ability to store energy), and safety standards are key to successful new technology. Many new, safer technologies are currently in design and installation

phases. Technology is evolving from lithium-ion batteries that use nickel manganese cobalt oxide (NMC) (same technology as that is most common in electric vehicles) to safer technologies such as lithium iron phosphate (LFP), flow batteries, and solid state batteries. The industry today has largely moved away from NMC chemistry batteries to lithium iron phosphate (LFP) for stationary BESS applications, which have a higher thermal runaway onset temperature. Other technologies such as flow batteries have no potential for thermal runaway.

- **Public Safety** – fire marshals and system designers have begun to work closely together to understand system operations and best practices for BESS siting and fire response capabilities. Working with permitting agencies and public safety officers prior to construction is now a de facto prerequisite for successful build out and operation. Additionally, BESS design features are being developed including required spacing between buildings, preparation of emergency plans, installation of fire suppression systems, and establishing appropriate property line buffers/setbacks that the local permitting agency and fire marshal can work with the developer to implement.

Next Steps

CEA staff will continue to monitor and participate in regional discussions and activities related to the safety of BESS. Safety of residents and achieving our clean energy obligations are both critical and achievable. BESS projects must follow all safety recommendations from the National Fire Protection Association (NFPA) and standards in the California Fire Code, as well as comply with any guidelines established by local fire districts. Staff will continue to update the Board on changing local, regional, or State requirements or best practices, as well as providing safety standards designed for any system procured by CEA. CEA also plans to schedule additional presentations to inform the Board of these ongoing discussions, advancing technologies and public safety objectives.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.

Staff Report

DATE: February 27, 2025

TO: Clean Energy Alliance Board of Directors

FROM: Andy Stern, Treasurer/Interim Chief Financial Officer

ITEM 6: Financial Review Year to Date Through December 2024 & Forecast through June 2025

RECOMMENDATION:

Receive a presentation on the Financial Review Year to Date through December 31, 2024 & Forecast through June 2025.

BACKGROUND AND DISCUSSION:

Mid-Year Budget Update to December 31, 2024

December 31, 2024, marks the mid-year point for the current Fiscal Year (FY) 2024-2025 Budget period. Year-to-date (YTD) financial performance through December 31, 2024 was better than budget as follows:

- Revenues of \$207.8 million were \$8.1 million higher than the budgeted level. The above-budget performance was mostly related to higher usage in the July-September period when the higher summer rates were in effect.
- Total expenses for the 6-month period were \$161.7 million, \$6.7 million below budget. Energy costs make up more than 97% of total expenses. During the period, energy costs were \$6.5 million less than budget as several cost areas have softened in the past few months relative to historical high costs that were seen earlier in the year. Other non-energy expenses were slightly above budget during this period.
- Change in Net Position was \$45.2 million, \$14.3 million better than the YTD budget. The financial performance so far has substantially improved the Ending Net Position from a negative level at the end of last year to a positive level of \$20.2 million at December 31, 2024.

Budget Forecast to June 30, 2025

Staff is currently forecasting that the Change in Net Position will end the year at \$37.2 million, less than the level reported at December 31, 2024, but still better than the YTD budgeted level of \$33.3 million.

This and additional information will be presented during the Board Meeting on February 27, 2025.

FISCAL IMPACT:

There is no fiscal impact from this action.

Submitted for Board consideration:



Gregory Wade
Chief Executive Officer

ATTACHMENTS:

None.