



**CITY OF PALO ALTO
CITY COUNCIL
Special Meeting
Monday, December 16, 2024
Council Chambers & Hybrid
5:30 PM**

Agenda Item

13. Approval of Contract Amendment No 1 to Contract Number C22177024A with CLEAResult Consulting Inc., Extending the Term for Two Additional Years Through November 14, 2026, a Change in the Compensation Structure, and no Change in Not-to-Exceed Amount of \$2,571,714 for Efficiency and Electrification Program Services for Small to Medium Business and Commercial Customers; CEQA Status: Not a Project. *Consent Questions*



City Council Staff Report

From: City Manager

Report Type: **CONSENT CALENDAR**

Lead Department: Utilities

Meeting Date: **December 16, 2024**

Staff Report: 2408-3416

TITLE

Approval of Contract Amendment No 1 to Contract Number C22177024A with CLEAResult Consulting Inc., Extending the Term for Two Additional Years Through November 14, 2026, a Change in the Compensation Structure, and no Change in Not-to-Exceed Amount of \$2,571,714 for Efficiency and Electrification Program Services for Small to Medium Business and Commercial Customers; CEQA Status: Not a Project.

RECOMMENDATION

Staff recommends that the City Council approve and authorize the City Manager or designee to execute Amendment No. 1 to C22177024A with CLEAResult Consulting Inc. (Attachment A) for a 2-year extension through November 14, 2026, with a modified compensation structure and no change in not-to-exceed amount of \$2,571,714.

BACKGROUND

Council has adopted several policies which support funding programs that maximize the deployment of cost-effective, reliable, and feasible energy efficiency (EE) within the City. Council adopted the City's first 10-year electric and gas EE goals in 2007, with a cumulative reduction target of 3.5% electric and gas EE savings (35,000 MWh and 1,200,000 therms) between 2008 and 2017. Since then, Council adopted updates to the EE goals in 2010, 2013, 2017, and most recently, in May 2021 ([Staff Report ID # 12068](#)¹) for the 10-year period between 2022 and 2031. The cumulative electric savings target in the latest EE goals is 4.4% (or 37,940 MWh) of the City's projected electric usage in 2031. To achieve these aggressive EE goals, the City has contracted with CLEAResult since 2021 ([Staff Report ID # 13680](#)²), to address the need for EE and electrification support for the City's SMB and commercial customers.

¹ Staff report ID# 12068 <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-12068.pdf>

² Staff Report ID# 13680 <https://portal.laserfiche.com/Portal/DocView.aspx?id=61770&repo=r-704298fc>

Along with its EE goals, Council adopted the ambitious goal of reducing the community's greenhouse gas (GHG) emissions 80% below 1990 levels by 2030 ("80x30") for the City's Sustainability and Climate Action Plan (S/CAP). As of 2021, the community's GHG emissions are 54% below 1990 levels, although emissions from the use of natural gas have remained largely unchanged, representing 38% of the community's emissions in 2021. To meet the 80x30 goal, the City must reduce natural gas use by emphasizing the importance of efficiency while encouraging the transition to electric equipment. However, there are significant barriers to electrification of commercial buildings, including customers' uncertainty about electric technology, high costs, and complexities related to permitting. To overcome these barriers, the City of Palo Alto Utilities (CPAU) engaged CLEAResult to deliver energy efficiency and commercial electrification programs to small and medium businesses (SMB) that include outreach, energy and electrification assessments, and ongoing technical assistance.

ANALYSIS

Through this contract, CLEAResult has provided 85 energy assessments and 73 electrification assessments since launching both programs. The assessments and ongoing technical assistance led to 15 efficiency projects and 5 electrification projects completed, which resulted in 1,646,531 kWh saved and 11.25 MT of CO₂ emissions reduction. The savings goals were not achieved in the first three years of this contract and staff is working to develop alternative programs. However, until new program(s) are identified, this remains the only program available to small and medium business customers. During this extended term, process improvements, increased customer participation since program initiation, and a steady flow of projects being installed will continue to support achieving the City's climate goals. This term extension will ensure continuity for customers currently working on projects with CLEAResult, while also allowing adequate time to re-envision the next iteration of the program. In parallel, CPAU staff plans to expand electrification incentives for commercial customers focusing on heat pump heating, ventilation, and air conditioning (HVAC).

The original not-to-exceed amount of \$2,571,714 will not change with this contract extension. Compensation rates within the contract have changed, including the site assessment rates for both programs, the virtual assessment cost added for the Business Electrification Technical Assistance program (BETAP), and the performance payment rates for the Business Energy Advisor (BEA) program. The assessment cost for the BEA program increased from \$1,000 to \$2,000, and the BETAP assessment cost increased from \$2,000 to \$2,500. The increase in assessment costs is due to the hours of work needed from CLEAResult engineers to complete in-person assessments and produce the customer reports. First, the changes to the assessment cost preserve the City's ability to meet the program goals while staying within the not-to-exceed limit. Second, though rare, a lower cost virtual assessment option was added to the BETAP program. Lastly, the BEA performance payment rates per kWh, CCF, and Therm were increased to reflect the level of effort needed from the CLEAResult team to assist customers with project installations. The adjusted performance payment costs are calculated assuming the contract energy, gas, and water savings targets are achieved. Staff also confirmed

recommended revised costs remain lower than other proposals received during the original RFP process.

Even with the operational cost increases, the programs offered under this contract provide value to customers and move the community closer to achieving its aggressive climate goals. Extending Contract No. C22177024A between the City of Palo Alto and CLEAResult Consulting Inc. will:

- Reduce energy consumption and water consumption by continuing to support and engage SMBs, while aligning with the City's S/CAP goals for cleaner and more energy efficient commercial operations.
- Reduce GHG emissions at commercial facilities by providing technical assistance to customers removing natural gas and installing efficient electric equipment on-site. This will aid the City in reaching its S/CAP goal of reducing carbon emissions in the commercial sector.
- Provide a service to SMB customers, which results in positive relationship development between Palo Alto businesses and the City.

Alternatively, Council could reject the contract extension and discontinue the programs. Customers already enrolled in the program would receive rebates for their electrification and efficiency projects. No programs would be available to small and medium business customers until a replacement program is in place, probably summer of 2025. The downside to this approach would be a gap in program offerings and a potential loss in momentum in the City's efforts to achieve the 80X20 greenhouse gas reduction goal.

FISCAL/RESOURCE IMPACT

Funding is available in the existing contract for the two-year extension. As of August 2024, there is approximately \$2,000,000 of the \$2,571,714 remaining in the contract.

If this extension is not approved, Utility Program Services staff will need to start the Request for Proposal (RFP) process, during which time the program for SMB and commercial customers would be suspended if a replacement program is not in place by January 1, 2025.

ENVIRONMENTAL REVIEW

Approval of the extension of the third-party agreement does not meet the definition of a project under the California Environmental Quality Act (CEQA), pursuant to the California Public Resources Code Section 21065, because it is not an activity that will cause a direct physical change in the environment.

ATTACHMENTS

Attachment A: CLEAResult, Contract C22177024A, Amendment No. 1

APPROVED BY:

Dean Batchelor, Director of Utilities

Staff: Shelby Sinkler, Utility Program Services

**AMENDMENT NO. 1 TO CONTRACT NO. C22177024A
BETWEEN THE CITY OF PALO ALTO AND
CLEAResult CONSULTING INC.**

This Amendment No. 1 (this “Amendment”) to Contract No. C22177024A (the “Contract” as defined below) is entered into as of December 2, 2024 by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and CLEAResult Consulting Inc., a Texas corporation, located at 6504 Bridge Point Pkwy, Suite 425, Austin, Texas 78730 (“CONSULTANT”). CITY and CONSULTANT are referred to collectively as the “Parties” in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties to provide building water and energy efficiency advisory services and electrification technical assistance to nonresidential customers (the “Project”) and to develop and implement a Small Business Energy Advisor Program and Commercial Electrification Assistance Program, as detailed therein.

B. The Parties now wish to amend the Contract in order to extend the term by twenty-two months and 15 days and to clarify the scope of services with no change to the total Not to Exceed amount of the contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term “Contract” shall mean Contract No. C22177024A between CONSULTANT and CITY, dated November 15, 2021.
- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2 “TERM” of the Contract is hereby amended to read as follows:

“The term of this Agreement shall be from the date of its full execution through completion of the Services in accordance with Exhibit B, entitled “SCHEDULE OF PERFORMANCE”, but in no event later than November 14, 2026, unless terminated earlier pursuant to Section 19 (Termination) of this Agreement.”

SECTION 3. The following exhibit(s) to the Contract is hereby amended or added, as indicated below, to read as set forth in the attachment(s) to this Amendment, which is/are hereby incorporated in full into this Amendment and into the Contract by this reference:

- a. Exhibit “A” entitled “SCOPE OF SERVICES”, AMENDED, REPLACES PREVIOUS.
- b. Exhibit “C” entitled “COMPENSATION”, AMENDED, REPLACES PREVIOUS.
- c. Exhibit “C-1” entitled “SCHEDULE OF RATES”, AMENDED, REPLACES PREVIOUS.

SECTION 4. **Legal Effect.** Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 5. **Incorporation of Recitals.** The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

(SIGNATURE BLOCK FOLLOWS ON THE NEXT PAGE.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment effective as of the date first above written.

CITY OF PALO ALTO

City Manager

APPROVED AS TO FORM:

City Attorney or designee

CLEARRESULT CONSULTING, INC.

Signed by:
By Kecia Davison
F217EA2409A742C...
Kecia Davison
Name: _____

Title: SVP West

DocuSigned by:
By Just Kwasniak
93C87B25AF8545A...
Name: _____

Title: _____

Attachments:

EXHIBIT "A": SCOPE OF SERVICES (AMENDED, REPLACES PREVIOUS)
EXHIBIT "C": COMPENSATION (AMENDED, REPLACES PREVIOUS)
Exhibit "C-1": SCHEDULE OF RATES (AMENDED, REPLACES PREVIOUS)

EXHIBIT A
SCOPE OF SERVICES (AMENDED, REPLACES PERVIOUS)
AMENDMENT NO. 1

CONSULTANT shall provide the Services detailed in this Exhibit A, entitled “SCOPE OF SERVICES”. Notwithstanding any provision herein to the contrary, CONSULTANT’s duties and services described in this Scope of Services shall not include preparing or assisting CITY with any portion of CITY’s preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with CITY. CITY shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. CONSULTANT’s participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. CONSULTANT shall cooperate with CITY to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by CONSULTANT pursuant to this Scope of Services.

The City of Palo Alto (“CITY”) has adopted an aggressive greenhouse gas (“GHG”) emissions reduction goal of reducing emissions to 80% below 1990 levels by 2030; building electrification is a key strategy to meeting this goal. Natural gas use by nonresidential customers account for 55% of the City’s natural gas consumption, or around 18% of the City’s GHG emissions reductions as of 2019. To meet its sustainability goals, the City is encouraging business customers and nonresidential building owners to pursue cost-effective energy efficiency and electrify their buildings to reduce the use of natural gas.

CONSULTANT will leverage its technical expertise and local experience to deliver the following programs within the City of Palo Alto:

- (i) Business Energy Advisor (“BEA”) Program is a water and energy efficiency program targeting small to medium business customers on the commercial billing rate, primarily in buildings under 50,000 sq.ft.;
- (ii) Business Electrification Technical Assistance Program (“BETAP”) is a nonresidential building electrification program that provides technical assistance to help building owners on the commercial billing rate convert gas equipment to efficient electric alternatives.

Each a (“Program”) and together (“Programs”).

City of Palo Alto Utilities (“CPAU”) will provide customer energy consumption data to CONSULTANT to analyze energy use and pre-screen eligible customers to receive services.

A. OVERVIEW OF BEA

Brief Program Description

This Program is designed to assist small and medium business (“SMB”) customers with achieving cost effective energy efficiency (“EE”) and water savings at their facilities by offering turnkey, multi-measure, comprehensive energy efficiency advising services. The Program will target water,

gas, and electric energy efficiency of both existing and new energy-consuming equipment at the customer sites.

CONSULTANT will engage SMB customers through marketing and direct outreach to perform a site assessment. The site assessment will identify energy efficiency measures (“EEM”) and estimated project cost. CONSULTANT will support the customer with finding a contractor, advising throughout the process of implementing the EEM(s), verifying quality installation, and submitting the rebate application.

The Program’s target markets include private schools and nonprofits, retail/office spaces, convenience/grocery stores, restaurants, institutions, hotels, motels, and other small and medium commercial establishments, excluding the CITY’s designated Key Account Customers. CITY buildings are not covered by this Program.

BEA Program Savings Targets

The program savings targets for the term of the Agreement are provided in the Table A.1 below noting the total program savings targets, the savings achieved to date, and the remaining program savings targets for the term of this agreement.

Table A.1 - Represents the total program savings targets (November 15, 2022-November 14, 2026), the savings achieved to date, and the remaining program savings targets for the term of this agreement:

	Total Program Savings Targets	Program Savings Achieved to Date (November 15, 2022- June 30, 2024)	Program Savings Target Allocation (July 1, 2024 – November 14, 2026)
Gross kWh savings	285,495	41,545	243,950
Gross therm savings	30,000	0	30,000
Water savings in centum cubic feet (“CCF”)	1,500	0	1,500

Eligible Measures

All measures listed in the CPAU rebate catalog for business customers are eligible under this Program. Custom EE measures, new prescriptive measures, and other emerging technologies need to be pre-approved by City Project Manager in advance of installation or inclusion in the Program in order for CONSULTANT to receive compensation for such measures. CONSULTANT shall provide the projected energy and water savings and supporting documentation for the savings estimates to CITY for measures not covered by the CPAU rebate catalog for business customers. Projected energy and water savings must be based on credible sources such as the California Technical Forum (“CalTF”) electronic Technical Reference Manual (“eTRM”), California Public Utility Commission (“CPUC”) Database for Energy Efficiency Resources, approved workpapers, etc.

Program Staffing

CONSULTANT agrees to staff the Program in accordance with the Staffing Plan set forth below in Table A.2. CONSULTANT shall notify the CITY concerning proposed changes to the Staffing Plan; all such changes require prior written consent of the CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to CITY's satisfaction on all CONSULTANT's staff, contractors or agents that may enter customer property, and (ii) require that any staff, contractor, or agent of CONSULTANT that fails the background check shall not be permitted to enter any customer premises.

Table A.2. BEA Staff Contacts

Name	Title	Phone	Email
Ann Marie Mastrippolito	Program Director	415-965-3004	AnnMarie.Mastrippolito@clearesult.com
	Develops strategies and tactics to deliver effective program performance by directing the work of employees assigned to the program from technical, marketing, operations, analytics, and administrative areas.		
Kelly Lewis	Assoc. Program Manager	650-538-3514	Kelly.Lewis@clearesult.com
	Serves as Program Manager and primary point of contact for the CITY. Verifies the Program is delivered within budget and is responsible for managing, training, and mentoring the implementation team.		
Megan Pederson	Operations Specialist		Megan.Pederson@clearesult.com
	Supports the delivery of projects and programs by leading data management, metrics and reporting, team facilitation and coordination, and process definition and improvement.		
Sarah Rankin	Assoc. Account Manager	650-229-8275	Sarah.Rankin@clearesult.com
	Acts as consultative sales representative to customers' organization to understand their business and energy objectives and guide them towards solutions. Supports custom project development, aiding the customer through the process.		
Feranmi Akinpelu	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Abit Baral	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Ehsan Arabian	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Steve Brennan	Engineer Manager		
	Supports the development and delivery of Programs by providing engineering calculations, measurement and verification, and utility program technical design and assistance		

King Lee	Sr. Engineering Manager		
	Verifies the Program achieves performance goals by developing strategies to improve our engineers' services to consistently delivering high quality work on time and within budget.		
Jennifer Wilson	Marketing Account Manager		
	Develops marketing material that may include case studies, brochures, flyers, displays, postcards, direct mail letters, bill inserts, and press releases.		

Program Implementation & Delivery

Task A.1 PROGRAM KICK OFF

Task A.1.1 Program Kick-Off Meeting

CONSULTANT will develop agenda for Program Kick Off Meeting and organize the Kick-Off Meeting with CITY staff to review PROGRAM design and delivery, roles, timelines and priorities in the delivery of the PROGRAM. The meeting will also cover logistics, marketing, coordination, measurement and verification activities, establishing workflow systems, invoicing requirements, reports, and any remaining contractual questions. CONSULTANT and CITY will discuss new technologies as potential eligible measures, where appropriate, refine timelines and identify additional CITY needs for the PROGRAM. CONSULTANT will identify customer data needs from CPAU to inform customer segment analyses and outreach.

Task A.1.1 Deliverable: Meeting agenda and meeting minutes

Task A.1.2 Develop Program Plan

In coordination with CPAU staff, CONSULTANT shall develop the following documents:

(a) Policies and Procedures Manual

CONSULTANT shall develop, adhere to, and document its compliance with the Policies and Procedures Manual in the Program's implementation, including the terms and conditions for customers participating in the Program, the process for customers participating in the program and receiving incentive funds, customer complaint and resolution plan, the process for identifying, implementing, measuring and verifying energy efficiency measures, and the process for rebate application and processing. The Policies and Procedures Manual shall also include a Quality Assurance and Quality Control Plan.

Task A.1.2.a Deliverable: Program Policies and Procedures Manual

(b) Marketing Plan

CONSULTANT shall develop a Marketing Plan that outlines marketing activities to reach the target customers. Marketing activities may include outbound call campaign, customer workshops, and webinars. The Marketing Plan will identify outreach activities, workshops, locations, and frequency. CONSULTANT may enlist the assistance of local affinity groups,

including the Palo Alto Chamber of Commerce, the Palo Alto Merchant Association and various property management companies to better enable CONSULTANT to serve CPAU customers. CONSULTANT shall track and capture data on how customers are finding out about the program.

Task A.1.2.b Deliverable: Program Marketing Plan

Task A.1.3 Develop Program Documents

CONSULTANT shall develop documents necessary for Program implementation and submit such to CPAU for approval before any distribution, circulation, or publication. CONSULTANT shall revise and produce new documents as needed to implement and promote the Program.

(a) Program Website Content

In collaboration with CITY staff, CONSULTANT will design and produce informational web content related to the Program, which the CITY will publish. CITY shall provide input on web content as requested by CONSULTANT and CITY maintains final rights approval. The Program website will include a customer sign-up web-to-lead HTML form.

Task A.1.3.a Deliverable: Program Website Content

(b) Customer Site Assessment Report Template

CONSULTANT shall create a Customer Site Assessment Report Template that includes the necessary information for a customer to understand their energy and water usages and efficiency opportunities. In addition, it will include information on available rebates and financing options available.

Projected. energy and water savings must be based on credible sources such as the Cal TFErm, CPUC Database for Energy Efficiency Resources, approved workpapers.

Task A.1.3.b Deliverable: Customer Site Assessment Report Template

(c) Program Participation Agreement

CONSULTANT shall create a Program Participation Agreement that collects basic information from the customer, including facility contact information. The Program Participation Agreement will also act as a Site Access Agreement for the Program and must be signed and returned to CONSULTANT before the site assessment takes place.

Task A.1.3.c Deliverable: Program Participation Agreement

(d) Incentive Release and Customer Feedback

CONSULTANT shall develop an Incentive Release template to facilitate the disbursement of the incentive to the customer or an assigned third-party, acknowledge receipt of the project, and obtain customer feedback including the Net Promotor Score value. The Incentive Release and Customer Feedback template shall be reviewed and approved by CPAU.

Task A.1.3.d Deliverable: Incentive Release and Customer Feedback Template**(e) Program Invoice and Reporting Template**

CONSULTANT shall create a standard Program report template to meet CPAU's reporting requirements, including monthly invoice, quarterly Program report, annual Program report. CONSULTANT shall work with CITY to finalize Program performance metric to include in the Program reports. These metrics may include: number of customers participating in the Program, energy savings, completed customer projects, customer satisfaction/net promoter score, customer contact information, summary of customer compliments and/or complaints, reasons for rejection of proposed installations by customer. CONSULTANT shall submit the Program invoice and reporting templates to CPAU for review and approval before use.

Task A.1.3.e Deliverable: Program Invoice and Reporting Templates, and inputting of data into CPAU's assigned database

Task A.1.4 Establish BEA customer incentive levels

CONSULTANT shall propose BEA customer incentives at the measure level, using the Business Customer Rebates as a starting point, and submit to CPAU for approval before program launch. CONSULTANT shall provide additional information such as incremental and total measure cost, and customer payback calculation as requested by CITY in order to review and approve the proposed incentives.

TASK A.2 – PROGRAM IMPLEMENTATION***Task A.2.1 Rebate Administration***

CONSULTANT will provide a portal for rebate application submission and administration. This portal will collect the necessary information from customers and/or contractors that have executed agreements to participate in the Program ("Trade Allies") to verify customer and measure eligibility, the details of which will be described in the Policies and Procedures Manual. CITY will provide CONSULTANT with customer account data for the purposes of validating eligibility.

This portal will track installations, rebate applications and other associated key metrics that will be included in reporting to the CITY.

CONSULTANT will manage the rebate application process, including application verification and issuance of rebate payments to customers or their delegates. After verification of an application, CONSULTANT will submit an incentive invoice to the CITY. After payment is received from the CITY, CONSULTANT will issue rebate to participant. BEA incentives will be set by the CONSULTANT with agreement from the CITY. They will be based on the CPAU rebate catalog for business customers with higher incentive levels to address the unique barriers of the SMB segment. These incentive levels will be determined and submitted to CPAU in advance of Program launch.

Task A.2.1 Deliverable: Customer rebate application portal customized for BEA

Task A.2.2 Recruit, Train and Manage Trade Allies

CONSULTANT will recruit, train, and manage a network of Trade Allies who provide energy efficiency services to SMB customers in the City of Palo Alto. The goal of this network is to verify there are qualified and trained contractors available and to reduce the participation barrier for customers associated with identifying installers to perform the work.

CONSULTANT shall provide in-person and/or online training on the Program process, eligibility requirements, incentives, and a high-level overview of typical measures and their applications to Trade Allies. A Program representative shall be available to assist Trade Allies on an on-going basis to answer any questions related to the Program.

Task A.2.3 Implement Marketing and Outreach Plan

CONSULTANT will conduct marketing, education, and outreach (“ME&O”) through a variety of channels, targeting property owners, property management companies and local businesses among others to generate leads for the Program.

(a) Marketing Materials

In collaboration with CITY staff, CONSULTANT will develop marketing material that may include brochures, flyers, displays, postcards, direct mail letters, bill inserts, dynamic digital content such as videos and web content, and press releases. Determination of applicable materials will be made by the CONSULTANT as tools to deliver on Program goals. CITY shall have final decision-making authority about if and when to print and mail marketing material. CITY maintains the right to control all materials being distributed by CONSULTANT while considering potential impacts to program goals. Customer mailing lists for direct mail pieces shall be determined by CITY; however, CONSULTANT may provide input, suggested mailing lists and methodologies. If applicable, CONSULTANT and CITY shall design email marketing campaigns and email customer satisfaction surveys; CITY maintains final rights of approval. CITY shall be responsible for sending the email marketing information and tracking responses if they choose. CONSULTANT shall co-brand all marketing material with CPAU’s logo in a prominent location and follow all CITY style, color and branding guidelines.

CONSULTANT shall not use CPAU’s logos or brand standards without the approval of CITY.

CONSULTANT shall submit to CITY all marketing materials, including press releases, brochures, social media posts and any other content mentioning the Program in any capacity for approval prior to publishing said Program materials.

(b) Marketing, Education and Outreach Implementation

CONSULTANT will begin an initial ME&O campaign to SMBs to drive awareness of the Program, establish relationships and discuss the services offered through the Program. This campaign includes:

- Outreach to SMBs through targeted direct marketing and phone campaigns.
- Recommend content to CITY to directly promote the Program through bill

inserts, email communications, direct mail postcards and other relevant marketing channels.

- Assist CITY to launch Program webpages with web-to-lead forms for customer sign-ups which are directly linked to CONSULTANT and CITY's data management system.
- Provide CITY Account Management team with Program training. CONSULTANT will develop Program talking points for use by Key Account Managers and other Program stakeholders.

(c) Financing education and referrals

CONSULTANT will provide customers with information about financing offerings that are available to help drive project adoption through Energy Advisor and Account Management team.

Task A.2.4 Program Enrollment and Support

CONSULTANT will field customer inquiries, enroll them in the assessment program, and support and encourage customers to complete energy and water efficiency improvements.

- CONSULTANT will encourage and track progress of all interested participants.
- Communicate Program details to customers and educate them on the process of obtaining an assessment and performing efficiency upgrades.
- Schedule and conduct site visits to determine eligibility. Enroll sites that have been screened and identified as eligible.
- Phone Advisory Service
 - The majority of customers participating in this Program do not have experience with energy efficiency. CITY expects that in most cases, multiple touch points will be necessary for a successful installation.
 - CONSULTANT will set up a dedicated phone line with a (650) area code for phone based advising.
 - Through phone-based services, CONSULTANT will provide proactive, individualized, and ongoing assistance with regards to energy and water efficiency installations and when appropriate, educate customers about potential other CITY programs and opportunities.

Task A.2.5 Perform Energy & Water Efficiency Assessments and Measure Recommendations

The Program provides no-cost energy audits of SMBs and assistance in planning energy-efficient upgrades. CONSULTANT will perform in-person or remote energy efficiency assessments. Customers will express their interest via the Energy Advisor, or other mutually agreed upon enrollment mechanisms, which will be transmitted to CONSULTANT for customer follow-up. Once scheduled, the CONSULTANT will verify the customer understands the assessment process and safety procedures that will be followed and will obtain a signed Program Participation Agreement from the customer before the site assessment.

Each assessment will include a site evaluation (in-person or virtual) and data collection along with energy education. Virtual assessments are defined as assessments completed through virtual or phone interviews and/or data transfers from the customer to produce an

assessment report. CONSULTANT will submit customer reports to CITY for review within two weeks of the scheduled site assessment. If the CONSULTANT requires additional time to submit the assessment report (e.g. data collection needs), CONSULTANT shall submit a request with justification and may be allowed additional, mutually agreed upon, time to submit. Once the report is approved by CITY, the CONSULTANT will provide the report to the customer. The CONSULTANT will review the plan with the customer, highlighting the top opportunities, rebates, and potential financing opportunities.

The audit report will include the following information:

- The name, address and contact info of the customer served and the business type
- The date of the energy audit
- A mechanical equipment inventory of the customer's facility. Such equipment shall include type and quantity of existing lighting fixtures; type, age and quantity of heating and cooling equipment; type, age and quantity of water heating equipment; and other energy consuming systems that have a potential for cost effective retrofit or replacement
- The associated CCF, kWh, kW, and therms savings for the recommended measures
- Any associated rebate offerings and information on other rebate programs
- Rebate caps (up to 100% of project cost), if applicable. Eligible project cost includes material, labor, and permit costs.

Task A.2.6 Customer Project Implementation Support

CONSULTANT will offer support to interested SMB customers after completion of the Site Assessment aimed at reducing barriers to implementation of eligible energy and water savings measures.

- Energy Advisor and/or Account Manager will provide customer with a list of pre-screened Trade Allies capable of performing the services identified in the site assessment and requested by the customer to drive energy and water efficiency.
- CONSULTANT will inform customers of permitting requirements for those projects that require CITY permits.
- CONSULTANT staff will remain available through the implementation process to answer questions about project scope, review supplier-provided bids, confirm eligibility of specific equipment and provide resources on financing options.

Task A.2.7 Provide Pre- and Post-installation Quality Control

CONSULTANT will complete on-going quality control ("QC") activities as needed to verify that each project has been installed properly and documented accurately. The QC process helps to verify that savings are accurately calculated to maintain high realization rates. This includes:

- Pre- and post-installation field inspections as needed, based on sampling criteria defined in the Policies and Procedures Manual.
- Review of project documentation to verify customer installed measures meet

Program eligibility requirements.

- For custom projects, where applicable, verification of the energy baseline created to define the savings available from the proposed measure(s). This is completed by confirmation of existing energy use patterns over a defined time period, facility hours of operation and any weather/temperature impacts.

Task A.2.8 Customer Rebate Application Support and Rebate Processing CONSULTANT will provide support to customer with rebate application using the portal described in Task A.2.1. CONSULTANT will process the rebate application as defined in the Policies and Procedures Manual with a turnaround time of no more than ten (10) business days from when a complete application is received.

Task A.2.9 Customer Feedback and Issue Resolution

CONSULTANT shall request customer feedback as described in A.1.3.(e). This will evaluate the energy and water efficiency assessment, the on-going support and rebate process associated with the BEA Program. CONSULTANT shall provide customer feedback results to CITY in monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through either survey feedback or other means of customer contact within five (5) business days. CONSULTANT will pursue continuous improvements to drive customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed complaint form. CITY retains the right to separately survey Program participants.

If any issues cannot be resolved to the satisfaction of the customer by CONSULTANT within five business days, CONSULTANT shall immediately provide CITY with a detailed description of any such complaint which will include the name and contact information of the customer and any other information requested by CITY.

TASK A.3 – INVOICING AND REPORTING

Task A.3.1 Data Management

CONSULTANT shall utilize its data management system to provide data tracking, analysis and reporting as well as actionable insights regarding real-time Program performance. In addition to tracking Program progress, CONSULTANT shall track detailed customer information such as barriers and motivations as well as planned future upgrades to support on-going Program operations.

Task A.3.2 Reporting

CONSULTANT shall provide Program reports to CPAU that are consistent with the reporting templates. Additionally, CONSULTANT shall upload reports into CITY's reporting database on a monthly basis in order to complete invoicing.

CONSULTANT shall respond to ad-hoc data requests by CITY to meet evaluation, measurement, and verification ("EM&V") and other regulatory requirements.

Task A.3.3 Invoicing

CONSULTANT shall invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance to the more specific guidelines set forth in this Exhibit “A” and in Exhibit “C”, “Compensation” through the CITY designated submission approach or system.

TASK A.4 – PROGRAM CLOSE-OUT

Task A.4.1 Resolve Outstanding Jobs in Progress

The CONSULTANT shall attempt to resolve all outstanding jobs in progress, as well as customer complaints.

Task A.4.2 Ramp-Down Plan

CONSULTANT shall provide a plan to ramp down the Program (“Program Ramp-Down Plan”). To ensure Program closure CONSULTANT shall plan a Program ramp-down period to commence no later than at a date directed by CITY. The CONSULTANT’s Program Ramp-Down Plan shall take into consideration that all services must be completed, including but not limited to; all site assessments completed, all Projects and Measures installed, and customer projects approved for installation that have not begun installation by a date approved by CITY. The Program Ramp-Down Plan shall include a Program Termination Notification to be delivered to all customers enrolled in the program.

CONSULTANT shall develop and submit for CITY written approval a Program Termination Notification (“Notification”) as part of the Program Ramp-Down Plan. CONSULTANT shall send a Notification of upcoming program closure to customers via email, mail, or method agreed upon by CITY at a date approved by CITY. This Program announcement shall notify customers the program will be ending. This Notification shall also address how active and committed projects will be addressed. The Notification may also encourage the customer to actively pursue other CITY programs that may be available, and to contact CITY for further information regarding energy efficiency programs.

Task A.4.3 Final Program Report

CONSULTANT will submit a final report which includes a narrative with an overview of the Program and spreadsheet detailing the budget, CPAU customer program participation data (including customer contact information, site assessment and project completion energy savings data) and actual Program cost. The final report will include Program achievements, challenges, goals, and lessons learned. CONSULTANT agrees to deliver the final report within 30 calendar days of the end of the Term as such date may be extended at the sole discretion of CITY.

CONSULTANT shall maintain electronic copies of invoices for two years as required by the CITY.

B. OVERVIEW OF BETAP

Brief Program Description

This Program is designed to assist nonresidential customers with converting gas equipment to efficient electric alternatives at their facilities. The Program services will cover education and marketing to building owners, property managers, facility managers, and other key personnel; technical assistance to support customers’ building electrification journey; and post-installation quality control. The Program will target the replacement of rooftop gas pack units and gas water heaters in nonresidential buildings and will also address other gas equipment in commercial kitchens, pools and spas where applicable.

Program Savings Targets

The Program savings targets for the term of the Agreement are provided in Table B.1 below noting the total program savings targets, the savings achieved to date, and the remaining program savings targets for the term of this agreement.
Electrification savings Calculations are detailed in Task B.1.3.(b).

Table B.1 - Business Electrification Technical Assistance Program Targets

Term	Total Program Savings Target (November 15, 2022-November 14, 2026)	Program Savings Achieved to Date (November 15, 2022-June 30, 2024)	Program Savings Target Allocation (July 1, 2024 – November 14, 2026)
Net kWh savings	5,423,350	2,154	5,421,196

The estimated lifetime avoided GHG emissions reduction for the electrification measures for this Program is 19,899 metric tons (MT).

Eligible Measures

All measures listed in the CPAU rebate catalog for business customers are eligible under this program. Custom electrification measures, new prescriptive measures, and other emerging technologies need to be pre-approved by City Project Manager in advance of installation or inclusion in the Program in order for CONSULTANT to receive compensation for such measures. CONSULTANT shall provide the projected electrification savings and supporting documentation for the savings estimates to CITY for measures not covered by the CPAU rebate catalog for business customers. Projected electrification savings must be based on credible sources such as the CalTF eTRM, CPUC Database for Energy Efficiency Resources, approved workpapers, etc. CITY will ensure there are custom incentives and electrification measures rebates available to nonresidential customers during the term of the Program.

Program Staffing

CONSULTANT agrees to staff the Program in accordance with the Staffing Plan set forth below in Table B.2. CONSULTANT shall notify the CITY concerning proposed changes to the Staffing Plan; all such changes require prior written consent of the CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to CITY’s

satisfaction on all CONSULTANT's staff, contractors or agents that may enter customer property, and (ii) require that any staff, contractor or agent of CONSULTANT that fails the background check shall not be permitted to enter any customer premises,

Without limiting Section 16 (Indemnity) of the Agreement CONSULTANT agrees and understands it is responsible for all costs and damages associated with any theft, vandalism, damage or criminal acts involving or committed by CONSULTANT staff, subconsultants or agents involving a customer or customer premises.

Table B.2. BETAP Program Staff Contacts

Name	Title	Phone	Email
Ann Marie Mastrippolito	Program Director	415-965-3004	AnnMarie.Mastrippolito@clearesult.com
	Develops strategies and tactics to deliver effective program performance by directing the work of employees assigned to the program from technical, marketing, operations, analytics, and administrative areas.		
Kelly Lewis	Assoc. Program Manager	650-538-3514	Kelly.Lewis@clearesult.com
	Serves as Program Manager and primary point of contact for the CITY. Verifies the Program is delivered within budget and is responsible for managing, training, and mentoring the implementation team.		
Megan Pederson	Operations Specialist		Megan.Pederson@clearesult.com
	Supports the delivery of projects and programs by leading data management, metrics and reporting, team facilitation and coordination, and process definition and improvement.		
Sarah Rankin	Assoc. Account Manager	650-229-8275	Sarah.Rankin@clearesult.com
	Acts as consultative sales representative to customers' organization to understand their business and energy objectives and guide them towards solutions. Supports custom project development, aiding the customer through the process.		
Feranmi Akinpelu	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Abit Baral	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Ehsan Arabian	Energy Engineer II		
	Performs site assessments of customer facilities and generates reports detailing findings. Provides support for technical or measure specific questions		
Steve Brennan	Engineer Manager		
	Supports the development and delivery of Programs by providing engineering calculations, measurement and verification, and utility program technical design and assistance		

King Lee	Sr. Engineering Manager		
	Verifies the Program achieves performance goals by developing strategies to improve our engineers' services to consistently delivering high quality work on time and within budget.		
Jennifer Wilson	Marketing Account Manager		
	Develops marketing material that may include case studies, brochures, flyers, displays, postcards, direct mail letters, bill inserts, and press releases.		

Program Implementation & Delivery

Task B.1 PROGRAM KICK OFF

Task B.1.1 Program Kick-Off Meeting

CONSULTANT will develop agenda for Program Kick Off Meeting and organize the Kick-Off Meeting with CITY staff to review PROGRAM design and delivery, roles, timelines and priorities in the delivery of the PROGRAM. The meeting will also cover logistics, marketing, coordination, measurement and verification activities, establishing workflow systems, invoicing requirements, reports, and any remaining contractual questions. CONSULTANT will identify customer data needs from CPAU to inform customer segment analyses and outreach.

Task B.1.1 Deliverable: Meeting agenda and meeting minutes

Task B.1.2 Develop Program Plan

In coordination with CPAU staff, CONSULTANT shall develop the following documents:

(a) Policies and Procedures Manual

CONSULTANT shall develop, adhere to, and document its compliance with the Policies and Procedures Manual in the Program's implementation, including the terms and conditions for customers participating in the Program, the process for customers participating in the Program, customer complaint and resolution plan, and the process for identifying, implementing, measuring and verifying energy efficiency measures. The Policies and Procedures Manual shall also include a Quality Assurance and Quality Control Plan.

Task B.1.2.a Deliverable: Program Policies and Procedures Manual

(b) Marketing Plan

CONSULTANT shall develop a Marketing Plan that outlines marketing activities to reach the target customers. Marketing activities may include: outbound call campaign, customer workshops, and webinars. The Marketing Plan will identify outreach activities, workshops, locations and frequency. CONSULTANT may enlist the assistance of local affinity groups, including the Palo Alto Chamber of Commerce, the Palo Alto Merchant Association and various property management companies to better enable CONSULTANT to serve CPAU

customers. CONSULTANT shall track and capture data on how customers are finding out about the Program.

Task B.1.2.b Deliverable: Program Marketing Plan

Task B.1.3 Develop Program Documents

CONSULTANT shall develop documents necessary for Program implementation and submit such documents to CPAU for approval before any distribution, circulation, or publication. CONSULTANT shall revise and produce new documents as needed to implement and promote the Program effectively.

(a) Program Website Content

In collaboration with CITY staff, CONSULTANT will design and produce informational web content related to Program which the CITY will publish. CITY shall provide input on web content as requested by CONSULTANT and CITY maintains final rights approval. The Program website will include a customer sign-up web-to-lead HTML form.

Task B.1.3.a Deliverable: Program Website Content

(b) Customer Site Assessment Report Template

CONSULTANT shall create a Customer Site Assessment Report Template that includes the necessary information for a customer to understand their electrification opportunities. In addition, it will include information on available rebates and financing options.

Electrification Assessment Reports will include:

- Inventory of physical conditions, effective age and estimated remaining lifespans of gas burning assets
- Summary of annual natural gas consumption data provided by CITY, with identification of the largest natural gas equipment or end use loads
- Identification of energy efficient electric equipment as replacement for current natural gas equipment (each a “measure”), with comparison of the cost (initial and operating) and energy consumption (natural gas and electric) of the electric vs gas equipment, and emissions reductions for the replacement of each existing gas equipment
- Evaluation of the condition and capacity of the existing electrical systems and recommend upgrades that may be necessary to enable the proposed measures
- Recommend locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.
- Information on required CITY permits
- Inform customers to work with licensed contractors to complete permit required projects.
- Estimate of CPAU electrification incentives available for identified measures, with a note that all rebates are capped at the total project cost. Eligible project cost includes material, labor, and permit costs.

Projected annual electrification savings shall be calculated for each measure based on the following formula:

$$\text{Electrification savings (net kWh/yr)} = \text{Annual Gas savings (therms/yr)} \times 29.3 \text{ minus Annual net increase in electric use of proposed equipment (kWh/yr)}$$

where 29.3 = conversion factor from therm to kWh

Task B.1.3.b Deliverable: Customer Site Assessment Report Template

(c) Program Participation Agreement

CONSULTANT shall create a Program Participation Agreement that shall collect basic information from the customer, including facility contact information. The Program Participation Agreement will also act as a Site Access Agreement for the Program and must be signed and returned to CONSULTANT before the site assessment takes place.

Task B.1.3.c Deliverable: Program Participation Agreement

(d) Customer Project Completion Sign-off and Customer Feedback

CONSULTANT shall develop a Customer Project Completion sign-off document after the completed installation of the electrification measure and a template for customer feedback including how the customer heard about the program and the Net Promoter Score value. The Customer Project Completion Sign-Off document and Customer Feedback template shall both be reviewed and approved by CPAU.

Task B.1.3.d Deliverable: Customer Project Completion Sign-off Form and Customer Feedback Template

(e) Program Invoice and Reporting Template

CONSULTANT shall create a standard programming report template to meet CPAU's reporting requirements, including: monthly invoice, quarterly Program report, annual Program report. CONSULTANT will work with CITY to finalize Program performance metric to include in the Program reports. These metrics may include but are not limited to: number of customers participating in the Program, electrification savings, completed customer projects, customer satisfaction/net promoter score, customer contact information, summary of customer compliments and/or complaints, reasons for rejection of proposed installations by customer. CONSULTANT shall submit the Program invoice and reporting templates to CPAU for review and approval before use.

Task B.1.3.e Deliverable: Program Invoice and Reporting Templates, and inputting of data into CPAU's database

TASK B.2 – PROGRAM IMPLEMENTATION

Task B.2.1 Implement Marketing and Outreach Plan

To generate leads for the Program, CONSULTANT will conduct ME&O through a variety of channels, targeting property owners, property management companies and local businesses among others.

(a) Key Account Coordination

The CONSULTANT shall provide services to Key Accounts only by advanced, written authorization from the CITY.

(b) Marketing, Education and Outreach Materials

CONSULTANT and CITY will work together to develop up to 3 sector specific marketing brochure(s) for use by CITY and CONSULTANT to promote Program.

CONSULTANT will submit to CITY all marketing materials; including website content, press releases, brochures, social media posts and any other content mentioning Program in any capacity for approval prior to publishing said Program materials.

In all communications, the Program will be represented as a CITY program, including use of the CITY approved logo. CITY at its discretion may provide a Program name.

In collaboration with CITY staff, CONSULTANT will develop marketing materials that may include brochures, flyers, displays, postcards, direct mail letters, bill inserts and press releases. Determination of applicable materials will be made by the CONSULTANT as tools to deliver on Program goals. CITY shall have final decision-making authority about if and when to print and mail marketing material. CITY maintains the right to control all materials being distributed by CONSULTANT while considering potential impacts to Program goals. Customer mailing lists for direct mail pieces shall be determined by CITY; however, CONSULTANT may provide input, suggested mailing lists and methodologies. If applicable, CONSULTANT and CITY shall design email marketing campaigns and email customer satisfaction surveys; CITY maintains final rights of approval. CITY shall be responsible for sending the email marketing information and tracking responses if they choose. CONSULTANT shall co-brand all marketing material with CPAU's logo in a prominent location.

CONSULTANT shall not use CPAU's logos or brand standards without the approval of CITY.

Task B.1.3.a Deliverable: Program Marketing Materials

(c) Marketing, Education and Outreach Implementation

CONSULTANT will begin an initial ME&O campaign to potential organizations to introduce the Program, establish relationships and discuss the services offered through the Program. This campaign includes:

- Outreach to contacts provided by the CITY.
- Outreach to local contractors to establish a pool of participating Trade Allies.

- Recommend content to CITY to directly promote the Program through bill inserts, email communications, direct mail postcards and other relevant marketing channels.
- Assist CITY to launch Program webpages with web-to-lead forms for customer sign-ups which are directly linked to CONSULTANT and CITY's data management system.
- Provide CITY Account Management team with Program training. CONSULTANT will develop Program talking points for use by Program stakeholders.

(d) Financing education and referrals

CONSULTANT will provide customers with information about financing offerings that are available to help drive project adoption through Energy Advisor and Account Management team.

Task B.2.2 Perform Electrification Assessments & Provide Recommendations Customer enrollment occurs when CONSULTANT gains the customer's signature on the Program Participation Agreement between CONSULTANT and customer.

CONSULTANT will schedule and conduct site visits (or virtual visits if necessary or feasible) to perform the electrification assessment. Virtual assessments are defined as assessments completed through virtual or phone interviews and/or data transfers from the customer in order to produce an assessment report. In advance of the visit, the CITY will provide energy consumption data, distribution grid infrastructure capacity and other requested data sources to support CONSULTANT's assessment. At this site visit, CONSULTANT will collect all data necessary to develop the Customer Site Assessment Report described in Task B.1.3.c.

Post visit, CONSULTANT will identify measures; conduct cost, energy and emission calculations; and then create a customized Customer Site Assessment Report. CONSULTANT will inform customers of permitting requirements for those projects that require CITY permits. CONSULTANT will endeavor to coordinate between CITY programs, such as the Electric Vehicle Technical Assistance Program, to maximize benefit to customers. Such coordination may result in referrals to other programs or joint delivery of services, such as an electric vehicle charging site assessment delivered simultaneous to the electrification assessment.

CONSULTANT will deliver the complete Customer Site Assessment Report to CITY staff within two weeks of the site assessment and once approved, will return the report to the customer. If the CONSULTANT requires additional time to submit the assessment report (e.g. data collection needs), CONSULTANT shall submit a request with justification and may be allowed additional, mutually agreed upon, time to submit. CONSULTANT will also offer to all customers to review the report together in an online meeting to explain the findings, address any questions and begin planning implementation.

Task B.2.3 On-going Technical Assistance

Once a customer has decided to move forward with an electrification project, CONSULTANT will support the customer through project completion until project passes final inspection. The support provided will be:

- Expert support for product selection and installation.
- A list of qualified, pre-screened contractors for electrification installations. A trade ally/contractor list will be maintained by the CONSULTANT.
- Assistance in reviewing and comparing bids from contractors.
- Guidance to customer or contractor applying for permit with the CITY's Development Center.
- Application assistance for CITY's Electrification Rebates

CONSULTANT will provide post-installation guidance and support for customers; however, the customers are purchasing products, services, and warranties directly from vendors and installers, therefore customers will be guided to contact their service provider should there be maintenance, service, or warranty needs.

Task B.2.4 Customer Sign-off on Project, Feedback and Issue Resolution CONSULTANT shall request customer complete the Customer Sign-off on Project Completion form upon the completed installation of the electrification measure. CONSULTANT will also request customer provide feedback using the Customer Feedback form. This will evaluate the electrification assessment and the project support aspects of the BETAP. CONSULTANT shall provide customer feedback to CITY in monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through either survey feedback or other means of customer contact within five (5) business days. CONSULTANT will pursue continuous improvements to drive customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed complaint form. CITY retains the right to separately survey Program participants.

If any issues cannot be resolved to the satisfaction of the customer by CONSULTANT within five business days, CONSULTANT shall immediately provide CITY with a detailed description of any such complaint which will include the name and contact information of the customer and any other information requested by CITY.

TASK B.3 – INVOICING AND REPORTING

Task B.3.1 Data Management

CONSULTANT shall utilize its data management system to provide data tracking, analysis and reporting as well as actionable insights regarding real-time Program performance. In addition to tracking Program progress, CONSULTANT shall track detailed customer information such as barriers and motivations as well as planned future upgrades to support on-going Program operations.

Task B.3.2 Reporting

CONSULTANT shall provide Program reports to CPAU that are consistent with the

reporting templates. Additionally, CONSULTANT shall upload reports into CITY's reporting database on a monthly basis in order to complete invoicing.

CONSULTANT shall respond to ad-hoc data requests by CITY to meet EM&V and other regulatory requirements.

Task B.3.3 Invoicing

CONSULTANT shall invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance to the more specific guidelines set forth in this Exhibit "A" and in Exhibit "C", "Compensation".

TASK B.4 – PROGRAM CLOSE-OUT

Task B.4.1 Resolve Outstanding Jobs in Progress

The CONSULTANT shall attempt to resolve all outstanding jobs in progress, as well as customer complaints.

Task B.4.2 Ramp-Down Plan

CONSULTANT shall provide a plan to ramp down the Program ("Program Ramp-Down Plan"). To ensure Program closure CONSULTANT shall plan a Program ramp-down period to commence no later than at a date directed by CITY. The CONSULTANT's Program Ramp-Down Plan shall take into consideration that all services must be completed, including but not limited to; all site assessments completed, all Projects and Measures installed, and customer projects approved for installation that have not begun installation by a date approved by CITY. The Program Ramp-Down Plan shall include a Program Termination Notification to be delivered to all customers enrolled in the program.

CONSULTANT shall develop and submit for CITY written approval a Program Termination Notification ("Notification") as part of the Program Ramp-Down Plan. CONSULTANT shall send a Notification of upcoming program closure to customers via email, mail, or method agreed upon by CITY at a date approved by CITY. This Program announcement shall notify customers the program will be ending. This Notification shall also address how active and committed projects will be addressed. The Notification may also encourage the customer to actively pursue other CITY programs that may be available, and to contact CITY for further information regarding electrification programs.

Task B.4.3 Final Program Report

CONSULTANT will submit a final report which includes a narrative with an overview of the Program and spreadsheet detailing the budget and actual Program cost. The final report will include Program Achievements, challenges, goals, and lessons learned. CONSULTANT agrees to deliver the final report within 30 calendar days of the end of the Term as such date may be extended at the sole discretion of CITY.

CONSULTANT shall maintain electronic copies of invoices for two years as required by the CITY.

EXHIBIT "C"
COMPENSATION (AMENDED, REPLACES PERVIOUS)
AMENDMENT NO. 1

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth below, up to the not to exceed budget amount for each Program. The program budget for the term of the Agreement is provided in the tables below noting the total program budget (Table C.1.1), the budget spent to date (Table C.1.2) and the remaining program budget for the term of this agreement (Table C.1.3)

For BEA, the compensation is comprised of start-up fee, site assessment fees, performance payments and customer incentive payments based on the reported energy and water savings. The not-to-exceed consultant payments over the term of this agreement are given as follows:

Program start-up fee \$26,645 (2%)
 Site assessment fees \$288,000 (26%)
 Performance payments \$ 260,683 (23%)
 Customer incentive payments \$522,000 (47%)
 Additional Services \$20,000 (2%)
 Total not-to-exceed BEA payment to CONSULTANT over the term of this agreement =
 \$1,117,328

CITY shall pay the BEA start-up fee based on completion of Task A.1.2 (Develop program plan), Task A.1.3 (Develop program documents), and Task A.1.4 (Establish BEA customer incentive levels).

Site assessments are compensated at the rate of \$2,000 for in-person assessment, and \$600 for virtual assessment, payable upon the delivery of assessment report to CPAU Project Manager. Virtual assessments are defined as assessments completed through virtual or phone interviews and/or data transfers from the customer in order to produce an assessment report. Performance payments are compensated based on the rate schedule in Table C.1, payable upon the verification of installed measures.

Table C.1.1 below represents the total program budget (November 15, 2022-November 14, 2026):

Program Start-Up Fee:	\$26,645
Site Assessment Fees:	\$288,000
Performance Payments:	\$260,683
Customer Incentive Payments:	\$522,000
Additional Services:	\$20,000
Total Program Budget:	\$1,117,328

Table C.1.2 below represents Program budget spent from November 15, 2022-June 30, 2024:

Program Start-Up Fee:	\$26,645
Site Assessment Fees:	\$80,000
Performance Payments:	\$4,536
Customer Incentive Payments:	\$36,446
Total Allocated Program Budget:	\$147,627

Table C.1.3 below represents Program budget allocation for July 1, 2024-November 14, 2026:

Program Start-Up Fee:	\$0
Site Assessment Fees:	\$208,000
Performance Payments:	\$256,147
Customer Incentive Payments:	\$485,554
Additional Services:	\$20,000
Total Allocated Program Budget:	\$969,701

Table C.2 Performance payment rate for Small Business Energy Advisor

Description of Compensation	Performance payment rate
Energy savings for all retrofit efficiency projects	<p>\$1.05/kWh for 1st year gross savings (January 1, 2025 – November 14, 2026)</p> <p>\$0.1092/kWh for 1st year gross savings (November 15, 2022 – December 31, 2024)</p>
Gas savings for all retrofit efficiency projects	<p>\$1.76/therm for 1st year gross savings (January 1, 2025 – November 14, 2026)</p> <p>\$0.5226/therm for 1st year gross savings (November 15, 2022 – December 31, 2024)</p>
Water efficiency savings (retrofit measures)	<p>\$2.42/CCF for 1st year gross savings (January 1, 2025 – November 14, 2026)</p> <p>\$1.95/CCF for 1st year gross savings (November 15, 2022 – December 31, 2024)</p>
Electric savings tied to water efficiency measure	<p>Electric savings tied to water efficiency measure</p> <p>\$0.87/kWh for 1st year gross savings (January 1, 2025 – November 14, 2026)</p>

	\$0.117/kWh for 1st year gross savings (November 15, 2022 – December 31, 2024)
Gas savings tied to water efficiency measure	\$0.83/therm for 1st year gross savings (January 1, 2025 – November 14, 2026) \$0.65/therm for 1st year gross savings (November 15, 2022 – December 31, 2024)

Payments for BEA Site Assessments: CPAU will cease making BEA site assessment payments if the difference between the cumulative site assessment fees and the cumulative Performance Payments exceeds 50% of the Performance portion of the total BEA budget. CONSULTANT may submit previously completed BEA site assessments for payment if BEA delivers additional savings while still maintaining the above ratio.

CPAU may (but shall have no obligation to) modify this payment restriction to allow greater site assessment activity and fees relative to Performance Payments only upon the written approval by the CPAU Project Manager.

CONSULTANT shall invoice CPAU for BEA site assessment upon completion of the audit report at each customer site. CONSULTANT shall invoice CPAU for the performance payment and customer incentive payment upon completion of post-installation QC and submission of rebate application to CPAU.

For BETAP, the compensation is comprised of start-up fee, site assessment fees, and performance payments based on the reported energy savings. The program budget for the term of the Agreement is provided in the tables below noting the total program budget (Table C.3.1), the budget spent to date (Table C.3.2) and the remaining program budget for the term of this agreement (Table C.3.3). The not-to-exceed consultant payments over the term of this agreement are given as follows:

Program start-up fee \$30,000 (2%)
Site assessment fees \$638,000 (44%)
Performance payments \$786,386
(54%)
Total not-to-exceed payment for BETAP over the term of this agreement = \$1,454,386

CITY shall pay the BETAP start-up fee based on completion of Task B.1.2 (Develop program plan) and Task B.1.3 (Develop program documents).

BETAP site assessments are compensated at the rate of \$2,500 per project site and \$600 for virtual assessment, payable upon the delivery of assessment report to CPAU Project Manager. Virtual assessments are defined as assessments completed through virtual or phone interviews and/or data transfers from the customer in order to produce an assessment report. Performance payments are compensated based on the rate schedule in Table C.2, payable upon the verification of installed measures.

Table C.3.1 below represents the total program budget (November 15, 2022-November 14, 2026):

Budget	Amount
Program Start-Up Fee	\$30,000
Site Assessment Fees	\$638,000
Performance Payments	\$786,386
Additional Services	N/A
Totals	\$1,454,386

Table C.3.2 below represents Program budget spent from November 15, 2022-June 30, 2024:

Budget	Amount
Program Start-Up Fee	\$30,000
Site Assessment Fees	\$130,000
Performance Payments	\$312
Additional Services	N/A
Totals	\$160,312

Table C.3.3 below represents Program budget allocation for July 1, 2024-Novemeber 14, 2026:

Budget	Amount
Program Start-Up Fee	\$0
Site Assessment Fees	\$508,000
Performance Payments	\$786,074
Additional Services	N/A
Totals	\$1,294,074

Table C.4 Performance payment rate for Business Electrification Technical Assistance Program

Description of Compensation	Performance payment rate
Electrification savings	\$0.145/kWhe

Payments for BETAP Site Assessments: CPAU will cease making BETAP site assessment payments if the difference between the cumulative site assessment fees and the cumulative Performance Payments exceeds 50% of the Performance portion of the total BETAP budget. CONSULTANT may submit previously completed BETAP site assessments for payment if BETAP delivers additional savings while still maintaining the above ratio.

CPAU may (but shall have no obligation to) modify this payment restriction to allow greater site assessment activity and fees relative to Performance Payments only upon the written approval by the CPAU Project Manager.

CONSULTANT shall invoice CPAU for BETAP site assessment upon completion of the assessment report at each customer site. CONSULTANT shall invoice CPAU for the performance payment upon the completion of Customer Project Completion Sign-off.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. There are no reimbursable expenses authorized in this Agreement.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization via email from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1, Schedule of Rates. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement

EXHIBIT C-1
SCHEDULE OF RATES (AMENDED, REPLACES PREVIOUS)
AMENDMENT NO. 1

Table C.3: Hourly Rates

Position	Hourly Rate
Senior Program Director / Program Director	\$215
Program Portfolio Manager / Senior Program Manager	\$160
Program Manager	\$137
Senior Engineering Manager / Engineering Manager	\$172
Energy Engineer	\$160
Senior Marketing Account Manager / Marketing Account Manager	\$120
Senior Account Manager / Account Manager	\$119
Sr. Field Manager / Field Manager	\$172
Sr. Commercial Field Specialist / Commercial Field Specialist	\$134
Program Analyst / Operations Analyst	\$106
Operations Specialist / Operations Coordinator	\$93