

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Request to Approve Regulations for the Commercial Energy Efficiency Financing Program  
under the Regular Rulemaking Process***

**Meeting Date: Tuesday, November 19, 2019**

Prepared By: *Geoff Larson, Analyst, and David Gibbs, Program Manager*

**REQUEST**

Staff requests approval to adopt the Commercial Energy Efficiency Financing Program (“SBF” or the “Program”) regulations (“Regulations”) under the regular rulemaking process. The proposed Regulations include recommended modifications since the Board last approved Program Regulations under the emergency rulemaking process. The modifications incorporate lessons learned from early Program implementation and are intended to improve Program design and operation efficiency.

**BACKGROUND**

On behalf of the California Public Utilities Commission (“CPUC”), the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF” or the “Hub”) and responsible for launching several energy efficiency financing pilot programs (“Pilots”). The Pilots were authorized through CPUC Decision 13-09-044 (“D.13-09-044”) to support the state’s broader energy efficiency and environmental policy goals, including:

- Leveraging third party, private capital for energy efficiency retrofits to buildings;
- Achieving energy savings;
- Reaching underserved populations, including Low-Moderate Income Homeowners, Small Businesses, and Affordable Multifamily Properties; and
- Testing whether finance as a strategy can yield more energy savings than traditional utility rebate and incentive programs.

The CHEEF is comprised of four Pilots launching sequentially:

1. Residential Energy Efficiency Loan Assistance Program (“REEL”): Launched in 2015 and currently awaiting the results of the CPUC’s evaluation.
2. Commercial Energy Efficiency Financing Program: Launched in July 2019.
3. Affordable Multifamily Energy Efficiency Financing Program (“AMF”): Launched in August 2019.
4. On-Bill Repayment functionality (“OBR”): Anticipated to be included as a feature in 2020.

SBF is the second Pilot developed by CAEATFA staff (“Staff”) under the Hub. This Program targets the small business sector and offers finance companies a credit enhancement in the form

of a loss reserve contribution for every enrolled financing agreement. Staff has worked diligently to create a program that is easy to use, designed to attract and support a variety of finance companies offering a range of financial products, and fills a gap in the energy efficiency financing market. In addition to attracting finance companies, the Program is designed to generate significant uptake amongst contractors, project developers, and customers.

Over numerous conversations that CAEATFA Staff has held with stakeholders one dominant theme emerged: keep the program simple. Energy efficiency program implementers constantly struggle with the balance between ensuring that projects are likely to result in energy savings while not hampering participation with complex requirements, paperwork, and reporting. Many of the policy decisions related to Program design are related to striving for this balance. In general, Staff believes that the Pilots offer an opportunity to innovate and test novel approaches to energy efficiency financing.

**Key design principles include:**

- Integration with IOU energy efficiency programs while also testing non-rebate pathways to savings;
- Incorporation of multiple industry specific business models and value chains to ensure the Program is relevant to the commercial energy efficiency retrofit market;
- Fulfillment of a need in the market that is not currently being filled; and
- Removal of barriers to financing energy efficiency retrofits for small business owners.

**PROGRAM STATUS**

**SBF launched in a limited phase in April 2019.** The limited phase was intended to get the Program off the ground and identify inefficiencies prior to full deployment. During the limited phase, Program functionality was limited in the following ways: 1) the method by which measures qualify as energy saving was restricted to just the prequalified Energy Saving Measure List – one of three methods utilized during full launch; 2) program participants interacted with the Program with paper forms and submitted Program data utilizing an Excel spreadsheet; and 3) marketing efforts were limited to finance companies and contractors/project developers. Despite launching in this limited capacity, Staff is encouraged with uptake by finance companies, contractors, and project developers. There are currently three enrolled finance companies and more than 35 enrolled contractors and project developers. SBF also has three projects successfully enrolled, and three more submitted for pre-approval. Perhaps most importantly, during the limited launch phase, Program participants provided feedback about the Program design and implementation, some of which was incorporated ahead of full launch and some is included in the current proposed regulation modifications.

**The Program entered its full launch phase in early October 2019.** Since then, Staff began full marketing and outreach efforts, including direct customer marketing, while continuing to engage utility contractor and implementer networks. Staff also transitioned from paper forms and Excel spreadsheets to a web-based project platform. The project platform is an application that finance companies, contractors, and project developers utilize to submit data and documents to the Program. The project platform also automatically calculates the anticipated loss reserve contribution, in real time, for an enrolled financing agreement, based on project details. Staff is excited to have the project platform available for use by the public and anticipates it will

accelerate the Program’s scalability by removing paper forms and manual processes, which were perceived as antiquated. Staff expects the number and frequency of submitted financing agreements to increase in the coming months with coordinated marketing efforts and adoption of the program platform.

**REGULATORY ACTIONS AND TIMELINE**

**Emergency Rulemaking**

Program Regulations were originally approved through the emergency rulemaking process by the CAEATFA Board on November 20, 2018 and adopted by the Office of Administrative Law (“OAL”) on December 17, 2018.

The emergency Regulations were approved for re-adoption by the CAEATFA board on May 21, 2019, with some Program modifications. The Office of Administrative Law enacted the emergency Regulation re-adoption with modifications effective June 18, 2019. A second re-adoption of the emergency Regulations was submitted to the Office of Administrative Law on September 3, 2019, and enacted effective September 17, 2019.

During this time, Staff interacted closely with stakeholders and Program participants, which provided the opportunity to receive additional input regarding Program design, including recommendations for Program modifications, which will enable participation of a greater number of finance companies and attract greater involvement from participants to help the Program scale.

**Regular Rulemaking**

Now, Staff is working to complete the regular rulemaking process. A Notice of Proposed Rulemaking, Initial Statement of Reasons, and Program Regulations were published in the California Regulatory Notice Register on August 23, 2019. Publication in the California Regulatory Notice Register began the regular rulemaking process and initiated a 45-day public comment period. The 45-day public comment period ended on October 7, 2019. No comments were received.

On October 8, 2019, Staff presented proposed regulation modifications in a public workshop and sought input and comments for a period of 15 days. Staff received no comments or input during the comment period. The modifications are reflected in the attached Regulations and are based on participant feedback and lessons learned during early Program implementation and are designed to improve Program uptake and execution. Following Board approval, Staff will take all necessary steps to timely submit the Regulations to the Office of Administrative Law to complete the regular rulemaking process.

Staff believes the lack of input during both regular rulemaking comment periods is due to the incorporation of industry feedback into Program design which was received during early Program implementation.

**Recent Historic Program Timeline**

|                      |  |
|----------------------|--|
| July & October 2016  | Two public workshops held seeking input on a proposed Program structure.   |
| March, 2017          | CPUC issues D.17-03-026, granting CAEATFA increased authority over and flexibility in Program design.  |
| April – August, 2018 | Staff engages stakeholders for input on the Program.   |
| October 3, 2018      | Draft of proposed Program regulations presented for public comment.  |
| October 9, 2018      | Staff holds a public workshop on proposed Program regulations.   |
| December 17, 2018    | OAL approved Program emergency Regulations. Emergency Regulations in effect for 180 days.  |
| April 23, 2019       | Staff held public workshop on proposed modifications to the Program.   |
| May 21, 2019         | CAEATFA Board reviewed and approved readoption of emergency Regulations with modifications.  |
| July 30, 2019        | First financing agreement enrolled, Program officially began two-year pilot period.  |
| August 23, 2019      | OAL approved and published Program Regulations, Initial Statement of Reasons, and Notice of Proposed Rulemaking in the California Regulatory Notice Register. Forty-five (45) day public comment period on proposed Program Regulations began. |
| October 8, 2019      | Staff held public workshop presenting modifications to Program Regulations under the regular rulemaking process.   |
| October 24, 2019     | Public comment period on proposed modifications to Program Regulations under regular rulemaking process ended.   |

**PROPOSED MODIFICATIONS TO REGULATIONS**

While the attached proposed Regulations are substantially similar to those approved by this Board in June 2019, Staff has made several minor modifications. The recommended modifications balance stakeholders’ input with the statutory, legal, and administrative frameworks as well as the CPUC’s policy intent for the Program.

Additional non-substantive changes, not described below, include minor edits and reorganization of some text to improve clarity and readability to Program participants and stakeholders. All proposed modifications, including in the redlined Regulation text, are found in Attachment A.

**§10092.1: Definitions.**

This section defines and describes the terms used throughout the Commercial Energy Efficiency Finance Program Regulations.

- *§10092.1(ss): “Non-ESMs”*  
Staff updated the definition of a Non-ESM to clarify that any measure included on the ESM List is an Energy Saving Measure, and therefore not a Non-ESM, if it utilizes or conserves fuel provided by an IOU, REN, or CCA.

**§10092.4. Contractor and Project Developer Participation.**

Contractors and project developers are the Program participants who interact with the customer most and ultimately drive the Program’s deal flow. They work with the customer to create an energy efficiency scope of work and ensure that a project conforms to Program requirements.

- *§10092.4(c)(7)(B): Oversight and Licensure*  
Current Regulations require contractor and project developer applicants to certify compliance with finance laws and tariffs, but Staff’s intent is for contractors and project developers to comply with all laws and tariffs that apply to the entity or individuals. Staff removed the word “finance” to ensure that Program participants certify compliance with all relevant oversight.
- *§10092.4(c)(7)(D): Insurance*  
Both contractors and project developers are required to provide Staff with evidence of current general liability insurance. The minimum general liability policy limit is set at \$1 million per occurrence, which, according to industry stakeholders, aligns with industry standards. Current Regulations further require insurance policies with an aggregate total to maintain an aggregate of at least twice the occurrence limit. Staff consulted with CAEATFA’s legal counsel regarding this aggregate policy language and removed the aggregate requirements after counsel’s indication that the language was incongruous with other insurance requirements in the Regulations.

**§10092.7. Project Eligibility.**

This section details the requirements for Projects to be eligible for the Program, including general criteria, the methods by which measures qualify as Energy Saving Measures, and specific requirements for Self-Installers. It also establishes a verification process for Projects.

- *§10092.7(d)(1): Conducting QA/QC Verification*  
Staff determined that the current Regulations do not clearly communicate that multiple types of verification may be conducted on a project, and recommends the proposed modification to clarify that a combination of verification methods may be used. The types of verification include: 1) standard desk top review, 2) submittal of project photos, and 3) on-site inspections.

**§10092.8. Financing Submittal and Enrollment.**

This section describes all of the documentation, data, and certifications required in order for a financing agreement to be enrolled in the Program, and Staff’s timeframe for reviewing the enrollment package.

- *§10092.8(a)(1): Complete Financing Submittal Preconditions*  
This provision requires all scopes of work on a project to be certified as complete prior to project submittal to the Program. Staff recognized it inadvertently omitted this requirement for Self-Installers, and added language that also requires self-installed scopes of work to be certified by the project developer as completed, prior to enrollment submittal.
- *§10092.8(b)(2)(E)(i)(a): Data Provided by Either the Participating Project Developer or Finance Provider Entity for Projects with Non-ESMs*  
This provision requires the cost and description of Non-Energy Saving Measures to be provided to the Program, but the Regulations are currently silent on self-installed Non-ESMs. Staff added these data requirements to self-installed Non-ESMs in order to identify all Project costs that are potentially credit enhanced.
- *§10092.8(b)(2)(F)(iii) & (iv): Data Related to All Energy Saving Measures*  
Current Regulations do not explicitly require a data point for the fuel source being conserved for measures qualifying through the ESM List Measure Method. Staff added a data point to ensure this can be verified. This modification also includes the removal of a subsequently redundant data point required singly of the Professionally Certified Measure Method.

**§10092.11. Sale and Transfer of Enrolled Financings and Transfer of Program Roles.**

This section details how finance companies may sell, transfer, or assign financing agreements or their associated repayment streams, or transfer finance company roles to another entity under the Program. Transferring, selling or assigning the repayment stream of financing agreements is necessary to encourage a secondary market, which may lead to more capital available for energy efficiency improvements.

- *§10092.11(c): Transfer of the Primary Finance Provider Entity Role*  
This provision requires a finance company receiving a transferred role to submit a new application before assuming the new role. This modification clarifies regulation language to ensure Program certifications are completed by all parties if Program roles are transferred.

**§10092.14. Energy Saving Measure List**

The ESM List includes those measures that Staff, in consultation with industry participants and its hired technical consultants, has determined will result in reduced energy consumption when installed in the vast majority of buildings. All measures on the ESM List are pre-approved as ESMs and are eligible for financing under the Program. The measures fall within several broad categories, including: Agriculture, Appliances, Building Envelope, Data Centers, Food Service, HVAC, Industrial, Lighting, Pool Products, Refrigeration, and Water Heating. Select Demand Response measures are included where they are likely to save energy.

- *Updates to the Energy Saving Measure List*  
Staff, in consultation with its hired technical consultants, added several measures to the ESM List, including: High Efficiency HVAC Fan, High Efficiency HVAC Pump, and Variable Refrigerant Flow (VRF), all falling within the category of “HVAC”. Modifications to several existing measure names or requirements were also made to more precisely identify listed measures or to describe requirements with greater clarity.

Additionally, several existing ESM List measures previously having both electric and gas fuel source eligibility were each split into electric eligible and gas eligible variants. Split measures include: Automated Demand Response Equipment, Commercial Cooking Equipment, Commercial Dishwashing Equipment, Low Flow Pre-Rinse Spray Valve, and Infrared Heater. These modifications clarify which ESM List measures are anticipated to reduce consumption of “gas *or* electric” fuel separately as opposed to concurrently “gas *and/or* electric” fuel.

**REGULATORY PROCESS**

**Tentative Anticipated Timeline**

All of the future dates below are tentative and subject to change.

|   |   |
|---|---|
| November 19, 2019                                   | CAEATFA Board reviews and approves proposed Program Regulations.  |
| November 25, 2019                                   | Staff submits Program Regulations to the Office of Administrative Law for review. OAL has 30 business days to review the Regulations.     |
| January 9, 2019 (30 business days after date above) | OAL’s decision for the adoption of Program Regulations. Regulations become effective after filing with the California Secretary of State. |

**RECOMMENDATION**

Staff recommends the adoption of a resolution to approve the adoption of the Regulations with additional modifications for the Commercial Energy Efficiency Financing Program and the authorization of Staff to undertake rulemaking proceedings and other actions related to promulgation of the Regulations.

**Attachments:** Attachment A: Proposed Regulations. Modifications to the text for Board consideration are shown with ~~striketrough~~ and underline.

**RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY APPROVING MODIFICATIONS TO REGULATIONS AND OTHER RELATED ACTIONS TO IMPLEMENT THE COMMERCIAL ENERGY EFFICIENCY FINANCING PROGRAM**

November 19, 2019

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (“Authority”) is authorized by California Public Resources Code Section 26009 to adopt regulations to implement and make specific the statutory provisions governing the Authority; and

WHEREAS, the Authority has determined that, under its Memorandum of Agreement with the California Public Utilities Commission and its contract with the investor-owned utilities to serve as the manager of the California Hub for Energy Efficiency Financing, it is necessary to adopt modifications to the current program regulations (the “Regulations”) to implement the Commercial Energy Efficiency Finance Program (the “Program”).

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority as follows:

Section 1. The proposed modified Regulations, on file with the Authority, are hereby approved. The Chair and Executive Director are hereby authorized to file the Regulations, with the supporting documentation required by law, with the Office of Administrative Law as regulations in the form currently on file with the Authority.

Section 2. The Chair and Executive Director are hereby authorized to proceed with the public notice and comment procedures required by California Rulemaking Law prior to submitting emergency and regular regulations to the Office of Administrative Law and completing the rulemaking process.

Section 3. The Chair and Executive Director of the Authority are hereby authorized to take necessary actions, including making any necessary changes to the Regulations to secure approval by the Office of Administrative Law, and to execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its approval.

**ATTACHMENT A – TEXT OF CURRENT PROPOSED AMENDMENTS TO  
PROGRAM REGULATIONS**

CALIFORNIA CODE OF REGULATIONS

Title 4. Business Regulations

Division 13. California Alternative Energy and Advanced Transportation Financing Authority

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY  
REGULATIONS IMPLEMENTING  
THE COMMERCIAL ENERGY EFFICIENCY FINANCING PROGRAM

**PROPOSED REGULATION MODIFICATIONS - NOVEMBER 19, 2019**

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**Section 10092.1** Definitions

- (a) “Ancillary Elements”: Project components that fall outside a Scope of Work. These components may include:
  - (1) Non-ESMs completed by a contractor who is not a Participating Contractor;
  - (2) Services provided by a Participating Project Developer;
  - (3) Distributed Generation; and/or
  - (4) Capitalized Interest.
- (b) “Authority”: California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 (commencing with Section 26000) of the Public Resources Code, or its agent.
- (c) “Bill Impact Estimate” (BIE): An estimate of the anticipated energy cost savings that are expected to result from the installation of Energy Saving Measures, which is provided by either the Participating Project Developer, the Participating Contractor, or the Finance Provider Entity to the Eligible Commercial Financing Customer prior to work being performed on the Eligible Property(ies).
- (d) “Capitalized Interest”: Accrued interest from a previous finance agreement for a Project (such as a construction loan or down payment loan) where the interest has been added to the Total Financed Amount of an Eligible Financing Agreement.
- (e) “CHEEF Financing Identifier” or “CHEEF Financing ID”: An identification number associated with an Enrolled Financing Agreement created by the Authority and provided to the Finance Provider Entity at the time the financing is approved for enrollment in the Program.
- (f) “Claim-Eligible Charge-Off Amount”: The Total Charge-Off Amount multiplied by the Claim-Eligible Ratio.
- (g) “Claim-Eligible Financed Amount”: The portion of the Total Financed Amount that is eligible for reimbursement in the event of a charge-off. [The Claim-Eligible Financed Amount is limited to \\$1 million.](#) Non-Energy Components are limited to 30% of the dollar value of the total Claim-Eligible Financed Amount. The Claim-Eligible Financed Amount is equal to the Total Financed Amount less any:
  - (1) Distributed Generation; and
  - (2) Non-Energy Components beyond the allowable 30%.

~~The Claim-Eligible Financed Amount is limited to \$1 million.~~
- (h) “Claim-Eligible Ratio”: The ratio of the original Claim-Eligible Financed Amount to the original Total Financed Amount.
- (i) “Commission” or “CPUC”: The California Public Utilities Commission established pursuant to Article XII of the California Constitution.
- (j) “Community Choice Aggregator” (CCA): A Community Choice Aggregator as defined in Section 331.1 of the California Public Utilities Code.

- (k) “CSLB”: The California Contractors State License Board established pursuant to Article 1 (commencing with Section 7000) of Chapter 9 of Division 3 of the Business and Professions Code.
- (l) “Demand Response” (DR): Reductions, increases, or shifts in electricity consumption by customers in response to either economic or reliability signals. Economic signals come in the form of electricity prices or financial incentives, whereas reliability signals appear as alerts when the electric grid is under stress and vulnerable to high prices. Demand Response programs aim to respond to these signals and maximize ratepayer benefit.
- (m) “Distributed Generation” (DG): Technologies that generate or store energy at or near the site where it will be used. Distributed Generation may serve a single structure or it may be part of a microgrid. Technologies classified as Distributed Generation systems include, but are not limited to: solar photovoltaic, solar thermal, wind power, hydropower, biomass, fuel cells, combined heat and power, and battery storage.
- (n) “Eligible Commercial Financing Customer”: An entity or individual who enters into an Eligible Financing Agreement with a Finance Provider Entity for the purpose of completing a Project. The entity or individual is not required to own the Eligible Property.
- (o) “Eligible Contractor”: An individual or entity that meets the requirements specified in Section 10092.4(b)(1).
- (p) “Eligible Financing Agreement”: An agreement made between a Finance Provider Entity and an Eligible Commercial Financing Customer to finance a Project for which the Total Financed Amount does not exceed \$5 million. The agreement must be for improvements to an existing building and may not be for the construction or purchase of a building. The agreement must meet the definition of either an Eligible Lease or Eligible Equipment Financing Agreement, Eligible Loan, Eligible Service Agreement or Eligible Savings-Based Payment Agreement. -The Eligible Financing Agreement must meet the requirements specified in Section 10092.5(b).
- ~~The agreement must meet the definition of either an Eligible Lease or Eligible Equipment Financing Agreement, Eligible Loan, Eligible Service Agreement or Eligible Savings Based Payment Agreement. -The Eligible Financing Agreement must meet the requirements specified in Section 10092.5(b).~~
- (q) “Eligible Lease” or “Eligible Equipment Financing Agreement”: An agreement that provides the Eligible Commercial Financing Customer with Energy Saving Measures in exchange for payments in amounts that are due according to a schedule established in the agreement. The payments must result in full satisfaction of the obligation. Such payments are made to the Finance Provider Entity or its assignee for a specified term. Title to the equipment may transfer at the beginning or end of the term.
- (r) “Eligible Loan”: An agreement that provides the Eligible Commercial Financing Customer with ownership of Energy Saving Measures in exchange for payments in amounts that are due according to a schedule established in the agreement. Such payments must result in full satisfaction of the obligation. Such payments are made to the Finance Provider Entity or its

assignee for a specified term. Eligible Loans must be closed end loans; no revolving lines of credit will qualify.

~~Eligible Loans must be closed end loans; no revolving lines of credit will qualify.~~

- (s) “Eligible Project Developer”: An individual or entity that meets the requirements specified in Section 10092.4(b)(2).
- (t) “Eligible Property”: A property that is:
  - (1) Supplied with gas and/or electric service by one or more Investor-Owned Utility(ies), Electric Service Provider(s) (ESPs) as described in California Public Utilities Code Section 394(a), or Community Choice Aggregator(s); and
  - (2) Used for business activities. If the purpose of the business is residential rentals, the property must meet the definition of Multi-Family Property.
- (u) “Eligible Savings-Based Payment Agreement”: An agreement that provides the Eligible Commercial Financing Customer with Energy Saving Measures in exchange for regular payments to the Finance Provider Entity or the Finance Provider Entity’s assignee. The term may be specified by a number of months or may run until payments have reached a specified amount. The agreement must satisfy each of the following criteria:

~~The agreement must satisfy each of the following criteria:~~

- (1) Savings will be measured and verified no less than annually;
  - (2) Total monthly energy and efficiency charges for the Eligible Commercial Financing Customer must be projected to be "cash flow positive," based on industry-accepted estimates, meaning: allowing for seasonal variations, the combined monthly energy expense (gas and electric) along with all projected monthly Eligible Savings-Based Payment Agreement charges is projected to be less than the Eligible Commercial Financing Customer's pre-project monthly energy expense;
  - (3) The Eligible Commercial Financing Customer will share in benefits if actual savings exceed projected savings; and
  - (4) The Eligible Commercial Financing Customer does not bear risk in the event that savings are less than projected.
- (v) “Eligible Service Agreement”: An agreement that provides the Eligible Commercial Financing Customer with the use of Energy Saving Measures as well as ongoing service and maintenance of that equipment in exchange for regular payments to the Finance Provider Entity or the Finance Provider Entity’s assignee for a specified term. Title to the Energy Saving Measures does not transfer to the Eligible Commercial Financing Customer. The agreement must include either:

~~The agreement must include either:~~

- (1) A guarantee of functionality for any Energy Saving Measures and Non-ESMs; or
- (2) A guarantee of energy savings. Equipment functionality or energy savings must be measured no less than annually.

(w) “Eligible Small Business Financing Customer”: An Eligible Commercial Financing Customer for which the entity benefiting from the Eligible Financing Agreement is either a business or non-profit. An Eligible Small Business Financing Customer cannot be a public entity. An Eligible Commercial Financing Customer must ~~that~~ meets at least one of the following size requirements, on average, over the past 3 years:

- (1) 100 or fewer employees;
- (2) Annual revenues of less than \$15 million; or
- (3) Meets the U.S. Small Business Administration’s size standards for a Small Business matched to the North American Industry Classification System, found in Part 121.201 of Title 13 of the Code of Federal Regulations.

~~An Eligible Small Business Financing Customer cannot be a public entity.~~

(x) “Energy Efficiency” (EE): An energy using appliance, equipment, control system, or practice for which the installation or implementation results in reduced grid-supplied energy use while maintaining a comparable or higher level of energy service as perceived by the customer.

(y) “Energy Professional”: An individual who is either:

- (1) Recognized as a Certified Energy Manager (CEM) by the Association of Energy Engineers with a certification that is current and free of disciplinary actions; or
- (2) A Professional Engineer (PE) licensed by the State of California whose license is current and free of disciplinary actions.

(z) “Energy Saving Measure” (ESM): Any Energy Efficiency or Demand Response measure, as defined, including alterations and improvements that are legally or practically required to complete the installation of the Energy Saving Measure. This includes energy audits that meet the Authority’s requirements as specified on the Energy Saving Measure List. An ESM must utilize or conserve a fuel provided by an IOU, ~~CCA,~~ or ~~ESP~~ at the Eligible Property.

(aa) “Energy Saving Measure Identifier” or “ESM ID”: A unique identifier assigned by the Authority to each measure contained within the ESM List.

(bb) “Energy Saving Measure List” or “ESM List”: The list of pre-qualified Energy Saving Measures, with corresponding requirements, fuel-savings type designations, and Self-Installer eligibility, published by the Authority.

(cc) “Energy Service Provider” (ESP): An Electric Service Provider as defined in Section 218.3 of the California Public Utilities Code.

(dd) “Enrolled Financing Agreement”: An Eligible Financing Agreement approved for enrollment in the Program pursuant to Section 10092.8(b).

(ee) “Enrollment Date”: The date that the Trustee has funded the Finance Provider Entity’s Loss Reserve Account for the Enrolled Financing Agreement.

(ff) “Executive Director” (ED): The Executive Director of the Authority or its designee.

- (gg) “Finance Provider Applicant” (FPA): The Affiliate Finance Provider Applicant and Primary Finance Provider Applicant, collectively.
  - (1) “Affiliate Finance Provider Applicant”: As described in Section 10092.2(a).
  - (2) “Primary Finance Provider Applicant”: As described in Section 10092.2(a).
- (hh) “Finance Provider Entity” (FPE): The Primary Finance Provider Entity and the Affiliate Finance Provider Entity, collectively.
  - (1) “Affiliate Finance Provider Entity”: The Affiliate Finance Provider Applicant approved for participation in the Program along with a Primary Finance Provider Entity as specified in Section 10092.2(a).
  - (2) “Primary Finance Provider Entity”: Primary Finance Provider Applicant approved for participation in the Program. It may be approved along with an Affiliate Finance Provider Entity as specified in Section 10092.2(a).
- (ii) “Financial Institution”: Any insured depository institution, insured credit union, or Community Development Financial Institution (CDFI), as those terms are each defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702), or a Financial Development Corporation as the term "Corporation" is defined in California Corporations Code §14003(f), or any non-bank entity supervised by the Federal Reserve.
- (jj) “Investor-Owned Utility” (IOU): Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company, collectively referred to as “IOUs”.
- (kk) “IOU Custom”: A program offered by the IOUs, RENs, or CCAs in which measures require pre-approval, and incentives are based on unique project characteristics.
- (ll) “IOU Deemed”: A program offered by the IOUs, RENs, or CCAs in which eligible measures and rebate amounts are pre-determined. For the purpose of this definition, IOU Deemed includes the following prescriptive program types: downstream, midstream, upstream, and direct install.
- (mm) “Loss Reserve Account”: An account established and maintained by the Trustee at the Authority’s direction to hold the Loss Reserve Contribution for Enrolled Financing Agreements for the benefit of a Finance Provider Entity.
- (nn) “Loss Reserve Account Representative”: As described in Section 10092.2(b)(6).
- (oo) “Loss Reserve Contribution”: The credit enhancement contributed to the Loss Reserve Account for each Enrolled Financing Agreement in the Program pursuant to Section 10092.9(c).
- (pp) “Marketing Representative”: As described in Section 10092.2(b)(7).
- (qq) “Multi-Family Property”: A residential rental building with five or more units.
- (rr) “Non-Energy Components”: All Non-ESMs, Capitalized Interest, as well as any fees for services from a Participating Project Developer on a single Project.

- (ss) “Non-ESMs”: Any equipment, alteration, or improvement that does not fall under the definition of an Energy Saving Measure. ~~-A measure included on the ESG List may not be considered a Non-ESM, with the exception that~~ Non-ESMs include measures that would otherwise be considered an ESM but do not utilize or conserve fuel provided by an IOU, CCA, or ESP. ~~Measures included on the ESG List may not be considered a Non-ESM.~~ Non-ESMs do not include Distributed Generation.
- (tt) “Participating Contractor”: An Eligible Contractor who has been granted approval to participate in the Program by the Authority as described in Section 10092.4(c).
- (uu) “Participating Project Developer”: An Eligible Project Developer who has been granted approval to participate in the Program by the Authority as described in Section 10092.4(c).
- (vv) “Program”: The Commercial Energy Efficiency Financing Program described in the regulations within this Article.
- (ww) “Program Holding Account”: The account established and maintained by the Trustee at the Authority’s direction to hold funds allocated by the IOUs for the Program.
- (xx) “Program Identifier” or “Program ID”: A number assigned by the Authority or its agent(s) that represents a program administered by the Authority.
- (yy) “Project”: One or more Scopes of Work as well as any Ancillary Elements at one or more Eligible Properties, financed in whole or in part under a single Eligible Financing Agreement.
- (zz) “Regional Energy Network” (REN): Regional Energy Network granted authorization by the California Public Utilities Commission under Decision 12-05-015 and later defined in Decision 12-11-015.
- (aaa) “Scope of Work”: The Energy Saving Measures and/or Non-ESMs installed and certified per the requirements of Sections 10092.7(a) – (c) and Section 10092.8(b)(3) by a single Participating Contractor or Self-Installer as reported to the Authority, as part of a Project.
- (bbb) “Scope of Work Completion Date”: Date that a Participating Contractor or Self-Installer completes installation of its Scope of Work.
- (ccc) “Self-Installer”: An Eligible Commercial Financing Customer who installs any measures pursuant to the requirements in Section 10092.7(c).
- (ddd) “Total Charge-Off Amount”:
- (1) For Eligible Leases or Eligible Equipment Financing Agreements and for Eligible Loans: the Total Charge-Off Amount equals the outstanding principal balance at the time of charge-off.
  - (2) For Eligible Service Agreements and Eligible Savings-Based Payment Agreements: the Total Charge-Off Amount equals the (total initial installation amount paid to contractor(s) divided by the number of months in the term) multiplied by the number of months remaining in the term. Ongoing monthly service charges are excluded from the Total Charge-Off Amount.

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- (eee) “Total Financed Amount”: The total amount funded by the Finance Provider Entity toward the Project. The Total Financed Amount does not include charges for ongoing service and/or maintenance and does not include any interest payments or ongoing finance charges.
- (1) For Eligible Leases or Eligible Equipment Financing Agreements and Eligible Loans: The original principal amount as disclosed to the Eligible Commercial Finance Customer through loan or lease documentation or the job addendum.
  - (2) For Eligible Service Agreements and Eligible Savings-Based Payment Agreements: The total installation amount paid to the Participating Contractor and/or disclosed on the job addendum, inclusive of equipment, taxes, labor, and shipping costs and exclusive of ongoing service and oversight payments by Eligible Commercial Financing Customer.
- (fff) “Trustee”: The financial institution chosen by the Authority to hold or administer some or all of the Program Holding Accounts and Loss Reserve Accounts.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.2** Finance Entity Enrollment

(a) Descriptions of Finance Provider Applicant and Entity Program Roles

- (1) The “Primary Finance Provider Applicant” is the financing company that is applying to the Program for enrollment as a Finance Provider Entity and includes any business organization that is managed, owned, or controlled by the applicant which will perform one or more of the Program roles. The Primary Finance Provider Applicant may fulfill all of the Program roles (described in Sections 10092.2(b)(1) – (7)) themselves, or the entity may invite an Affiliate Finance Provider Applicant (as described in Section 10092.2(a)(2)) to apply to fulfill some of the roles. Additionally, the Primary Finance Provider Applicant may invite a Marketing Representative to fulfill the Marketing Representative role described in Section 10092.2(b)(7). If there are two or more entities fulfilling Program roles together, it will be the finance entity that plans to fulfill the "Financing Submittal role" that will be the Primary Finance Provider Applicant. The Primary Finance Provider Applicant must meet requirements described in Section 10092.2(c) and must be a signatory to the Program application.
- (2) The “Affiliate Finance Provider Applicant” is a potential co-applicant along with the Primary Finance Provider Applicant. It may fulfill one or more of the roles of the Program described in Sections 10092.2(b)(1) – (7). The Affiliate Finance Provider Applicant must meet the requirements described in Section 10092.2(c) and must be a signatory to the Program application.
- (3) “Finance Provider Applicant” means the Primary Finance Provider Applicant and the Affiliate Finance Provider Applicant collectively.
- (4) “Primary Finance Provider Entity” means a Primary Finance Provider Applicant who has been accepted for enrollment in the Program. The Primary Finance Provider Entity must fulfill all the Program roles described in Sections 10092.2(b)(1) – (7) themselves, or this entity may fulfill Program roles along with an Affiliate Finance Provider Entity and, potentially, an additional entity serving as Marketing Representative. If there are two entities fulfilling Program roles together, it will be the finance entity that fulfills the Financing Submittal role that will be determined to be the Primary Finance Provider Entity.
- (5) “Affiliate Finance Provider Entity” means an Affiliate Finance Provider Applicant that has been accepted for enrollment in the Program to fulfill Program roles along with the Primary Finance Provider Entity.
- (6) “Finance Provider Entity (FPE)” means the Primary Finance Provider Entity and the Affiliate Finance Provider Entity collectively.

(b) Finance Provider Entity Roles Within the Program

- (1) “Underwriting”
  - (A) Means following Program regulations for approving projects and financing for customers per Section 10092.5(b), Section 10092.6, and Sections 10092.7(a) – (c) as well as following the credit and underwriting guidelines submitted by the Finance Provider Applicant per Section 10092.2(c)(3) that were approved by the Authority as part of the application process.
  - (B) The Underwriting role must be performed by either the Primary Finance Provider Entity or the Affiliate Finance Provider Entity.
- (2) “Origination”

- (A) Means engaging in ~~loan~~-financing origination, including executing the legal contract for repayment of the Enrolled Financing Agreement with the Eligible Commercial Financing Customer, getting Program forms signed and certified by the Eligible Commercial Financing Customer, following Program regulations related to eligible products as well as adhering to product terms approved by the Authority as part of the application process.
  - (B) The Origination role must be performed by either the Primary Finance Provider Entity or Affiliate Finance Provider Entity.
- (3) “Financing Submittal”
- (A) Means providing data, documentation, and certifications related to the Project, the Eligible Financing Agreement and the Eligible Commercial Financing Customer and submitting these data, documentation, and certifications to the Authority for enrollment in the Program.
  - (B) The specific data points required at Financing Submittal are described in Section 10092.8(b)(2).
- (4) “Servicing”
- (A) Means conducting a customer service operation to on-board all Eligible Financing Agreements into the servicer's servicing system, handling customer inquiries regarding Eligible Financing Agreements already under servicing, sending out regular financing billing statements, collecting and applying payments, handling requests for modifications, collections where necessary, and distributions to investors where applicable.
  - (B) The Servicing role must be performed by either the Primary Finance Provider Entity or the Affiliate Finance Provider Entity.
- (5) “Monthly Reporting”
- (A) Means supplying the Authority with a regular report of required data related to financing applications, performance, and sale of financings as described in Section 10092.12.
  - (B) The Monthly Reporting role must be performed by either the Primary Finance Provider Entity or Affiliate Finance Provider Entity.
- (6) “Loss Reserve Account Representative”
- (A) Means the Finance Provider Entity for whom the ~~Trustee-Loss Reserve~~ Account(s) will be opened, and the sole entity that can file a claim in the event of a charge-off.
  - (B) The Loss Reserve Account Representative role must be performed by either the Primary Finance Provider Entity or the Affiliate Finance Provider Entity.
- (7) “Marketing Representative”
- (A) Means the entity that is publicly listed on Program websites and marketing materials as a result of participation in the Program.
  - (B) The Marketing Representative role must be performed by either the Primary Finance Provider Entity or the Affiliate Finance Provider Entity, or by an additional entity.
  - (C) The Marketing Representative must sign the acknowledgements and certifications in Sections 10092.2(c)(4), (5), and (7).

- (c) Application to Participate in the Program. A Primary Finance Provider Applicant seeking to become a Finance Provider Entity must submit a complete enrollment application to the Authority signed by a person authorized to legally bind the Primary Finance Provider Applicant and shall include the signatory’s name, title, and date. Where the Primary Finance Provider Applicant wishes to apply along with an Affiliate Finance Provider Applicant, the Affiliate Finance Provider Applicant must also submit an application signed by a person authorized to legally bind the Affiliate Finance Provider Applicant and provide their name, title, and date. Both the Primary Finance Provider Applicant and the Affiliate Finance Provider Applicant must sign the acknowledgements, certifications, and representations of the Finance Provider Applicant, below. All applications must include a certification that all of the information provided is true and correct to the best of the signatory’s knowledge. A complete enrollment application includes the following information, disclosures, acknowledgements, certifications, and representations in a format to be specified by the Authority:

~~A Primary Finance Provider Applicant seeking to become a Finance Provider Entity must submit a complete enrollment application to the Authority signed by a person authorized to legally bind the Primary Finance Provider Applicant and shall include the signatory’s name, title, and date. Where the Primary Finance Provider Applicant wishes to apply along with an Affiliate Finance Provider Applicant, the Affiliate Finance Provider Applicant must also submit an application signed by a person authorized to legally bind the Affiliate Finance Provider Applicant and provide their name, title, and date. Both the Primary Finance Provider Applicant and the Affiliate Finance Provider Applicant must sign the acknowledgements, certifications, and representations of the Finance Provider Applicant, below.~~

~~All applications must include a certification that all of the information provided is true and correct to the best of the signatory’s knowledge.~~

~~A complete enrollment application includes the following information, disclosures, acknowledgements, certifications, and representations in a format to be specified by the Authority:~~

(1) Information

(A) For the Primary Finance Provider ~~Entity~~ Applicant:

- (i) Name, address, and website URL of the Primary Finance Provider ~~Entity~~ Applicant.
- (ii) Name, title, phone number, and e-mail address of the Program contact person for the Primary Finance Provider ~~Entity~~ Applicant.
- (iii) The name(s) and e-mail address(es) of individual(s) who are authorized to provide and certify data and submit Eligible Financing Agreements for enrollment in the Program on behalf of the Primary Finance Provider Entity.
- (iv) Type of finance entity, e.g., insured depository institution, insured credit union, Community Development Financial Institution, or California Finance Lender, or other type.
- (v) Name(s) of any regulatory agency(ies) and any insuring agency(ies) to which the Finance Provider ~~Entity~~ Applicant is accountable and license number(s), if applicable.

(B) For the Affiliate Finance Provider ~~Entity~~ Applicant, if applicable:

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- (i) Name, address, and website URL of the Affiliate Finance Provider ~~Entity~~ Applicant.
  - (ii) Name, title, phone number, and e-mail address of the Program contact person for the Affiliate Finance Provider ~~Entity~~ Applicant.
  - (iii) Type of finance entity, e.g., insured depository institution, insured credit union, Community Development Financial Institution, or California Finance Lender, or other type.
  - (iv) Name(s) of any regulatory agency(ies) and any insuring agency(ies) to which the Finance Provider ~~Entity~~ Applicant is accountable and license number(s), if applicable.
- (C) For the Marketing Representative, if different than the Finance Provider ~~Entity~~ Applicant:
- (i) Name, address, and website URL of the Marketing Representative.
  - (ii) Name, title, phone number, and e-mail address of the Program contact person.
- (2) Disclosures. The FPA must disclose the following:
- ~~The FPA must disclose the following:~~
- (A) If there are to be separate entities applying to be the Primary Finance Provider Entity and Affiliate Finance Provider Entity, which of the two entities will perform the Underwriting, Origination, Servicing, Monthly Reporting, and Loss Reserve Account Representative roles;
  - (B) The name of the entity that will be the Marketing Representative;
  - (C) The name of the entity funding the Projects that are to be enrolled in the Program;
  - (D) The name of the finance agreement counterparty(ies) or the service agreement counterparty(ies) who will be named on the closing documentation provided to the Eligible Commercial Financing Customer;
  - (E) The assignee(s) of repayment streams, if any; and
  - (F) The FPA's intent as to what it will do with the Enrolled Financing Agreements, if known, (e.g. hold, sell, transfer, participate, etc.) and the identity of a purchaser, if applicable.
- (3) Proposed Products. To participate in the Program, the FPA must provide a description of proposed financial product(s), including:
- ~~To participate in the Program, the FPA must provide a description of proposed financial product(s), including:~~
- (A) A detailed description of the products the FPA is proposing to offer, including, but not limited to, the type of financing product and its relationship to the categories of Eligible Financing Agreements, collateral requirements (if any), minimum and maximum financed amounts, interest rates (including whether they are fixed or variable), terms, service or maintenance charges, fees, prepayment penalties, and a description of customer eligibility and underwriting criteria. These product offerings must be certified by at least one of the Finance Provider Applicants.
  - (B) A description of the geographic area(s) in California where the financing program(s) will be available.

(C) An explanation of how the Loss Reserve Contribution will be utilized to provide benefits to Eligible Small Business Financing Customers compared to the ~~FPE's~~ FPA's typical product offerings in one or more of the following ways:

- (i) Broadened approval criteria;
- (ii) Longer terms;
- (iii) Larger amounts available to finance;
- (iv) Better rates; and/or
- (v) Other advantageous terms.

(4) Acknowledgements of the Finance Provider Applicant and the Marketing Representative. The application must include the FPA's acknowledgements contained within this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative role, the application must additionally include the Marketing Representative's acknowledgements below, signed by a person authorized to legally bind the Marketing Representative.

~~The application must include the FPA's acknowledgements contained within this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative role, the application must additionally include the Marketing Representative's acknowledgements below, signed by a person authorized to legally bind the Marketing Representative.~~

- (A) The Authority has made no representations, promises, or guarantees pertaining to the volume, quantity, or quality of financing agreements issued under the Program.
- (B) It, its representatives, and agents are not hired by the Authority or any of the participating IOUs, and must not represent themselves as such, or claim association or affiliation with the Authority or any of the participating IOUs in any capacity.

(5) Certifications of the Finance Provider Applicant and Marketing Representative. The application must include the FPA's certifications of this Section, signed by a person authorized to legally bind the FPA. The FPA certifies that once it is enrolled in the Program as a Finance Provider Entity it will follow Sections 10092.2(c)(5)(D)-(G) below. If the FPA will not be filling the Marketing Representative Role, the application must additionally include the Marketing Representative's certifications of this Section, except for Section 10092.2(c)(5)(D) subsection (D), signed by a person authorized to legally bind the Marketing Representative.

~~The application must include the FPA's certifications of this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative Role, the application must additionally include the Marketing Representative's certifications of this Section, except for subsection (D), signed by a person authorized to legally bind the Marketing Representative.~~

- (A) It is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body, which would impair its ability to participate in the Program.
- (B) The person signing the application is authorized to legally bind the Finance Provider Applicant, and must include the signatory's printed name, title, and date.

- (C) All Finance Provider Applicants that are not Financial Institutions must comply with the additional requirements specified in Section 10092.3.

~~The FPA certifies that, once it is enrolled in the Program as an FPE:~~

- (D) The regulations within this Article constitute a lender services agreement between the FPE and the Authority.
  - (E) It must follow the Program regulations as set forth herein.
  - (F) It must permit an audit by the Authority of any of its records relating to Enrolled Financing Agreements during normal business hours on its premises, and must supply such other information concerning Enrolled Financing Agreements as may be requested by the Authority. Additionally, the Finance Provider Entity must permit an audit of its records relating to how it is representing the Program to the public, including, but not limited to, web and print collateral, marketing scripts, and marketing materials.
  - (G) The Authority and the State of California have no liability to the Finance Provider Entity under the Program except from funds deposited in the Loss Reserve Account(s) for the Finance Provider Entity.
- (6) In addition to the certifications listed in Section 10092.2(c)(5), the application must include the following certifications of the Primary Finance Provider Applicant. These certifications must be signed by a person authorized to legally bind the FPA, that upon enrollment in the Program as Finance Provider Entity and for all forthcoming Eligible Finance Agreements submitted for enrollment in the Program, the FPA agrees that:
- (A) It will provide the documentation required in Section 10092.8(b)(1), the data required in Section 10092.8(b)(2), and will secure the certifications ~~of the Eligible Commercial Financing Customer, all Participating Contractors, and the Participating Project Developer where applicable, as~~ described in Section 10092.8(b)(3);
  - (B) The Eligible Commercial Financing Customer will be provided with a Bill Impact Estimate;
  - (C) The Eligible Financing Agreement will comply with all Program regulations;
  - (D) The Claim-Eligible Financed Amount will not include any costs for Distributed Generation;
  - (E) If the entirety of the Claim-Eligible Financed Amount has not yet been funded at the time of submittal, that it will be funded within 30 calendar days of submittal; and
  - (F) If after submittal, the Primary Finance Provider Entity determines it will not fund the entirety of the Claim-Eligible Financed Amount, that it will notify the Authority within 10 business days of this determination.
- (7) Representations of the Finance Provider Applicant and Marketing Representative. The application must include the FPA’s representation, warranty, and covenant contained in this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative role, the application must additionally include the Marketing Representative’s representation, warranty, and covenant below, signed by a person authorized to legally bind the Marketing Representative. Upon enrollment in the Program as an FPE:

~~The application must include the FPA’s representation, warranty, and covenant contained in this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative role, the application must additionally include the~~

~~Marketing Representative’s representation, warranty, and covenant below, signed by a person authorized to legally bind the Marketing Representative.~~

~~Upon enrollment in the Program as an FPE:~~

- (A) It must retain all records relating to each Enrolled Financing Agreement for the term of financing.
- (B) It is solely responsible for identifying and making all disclosures and providing periodic reports to its Eligible Commercial Financing Customer(s) as required under applicable finance laws.
- (C) It must comply with all applicable finance laws, possess and maintain all required state and federal licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.
- (D) It indemnifies, defends, and holds harmless CAEATFA, each of the IOUs, their affiliates, and each of its respective officers, directors, employees, agents, and representatives (each of which is an express beneficiary of this indemnity) from and against any and all losses arising in connection with any claim:
  - (i) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct including, but not limited to, any failure of the Finance Provider Entity, or its agents, to comply with applicable finance laws in connection with Enrolled Financing Agreements;
  - (ii) Resulting from any error or omission by the Finance Provider Entity or any of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Financing Agreement, fees and charges, the receipt and processing of payments received from Eligible Commercial Financing Customers or any collection or enforcement action;
  - (iii) Alleging any breach of a representation, warranty, or covenant by such Finance Provider Entity;
  - (iv) Alleging any misrepresentation by the Finance Provider Entity or its agents with respect to the energy savings to be achieved in connection with an Enrolled Financing Agreement, or any failure or deficiency in the products, materials, or work supplied to a Eligible Commercial Financing Customer in connection with an Enrolled Financing Agreement; and/or
  - (v) Arising from the Finance Provider Entity’s breach or alleged breach of the regulations within this Article and/or its confidentiality or privacy obligations under the regulations within this Article or with respect to the Program.
- (E) The Finance Provider Entity agrees that the IOUs are not responsible for, and will have no liability for:
  - (i) The energy efficiency improvements funded through the Enrolled Financing Agreement(s) supported through the Loss Reserve Account(s);
  - (ii) The assessment of potential benefits and costs associated with those improvements;
  - (iii) The qualification of the Finance Provider Entity;
  - (iv) The Finance Provider Entity’s marketing and/or lending policies and practices; or
  - (v) CAEATFA’s educational and outreach activities.

(d) Application Process

- (1) Upon receipt of a completed application, the Authority will, within fifteen business days, review and determine whether additional information is required, or whether the application is sufficient to permit the Finance Provider Applicant to be a Finance Provider Entity.
- (2) The Authority's decision regarding enrollment will be final.
- (3) The Authority will notify the Finance Provider Applicant of its decision and provide a Program-assigned identifier if enrolled as a Finance Provider Entity.

(e) Changes to Product Terms

- (1) If, after being approved to participate in the Program, an FPE wishes to make changes to products offered that will affect the benefits to Eligible Small Business Financing Customers (as described in Section 10092.2(c)(3) and Section 10092.5), the changes must be approved by the Authority.

(f) Finance Provider Entity Withdrawal and Termination

- (1) A Finance Provider Entity may withdraw from the Program after giving written notice, signed by a person authorized to legally bind the FPE to the Authority. Such notice must specify either:
  - (A) That the Finance Provider Entity waives any further interest in the Loss Reserve Account(s) and the reason for the Finance Provider Entity's withdrawal from the Program (including that all Enrolled Financing Agreements covered by the Loss Reserve Account(s) have been repaid or sold to a different Finance Provider Entity's portfolio); or,
  - (B) That the Finance Provider Entity will not enroll any further Eligible Financing Agreements under the Program but that the Loss Reserve Account(s) will continue in existence to secure all Enrolled Financing Agreements that were enrolled prior to such notice, and the reason for the Finance Provider Entity's withdrawal from the Program.
- (2) For any such notice received pursuant to Section 10092.2(f)(1)(A), the remaining balance in the Finance Provider Entity's Loss Reserve Account(s) will be distributed to the appropriate Program Holding Account(s).
- (3) The Executive Director may terminate participation of a Finance Provider Entity in the Program, by notice in writing, upon the occurrence of any of the following:
  - (A) Entry of a cease and desist order, regulatory sanction, or any other action against the Finance Provider Entity by a regulatory agency or court with jurisdiction over the Finance Provider Entity;
  - (B) Failure of the Finance Provider Entity to abide by applicable finance law or the regulations within this Article;
  - (C) Failure of the Finance Provider Entity to service or enroll any Eligible Financing Agreements under the Program, as applicable, for a period of one year;
  - (D) Failure of the Finance Provider Entity to report to the Authority pursuant to Section 10092.12 for sixty calendar days; or
  - (E) Providing false or misleading information regarding the Finance Provider Entity, or an Enrolled Financing Agreement, to the Authority, or failure to provide the Authority with notice of material changes in submitted information regarding the Finance Provider Entity.

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- (4) In the event of such termination, the Finance Provider Entity must not enroll any further Eligible Financing Agreements, but all previously Enrolled Financing Agreements will continue to be covered by the Loss Reserve Account(s) until the entity is paid, claims are filed, or the Finance Provider Entity withdraws from the Program pursuant to Section 10092.2(f)(1)(A).
- (5) A terminated Finance Provider Entity must continue to report on Enrolled Financing Agreements pursuant to Section 10092.12.
- (6) If a terminated Finance Provider Entity fails to report to the Authority pursuant to Section 10092.12 for sixty calendar days, the remaining balance in the Finance Provider Entity's Loss Reserve Account(s) may be distributed to the appropriate Program Holding Account(s).

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.3** Additional Requirements for Entities that are not Financial Institutions

In addition to the requirements set forth in Section 10092.2(c), to be approved as a Finance Provider Entity, Finance Provider Applicants who are not Financial Institutions as defined in the regulations in this Article must meet the requirements described in this Section in a format to be specified by the Authority. All representations, warranties, and covenants in this Section must be signed by a person authorized to legally bind the Finance Provider Applicant, and must be true and correct to the best of the signatory's knowledge.

- (a) **Net Worth:** The Finance Provider Applicant must demonstrate to the Authority that it has a net worth of no less than \$1 million.
- (b) **Quality Control:** The Finance Provider Applicant must demonstrate to the Authority that it maintains quality control and management systems to evaluate and monitor the overall quality of its financing-related activities, including, where applicable, underwriting reviews, and consumer complaint resolution processes.
- (c) **Underwriting Qualifications:** If the Finance Provider Applicant will perform the Underwriting role for the Program, it must provide the following to the Authority:
  - (1) Demonstrated experience, in writing, with underwriting commercial financing;
  - (2) Demonstrated experience, in writing, with equipment financing and the coordination of such financing with contractors and businesses;
  - (3) Written description of its underwriting process; and
  - (4) Demonstrated qualifications, in writing, of the Finance Provider Applicant and key positions and associated job duties with regard to underwriting.
- (d) **Origination Qualifications:** If the Finance Provider Applicant will perform the Origination role for the Program, it must provide the following to the Authority:
  - (1) Proof of at least \$20 million in committed capital for general financing activities;
  - (2) Demonstrated ability, in writing, to originate commercial financing in accordance with all applicable finance laws, including related expertise and experience, trained and qualified personnel, and suitable systems, processes, and facilities to support the business;
  - (3) Demonstrated experience, in writing, with equipment financing and the coordination of such financing with contractors and businesses;
  - (4) Proof of at least 20 transactions originated or at least \$20 million in originated transactions; and
  - (5) Sample transaction documentation.
- (e) **Servicing Qualifications:** If the Finance Provider Applicant will perform the Servicer role under the Program, it must provide the following to the Authority:
  - (1) Demonstrated capacity, in writing, for, and experience with, servicing the type of product(s) the Finance Provider Applicant will be providing and general customer service; and
  - (2) A description of key positions and associated job duties, software, and systems used by the Finance Provider Applicant in performing servicing of Enrolled Financing Agreements.
- (f) **Insurance:** The Finance Provider Applicant must maintain and provide evidence of the following insurance coverage:

- (1) General liability with limits of not less than \$1 million per occurrence for bodily injury and property damage liability combined. The policy must include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance must apply separately to each insured against whom a claim is made or suit is brought subject to the Finance Provider Applicant's limit of liability. The policy must include the State of California, its officers, agents, employees, and servants as additional insureds, but only insofar as the operations under the regulations within this Article are concerned.
- (2) Motor vehicle liability with limits of not less than \$1 million per accident. Such insurance must cover liability arising out of owned, hired, and non-owned motor vehicles.
- (3) Statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the Program, including special coverage extensions where applicable. Employer's liability limits of \$1 million are required.
- (4) All insurance coverage must be in effect for the complete term during which the Finance Provider Applicant is enrolled as a Finance Provider Entity. If insurance expires during this term, a new certificate must be received by the Authority at least ten business days prior to the expiration of the insurance. The new insurance must meet the terms required in this Section.
- (5) The Finance Provider Entity is responsible for ensuring that coverage will not be cancelled without thirty days' prior written notice to the Authority.
- (6) The Finance Provider Entity is responsible for any deductible or self-insured retention contained within the insurance ~~program~~ policy.
- (7) Once enrolled, the Finance Provider Entity has the obligation to keep in effect at all times the insurance coverage specified in the regulations within this Article. If this obligation is not met, the Authority may, in addition to any other remedies it may have, terminate the Finance Provider Entity's participation in the Program, subject to the provisions set forth in the regulations in this Article.
- (8) Any insurance meeting the requirements of the regulations within this Article must be primary, and not excess, to any other insurance carried by the Authority.

(g) Representations of Finance Provider Applicants and Marketing Representatives

The application must include the FPA's representation, warranty, and covenant contained in this Section, signed by a person authorized to legally bind the FPA. If the FPA will not be filling the Marketing Representative role, the application must additionally include the Marketing Representative's representation, warranty, and covenant below. [-These representations, warranties, and covenants are not limited to matters of which the Finance Provider Applicant and/or Marketing Representative had knowledge. Matters that are of public record will be deemed to be known by the Finance Provider Applicant and Marketing Representative.](#)

~~These representations, warranties, and covenants are not limited to matters of which the Finance Provider Applicant and/or Marketing Representative had knowledge. Matters that are of public record will be deemed to be known by the Finance Provider Applicant and Marketing Representative.~~

- (1) The Finance Provider Applicant is duly organized and validly existing under the laws of the state of its organization and California with due power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and has had at all relevant times and continues to have the power, authority, and legal right to participate in this Program.

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- (2) The Finance Provider Applicant is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business will require such qualifications.
  - (3) The Finance Provider Applicant has the power and authority to execute and to carry out the terms of the Program.
  - (4) There are no proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency nor other governmental instrumentality having jurisdiction over the Finance Provider Applicant or its properties:
    - (A) Asserting the invalidity of the regulations within this Article;
    - (B) Seeking to prevent the consummation of any of the transactions contemplated by the regulations within this Article; or
    - (C) Seeking any determination or ruling that might materially and/or adversely affect the performance by the Finance Provider Applicant of its obligations under the regulations within this Article.
- (h) The Finance Provider Applicant must make the following representations, warranties, and covenants to the Authority, signed by a person authorized to legally bind the FPA. These representations, warranties, and covenants are not limited to matters of which the Finance Provider Applicant had knowledge. Matters that are of public record will be deemed to be known by the Finance Provider Applicant.
- (1) The Finance Provider Applicant has, and must maintain throughout its enrollment in the Program as an FPE, trained and qualified employees and suitable facilities and operating systems for the performance of the Underwriting, Origination, and Servicing functions, as applicable, required to administer the Program.
  - (2) For a Finance Provider Applicant planning to fill the Servicing role, the Finance Provider Applicant has established, and must maintain throughout its enrollment in the Program as an FPE, a written disaster recovery plan that covers the restoration of the facilities, backup, and recovery of information in electronic data processing systems. Alternate processing facilities and systems are required to ensure continuous operations. The Finance Provider Entity must allow the Authority, at no additional cost to the Authority, to inspect its disaster recovery plan and facilities.
  - (3) For a Finance Provider Applicant planning to fill the ~~Originator~~ Origination role, the Finance Provider Applicant has established, and must maintain throughout its enrollment in the Program as an FPE, adequate internal audit and management control systems to guard against dishonest, fraudulent, or negligent acts by employees and contractors involved in the origination process.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.4 Contractor and Project Developer Participation**

(a) Description of Contractor and Project Developer Program Roles

- (1) “Participating Contractor” is a contractor or contractor company who installs the ESMs and/or Non-ESMs on a Project. For the purpose of the regulations within this Article, a contractor is referred to as defined in the California Business and Professions Code, Division 3 of Chapter 9 of Article 2 of Section 7026. The Participating Contractor provides data according to Sections 10092.8(b)(2)(A) and (F) and certifications for Projects according to Section 10092.8(b)(3)(A).
- (2) “Participating Project Developer” is an individual or entity who develops one or more Scope(s) of Work for the Eligible Commercial Financing Customer and facilitates data exchange between the Authority, the Eligible Commercial Financing Customer, the Finance Provider Entity, and/or the Participating Contractor. The Participating Project Developer does not perform installations on a Project. The Participating Project Developer provides data according to Sections 10092.8(b)(2)(B), (E), and (F), and certifications for Projects according to Section 10092.8(b)(3)(B). A Participating Project Developer with the requisite CSLB license(s) may also apply to be a Participating Contractor in the Program.
- (3) One or more Participating Contractors are required to complete a Project, except for Projects that are completely self-installed. A Participating Project Developer is not required to certify a Project unless the Project includes a Self-Installer. Only one Participating Project Developer may be active on a Project.

(b) Eligibility Requirements for Program Participation

- (1) Eligible Contractor Requirements. [-To participate in the Program as a Participating Contractor, an Eligible Contractor must:](#)

~~To participate in the Program as a Participating Contractor, an Eligible Contractor must:~~

- (A) Provide installation service of at least one measure on the ESM List;
- (B) Complete a training made available by the Authority;
- (C) Submit an application to the Authority in accordance with Section 10092.4(c)(1);
- (D) Not be an employee of the Eligible Commercial Financing Customer;
- (E) Have no outstanding judgments or liens;
- (F) Have no disciplinary action taken by the CSLB against its license within the past twenty-four months;
- (G) Hold a CSLB license(s) relevant to the work performed under the Program; and
- (H) Be covered by general liability insurance of at least \$1 million per occurrence.

- (2) Project Developer Eligibility Requirements. [To be eligible to participate in the Program as a Participating Project Developer, an Eligible Project Developer must:](#)

~~To be eligible to participate in the Program as a Participating Project Developer, an Eligible Project Developer must:~~

- (A) Complete a training made available by the Authority;
- (B) Submit an application to the Authority in accordance with Section 10092.4(c)(2);
- (C) Have no outstanding judgments or liens;
- (D) Be covered by general liability insurance of at least \$1 million per occurrence; and

- (E) Demonstrate to the Authority that it has completed at least ten projects in a project developer role. Any organization with a verifiable contract as an IOU, REN, or CCA Energy Efficiency or Demand Response implementer at the time of their application to the Program is exempt from this requirement.

(c) Application to Participate in the Program

- (1) To participate in the Program, the Eligible Contractor must submit an application in a format approved by the Authority which:
  - (A) Includes the data points specified in Section 10092.4(c)(3);
  - (B) Includes acknowledgements specified in Section 10092.4(c)(5) and certifications specified in Section 10092.4(c)(7);
  - (C) Includes proof of current insurance coverage as described in Section 10092.4(b)(1)(H); and
  - (D) Is signed by an individual authorized to legally bind the Eligible Contractor.
- (2) To participate in the Program, the Eligible Project Developer must submit an application in a format approved by the Authority which:
  - (A) Includes the data points specified in Section 10092.4(c)(4);
  - (B) Includes acknowledgements specified in Section 10092.4(c)(6) and certifications specified in Sections 10092.4(c)(7) and (8);
  - (C) Includes proof of current insurance coverage as described in Section 10092.4(b)(2)(D);
  - (D) Demonstrates that it has completed at least ten projects in a project developer role or, if the Eligible Project Developer is implementing an IOU, REN, or CCA program as described in Section 10092.4(b)(2)(E), the Eligible Project Developer must provide the name of the IOU, REN, or CCA, the name of the Energy Efficiency or Demand Response program, and the term of its implementer contract; and
  - (E) Is signed by an individual authorized to legally bind the Eligible Project Developer.
- (3) Data points supplied by the Eligible Contractor
  - (A) The Eligible Contractor’s business name, address, and if applicable, website URL.
  - (B) Name, title, business address, business phone number, and e-mail address of the Eligible Contractor’s Program contact person.
  - (C) Name, phone number, and e-mail address the Eligible Contractor will make publicly available for sales and marketing purposes.
  - (D) CSLB license number(s) and type(s) held relevant to the work performed under the Program.
  - (E) The name(s) and e-mail address(es) of individual(s) who are authorized to provide data to the Authority.
  - (F) The name(s) and e-mail address(es) of individual(s) who are authorized to certify and submit data to the Authority.
  - (G) A description of the types of services offered by the Eligible Contractor as part of the Program.
  - (H) Any languages, in addition to English, in which the Eligible Contractor can communicate with customers.
  - (I) The geographic area(s) serviced by the Eligible Contractor.

- (J) List of any IOU, ~~/REN,~~ or ~~/CCA~~ trade professional programs in which the Eligible Contractor is currently participating.
  - (K) The date the Eligible Contractor completed the mandatory training.
- (4) Data points supplied by the Eligible Project Developer
- (A) The project developer organization's name, address, and if applicable, website URL.
  - (B) Name, title, business address, business phone number, and e-mail address of project developer's Program contact person.
  - (C) Name, phone number, and e-mail address the Eligible Project Developer will make publicly available for sales and marketing purposes.
  - (D) The name(s) and e-mail address(es) of individual(s) who are authorized to provide data to the Authority.
  - (E) The name(s) and e-mail address(es) of individual(s) who are authorized to certify and submit data to the Authority.
  - (F) A description of the types of services offered by the Eligible Project Developer as part of the Program.
  - (G) Any languages, in addition to English, in which the Eligible Project Developer can communicate with customers.
  - (H) The geographic area(s) serviced by the Eligible Project Developer.
  - (I) List of any IOU, ~~/REN,~~ or ~~/CCA~~ energy efficiency programs in which the Eligible Project Developer is currently participating.
  - (J) The date the Eligible Project Developer completed the mandatory training.
- (5) Acknowledgements of the Eligible Contractor. The application must include the Eligible Contractor's acknowledgement, signed by a person authorized to legally bind the Eligible Contractor, that:
- ~~The application must include the Eligible Contractor's acknowledgement, signed by a person authorized to legally bind the Eligible Contractor, that:~~
- (A) Its representatives and agents are not employees of the Authority or any of the participating IOUs, and must not represent themselves as such;
  - (B) The Authority and the State of California will have no liability to the Eligible Contractor under the Program; and
  - (C) The IOUs are not responsible for, and will have no liability for:
    - (i) The energy efficiency improvements funded through the Enrolled Financing Agreements supported through the Loss Reserve Accounts;
    - (ii) The assessment of potential benefits and costs associated with those improvements;
    - (iii) The selection of Eligible Contractors;
    - (iv) The Eligible Contractor's marketing policies and practices; and
    - (v) CAEATFA's educational and outreach activities.
- (6) Acknowledgements of the Eligible Project Developer. The application must include the Eligible Project Developer's acknowledgement, signed by a person authorized to legally bind the Eligible Project Developer, that:

~~The application must include the Eligible Project Developer’s acknowledgement, signed by a person authorized to legally bind the Eligible Project Developer, that:~~

- (A) Its representatives and agents are not employees of the Authority or any of the participating IOUs, and must not represent themselves as such;
  - (B) The Authority and the State of California will have no liability to the Eligible Project Developer under the Program; and
  - (C) The IOUs are not responsible for, and will have no liability for:
    - (i) The energy efficiency improvements funded through the Enrolled Financing Agreements supported by the Loss Reserve Accounts;
    - (ii) The assessment of potential benefits and costs associated with those improvements;
    - (iii) The selection of Eligible Project Developers;
    - (iv) The Eligible Project Developer’s marketing policies and practices; and
    - (v) CAEATFA’s educational and outreach activities.
- (7) Certifications of the Eligible Contractor and Eligible Project Developer. The application must include the Eligible Contractor or Eligible Project Developer’s representation, warranty, and covenant, signed by a person authorized to legally bind the applicant, that as a Participating Contractor or Participating Project Developer the entity:

~~The application must include the Eligible Contractor or Eligible Project Developer’s representation, warranty, and covenant, signed by a person authorized to legally bind the applicant, that as a Participating Contractor or Participating Project Developer the entity:~~

- (A) Is responsible for identifying and making all disclosures required under applicable finance laws;
- (B) Must comply with all applicable ~~finance~~ laws and tariffs, possess and maintain all required state licenses, and remain in good standing with all governmental authorities having jurisdiction over its business;
- (C) Must follow Program rules as set forth in the regulations within this Article including, but not limited to, the Project requirements set forth in Section 10092.7;
- (D) Must hold and maintain a commercial general liability insurance policy or policies of not less than \$1 million per occurrence throughout its participation in the Program. ~~If the policy maintains a policy aggregate, such aggregate must not be less than twice the occurrence limit.~~ The Eligible Contractor and Eligible Project Developer must submit proof of such insurance in its application to the Authority;
- (E) Must permit an audit, by the Authority, of any of its records relating to the Projects financed by Enrolled Financing Agreements during normal business hours on its premises, and must supply such other information relating to those projects as requested by the Authority;
- (F) Indemnifies and holds the Authority harmless from any and all damages resulting from its representations, savings estimates, sales, warranties, maintenance, any installed measure, product, and/or system, and service for all installed measures, products, and/or systems;
- (G) Must not make false or misleading claims about any part of the Program or its performance, including energy performance savings, nor engage in fraudulent or deceitful conduct in the sale or installation of measures;
- (H) Has no outstanding judgments and/or liens;

- (I) Agrees that its employees and representatives are solely responsible for all representations made to Eligible Commercial Financing Customers regarding the Program or work performed for an Eligible Commercial Financing Customer under the Program, and are responsible for all savings estimates, sales, warranties, maintenance, and service for all products and systems installed; and
- (J) That all of the information provided is true and correct to the best of the signatory's knowledge.

- (8) Additional Certifications of the Eligible Project Developer. In addition to the certifications in Section 10092.4(c)(7), the application must include certifications of the Eligible Project Developer, signed by a person authorized to legally bind the Eligible Project Developer, that for all forthcoming Projects that will be submitted for enrollment in the Program as a Participating Project Developer:

~~In addition to the certifications in Section 10092.4(c)(7), the application must include certifications of the Eligible Project Developer, signed by a person authorized to legally bind the Eligible Project Developer, that for all forthcoming Projects that will be submitted for enrollment in the Program as a Participating Project Developer:~~

- (A) Any developer services costs were for services related to the Project;
  - (B) It complied with all Program regulations, rules, and requirements;
  - (C) The Project complied with Program requirements; and
  - (D) Any ESMs reported as self-installed were installed and comply with Program requirements.
- (9) Upon receipt of a completed application, the Authority will, within ten business days, review and determine whether additional information is required, or whether the application meets the above requirements in a manner sufficient to permit the applicant to be a Participating Contractor or Participating Project Developer or both. The Authority's decision regarding enrollment will be final. The Authority will notify the Eligible Contractor or Eligible Project Developer of its decision.

(d) Program Participation

- (1) The Authority will publish the names of Participating Contractors and Participating Project Developers on its website(s).
- (2) Participating Contractors must maintain a license free of active discipline and notify the Authority within ten business days if disciplinary action has been taken against its license.
- (3) Participating Contractors and Participating Project Developers must maintain general liability insurance of at least \$1 million per occurrence throughout its enrollment with the Program.
- (4) On an annual basis, the Authority may request updated proof of insurance, pursuant to Section 10092.4(c)(7)(D).
- (5) Participating Contractors and Participating Project Developers must maintain, for a period of no less than 18 months following the Scope of Work Completion Date, all documentation they produced or relied upon in completing the Project including, but not limited to, invoices, scope(s) of work, and records conveying location of installed measures within each Eligible Property.

- (A) If documents are requested by the Authority as part of a compliance verification per Section 10092.7(d), the Participating Contractor and/or Participating Project Developer must supply the documentation.
- (e) Removal from the Program
- (1) In the event that the Authority finds misrepresentation or failure to comply with the requirements set forth in the regulations within this Article on the part of a Participating Contractor or Participating Project Developer, the Executive Director of the Authority may remove the Participating Contractor or Participating Project Developer from the Program. In addition, if a Participating Project Developer which qualified for the Program as an IOU, ~~REN,~~ or ~~CCA~~ Energy Efficiency or Demand Response implementer, as described in Section 10092.4(b)(2)(E), has an IOU, ~~REN,~~ or ~~CCA~~ contract terminated due to misconduct, the Executive Director may remove the Participating Project Developer from the Program. Upon removal of a Participating Contractor or Participating Project Developer, the Executive Director of the Authority will remove the contractor or project developer from the Authority's website and other promotional materials. The Authority may notify other government agencies and/or the IOUs.
  - (2) Upon removal from the Program, the contractor or project developer must cease utilizing any Program or associated brand logos or promotional materials and must not represent themselves as affiliated with the Program.
  - (3) The Executive Director will provide written notice of the removal, the basis for removal, and the right to appeal in accordance with the procedures set forth in this Section.
    - (A) Any Participating Contractor or Participating Project Developer receiving a notice of removal has the right to submit information, in writing, to the Authority explaining the misrepresentation or failure to comply with Program requirements and asking that the Executive Director reconsider the removal. The Authority must receive such information within fifteen business days of the date of the notice of removal.
    - (B) The Executive Director will have ten business days to respond to any information submitted pursuant to ~~the preceding paragraph (a) of this Section~~ Section 10092.4(e)(3)(A), either reversing or affirming the removal. The Executive Director must provide written notice of the decision and the right to appeal the decision to the Authority pursuant to ~~the following paragraph (e) of this Section~~ Section 10092.4(e)(3)(C).
    - (C) Within fifteen business days of the date of the notice from the Executive Director pursuant to ~~the preceding paragraph (b)~~ Section 10092.4(e)(3)(B), the Participating Contractor or Participating Project Developer will have the right to seek an appeal to the Authority. The appeal must be in writing and must set forth the information the Participating Contractor or Participating Project Developer believes warrants a reversal of the Executive Director's decision. The Authority must consider the appeal at the first regularly scheduled board meeting occurring at least twenty business days after the appeal is received.
- (f) Withdrawal of Participating Project Developer and Participating Contractor
- (1) A Participating Project Developer or a Participating Contractor may withdraw from the Program after giving written notice to the Authority.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.5** Eligible Financial Products

- (a) Disclosure. For all financial products, the Finance Provider Entity must disclose to the Eligible Commercial Financing Customer either:

~~For all financial products, the Finance Provider Entity must disclose to the Eligible Commercial Financing Customer either:~~

- (1) An annual percentage rate (APR) (inclusive of any fees) as well as any advance payments which the Eligible Commercial Financing Customer is required to pay; or
- (2) The total cost of the Project for the Eligible Commercial Financing Customer comprised of monthly payments multiplied by the number of months in the agreement plus any fees [(monthly payments \* number of months in the agreement) + fees]. Monthly payments should be inclusive of, but not limited to, equipment and installation repayment, and any charges for financing, services, maintenance, or oversight of equipment.
- (3) For the purposes of this Section, Savings-Based Payment Agreements will satisfy the requirements set forth in ~~the preceding paragraph~~ Section 10092.5(a)(2) with the FPE's provision of a good-faith estimate of the total cost of the project, based on industry-accepted methods and assumptions used to estimate energy savings, due to the fact that monthly payments will be variable under these agreements.

- (b) Other Provisions. In addition to meeting the specific definitions of either an Eligible Lease or Eligible Equipment Financing Agreement, Eligible Loan, Eligible Service Agreement, or Eligible Savings-Based Payment Agreement the following provisions apply to Eligible Financing Agreements:

~~In addition to meeting the specific definitions of either an Eligible Lease or Eligible Equipment Financing Agreement, Eligible Loan, Eligible Service Agreement, or Eligible Savings-Based Payment Agreement the following provisions apply to Eligible Financing Agreements:~~

- (1) Interest rates, if applicable, may be fixed or variable.
- (2) The maximum Total Financed Amount is \$5 million.
- (3) Refinancing agreements are acceptable only if both the original and refinancing agreements are for the same Project and the Eligible Financing Agreement is submitted for enrollment in the Program within 90 calendar days of the Scope of Work Completion Date per Section 10092.8(a)(2).
- (4) The agreement must not be a revolving line of credit.
- (5) Fees must be reasonable and in accordance with industry standards.
- (6) FPEs must take a security interest in agreements with Total Financed Amounts greater than \$50,000.
- (7) The security interest must not be real property except for a UCC-1 fixture filing.
- (8) The Claim-Eligible Financed Amount of the Enrolled Financing Agreement must not be enrolled in a substantially similar program.
- (9) In addition to the general requirements stated above, terms and characteristics of the Eligible Financing Agreement must be consistent with the product(s) described by the FPE in its application to participate in the Program pursuant to Section 10092.2(c)(3) and approved by the Authority.

**Agenda Item – 4.D**

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.6** Eligible Financing Customers

To participate in the Program, the following requirements apply to the Eligible Commercial Financing Customer:

- (a) The Eligible Commercial Financing Customer must not have filed for bankruptcy within the last five years or have any outstanding judgments or liens.
- (b) The Finance Provider Entity performing the Underwriting role described in Section 10092.2(b)(1) must conduct a credit check of the Eligible Commercial Financing Customer utilizing a standard industry credit scoring service. Alternatively, the FPE may use twelve months of the Eligible Commercial Financing Customer's utility bill-pay history from one of the IOUs to satisfy this requirement.
- (c) In addition to an FPE's underwriting criteria and the requirements described in Sections 10092.6(a)-(b), an Eligible Commercial Financing Customer accessing a Total Financed Amount of less than or equal to \$350,000 must meet one of the following criteria:
  - (1) The Eligible Commercial Financing Customer's business or organization shows a positive operating profit utilizing either EBIT or EBITDA, or positive taxable income for the last two years; or
  - (2) The Eligible Commercial Financing Customer has been in business at least 5 years; or
  - (3) The Eligible Commercial Financing Customer provides a personal guarantee.
- (d) In addition to an FPE's Underwriting criteria and the requirements described Sections 10092.6(a)-(b), an Eligible Commercial Financing Customer accessing a Total Financed Amount of more than \$350,000, must meet both of the following criteria:
  - (1) The business or organization shows a positive operating profit utilizing either EBIT or EBITDA, or positive taxable income for at least two out of the last five years; and
  - (2) The debt service coverage ratio is greater than 1.10 for at least two out of the last five years.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.7** Project Eligibility

- (a) General eligibility. Any Project receiving financing through the terms of the Program must comply with the following eligibility requirements:

~~Any Project receiving financing through the terms of the Program must comply with the following eligibility requirements:~~

- (1) Each Participating Contractor must be enrolled in the Program prior to that Participating Contractor’s Scope of Work Completion Date.
- (2) The Eligible Commercial Financing Customer must be provided with a Bill Impact Estimate (BIE) by the Participating Contractor, Participating Project Developer, or the Primary Finance Provider Entity.
- (3) The Project must have at least one ESM meeting the requirements described in Section 10092.7(b).
- (4) The cost for non-lighting measures installed utilizing the ESM List Method, described in Section 10092.7(b)(1), must not exceed \$350,000.
- (5) Each Participating Contractor must have the proper license(s) relevant to perform its Scope of Work.
- (6) The Project must comply with all applicable local, state and federal laws, rules, regulations, and ordinances, including, but not limited to, Title 24 of the California Code of Regulations.
- (7) All permits and approvals required to install each Scope of Work must have been approved or must be in the process of being approved.

- (b) Measure Eligibility. There are three methods by which a measure may qualify as an Energy Saving Measure for Program purposes. Each ESM must satisfy at least one method.

~~There are three methods by which a measure may qualify as an Energy Saving Measure for Program purposes. Each ESM must satisfy at least one method.~~

- (1) ESM List Method - The measure meets the criteria the Authority has specified on the ESM List as described in Section 10092.14, including that the fuel saving type (gas or electric) corresponds to IOU service to the Eligible Property.
  - (A) Any measure that qualifies for an IOU, ~~REN,~~ or ~~CCA~~ rebate is eligible for qualification through the ESM List Method.
- (2) IOU Custom Measure Method - The measure has been approved for installation as part of an IOU Custom program with an IOU Custom approval date within the last twenty-four months.
- (3) Professionally Certified Measure Method - An Energy Professional certifies that installation of the measure will result in energy savings compared to existing conditions.

- (c) Self-Installers

- (1) An Eligible Commercial Financing Customer may install or have installed without a Participating Contractor:
  - (A) Energy Saving Measures which have been identified on the ESM List as eligible for self-installation; and
  - (B) Non-ESMs.

- (2) A Project Developer must be active on any Project with a Self-Installer. For any Scope of Work installed by a Self-Installer, a Project Developer must provide:

- (A) The data required in Section [10092.8\(b\)\(2\)\(B\)](#), (E), and (F).

(d) Quality Assurance/Quality Control

- (1) In order to verify that Scopes of Work were installed in accordance with the regulations within this Article, within one year of the Enrollment Date of an Eligible Financing Agreement, the Authority may conduct ~~either~~ [one or more of](#):
  - (A) A review of data and documentation (desktop review);
  - (B) A field verification at the Eligible Property(ies); or
  - (C) Photo verification.
- (2) For Projects with any IOU Custom measures, the Authority will not perform a field verification.
- (3) The Authority shall notify the Eligible Commercial Financing Customer at least ten business days prior to conducting a field verification.
- (4) If the Authority finds that a Participating Contractor's Scope of Work was not installed in accordance with the regulations within this Article or that the Participating Contractor misrepresented information related to the work, the Authority may remove the Participating Contractor from Program participation pursuant to the processes described in Section 10092.4(e) and/or may notify other government entities and the IOUs.
- (5) If the Authority finds that a Self-Installer's Scope of Work was not installed in accordance with these requirements or that the Participating Project Developer misrepresented information related to any Project, the Authority may remove the Participating Project Developer from Program participation pursuant to the processes described in Section 10092.4(e) and/or may notify other government entities and the IOUs.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.8** Financing Submittal and Enrollment

(a) Timing of Submittal and Enrollment

- (1) Once all Scopes of Work are completed and certified by all Participating Contractors, and if applicable, the Participating Project Developer, and the ~~Eligible Commercial Financing Customer and the FPE have~~ has closed the agreement with the Eligible Commercial Financing Customer, a complete financing submittal may be submitted for enrollment as described in Section 10092.8(b), to the Authority.
- (2) The Eligible Financing Agreement must be submitted within 90 calendar days of the last Scope of Work Completion Date on the Project.
- (3) Within ten business days of receipt of a complete set of data elements, documentation, and certifications as described in Section 10092.8(b), for an Eligible Financing Agreement, the Authority will enroll or deny the Eligible Financing Agreement in the Program and communicate this information to the Finance Provider Entity.

(b) Complete Financing Submittal Requirements

- (1) Documentation. A complete financing submittal must include the following documentation provided to the Authority by the Participating Contractor, Project Developer, and/or Finance Provider Entity:

~~A complete financing submittal must include the following documentation provided to the Authority by the Participating Contractor, Project Developer, and/or Finance Provider Entity:~~

- (A) IOU service confirmation: The utility bills for any gas or electric service provided by any of the Investor Owned Utilities at the Eligible Property(ies).
- (B) IOU Custom incentive documentation: A copy of the IOU Custom incentive approval letter or notice to proceed must be provided to the Authority for all Projects with ESMs which include an IOU Custom rebate or incentive.
- (C) Eligible Commercial Financing Customer data authorizations: A signed CHEEF Privacy Rights Disclosure Form as described in Section 10092.13.
- (D) Invoice(s): The Participating Contractor must supply the Program with a copy of the final invoice for the contractor’s Scope of Work.

- (2) Data. A completed submittal includes the following data provided to the Authority in a format approved by the Authority:

~~A completed submittal includes the following data provided to the Authority in a format approved by the Authority:~~

(A) Data provided solely by Participating Contractor:

- (i) The Scope of Work Completion Date for any work performed by the Participating Contractor.

(B) Data provided solely by Participating Project Developer:

- (i) Any fees charged by the Participating Project Developer and, if there are fees, a brief description of the services provided.

- (ii) The Scope of Work Completion Date for any work completed by a Self-Installer.
- (C) Data provided solely by the Energy Professional:
- (i) For each ESM qualifying through the Professionally Certified Measure Method per Section 10092.7(b)(3), the Energy Professional must provide:
    - a. Whether the reported savings result from Energy Efficiency or Demand Response measures.
    - b. Energy Professional's estimate of the electric savings of each EE or DR measure certified by the Energy Professional. Savings must be reported in annual kWh for EE and peak kW for DR.
    - c. Energy Professional's estimate of the gas savings of each EE or DR measure certified by the Energy Professional. Savings must be reported as annual therms for EE and peak therms for DR.
- (D) Data provided solely by the Finance Provider Entity:
- (i) The following data related to the Project:
    - a. The amount of any Capitalized Interest included in the Total Financed Amount.
  - (ii) The following data related to the Eligible Commercial Financing Customer:
    - a. North American Industry Classification System (NAICS) Code applicable to the business.
    - b. Method by which the customer qualifies as an Eligible Small Business Financing Customer per Section 10092.1(w).
    - c. The number of years in business.
    - d. An indication of how the entity is organized, e.g., sole proprietorship, corporation, or LLC.
    - e. The credit score.
    - f. Credit scoring or reporting service relied upon to calculate the credit score.
    - g. For Eligible Financing Agreements greater than \$350,000, the Eligible Small Business Financing Customer's annual revenue.
    - h. Special business characteristics if known, e.g. woman-owned, veteran-owned, or minority-owned.
  - (iii) The following data related to all Eligible Financing Agreements:
    - a. The Finance Provider Entity's internal financing agreement number.
    - b. An indication as to whether the financing agreement is an Eligible Loan, Eligible Lease or Eligible Equipment Finance Agreement, Eligible Energy Service Agreement, or an Eligible Savings-Based Payment Agreement.
    - c. The name of the representative of the Finance Provider Entity who submitted the agreement to the Authority.
    - d. The Total Financed Amount.

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- e. Whether an advanced payment was required of the Eligible Commercial Financing Customer, and if so, the number of months covered by the payment.
  - f. Whether a security interest was taken against the financing agreement, and if so, an indication of the type of security interest taken.
  - g. Date the financing agreement funded, or is anticipated to fund.
  - h. Term of the financing agreement and its maturity date or its contractual end date.
  - i. Monthly finance agreement payment amount including principal, interest if applicable, and any maintenance, oversight, and service charges.
- (iv) The following data relating to Eligible Loans and Eligible Leases or Eligible Equipment Financing Agreements:
- a. Interest rate applied to the financing agreement and whether the rate is fixed or variable.
  - b. Amount of the interest rate bought down by the contractor, if applicable.
  - c. Any additional fees charged to the Eligible Commercial Financing Customer and/or contractor.
- (v) The following data related only to Eligible Service Agreements and Eligible Savings-Based Payment Agreements:
- a. Monthly charges for ongoing service and maintenance related to the upkeep or performance of all installed measures.
- (E) Data provided by either the Participating Project Developer or Finance Provider Entity:
- (i) For Projects with Ancillary Elements that are Non-ESMs:
    - a. A description and associated cost for any Non-ESMs installed by contractors not enrolled with the Program, or by Self-Installers.
    - b. The name and CSLB number of the non-enrolled contractor company who installed the Non-ESMs.
  - (ii) For Projects which include Distributed Generation:
    - a. A description and associated cost for the Distributed Generation measure(s) installed.
    - b. The name and CSLB number of the contractor company who installed the Distributed Generation.
- (F) Data provided by either the Participating Contractor, Participating Project Developer, or Finance Provider Entity:
- (i) The following data related to the Eligible Commercial Financing Customer:
    - a. Name, e-mail address, and phone number.
    - b. Whether the customer owns the Eligible Property(ies) or is a tenant occupant.

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- c. IOU names and account numbers for all IOU gas and/or electric service at each Eligible Property.
- (ii) The following data related to each Eligible Property:
  - a. The street address, city, and ZIP code.
  - b. Number of units or spaces ~~or~~ at the Eligible Property for which ESMs were installed.
- (iii) The following data relating to all Energy Saving Measures (ESMs):
  - a. The method by which each ESM qualified for the Program.
  - b. The ESM category e.g. “Lighting” or “Refrigeration”.
  - c. The ESM measure name.
  - d. A brief description including size, efficiency performance, standard material descriptions, and/or specifications.
  - e. The quantity installed.
  - f. An indication of whether the ESM is replacing existing equipment or a new installation.
  - g. An indication of whether the installation resulted in a fuel switch for that measure.
  - h. The fuel for which there is expected savings as a result of installing the ESM.
- ~~(iv) The following data related to each ESM installed via either the IOU Custom Measure Method or the Professionally Certified Measure Method:~~
  - ~~a. The fuel for which there is expected savings as a result of installing the ESM.~~
- ~~(v)~~(iv) In addition to the requirements in Section 10092.8(b)(2)(F)(iii), The following data related to each ESM installed via the Professionally Certified Measure Method:
  - a. The Energy Professional's name, business name, city, e-mail address, and phone number.
  - b. An indication of whether the Energy Professional is a PE or CEM.
  - c. The Energy Professional's certification ID or license number, as applicable.
- ~~(vi)~~(v) The following data related to each Scope of Work:
  - a. Total cost of all ESMs installed.
  - b. Total cost and brief description of improvements which were legally and practically required to complete the Scope of Work not accounted for in the total cost of ESMs, if applicable.
  - c. Total cost and description of all Non-ESMs installed.
  - d. All permit number(s) issued by governmental body(ies), if applicable.
  - e. An indication of whether the Participating Contractor or Eligible Commercial Financing Customer is seeking or has received a rebate or incentive from an IOU, REN, or CCA for the Scope of Work.
  - f. The date the Scope of Work was completed, if not already provided.

~~(vii)~~(vi) The following data related to Projects for which the Participating Contractor or Eligible Commercial Financing Customer is seeking an IOU, ~~REN,~~ or ~~CCA~~ rebate or incentive:

- a. The rebate or incentive amount.
- b. The name of the IOU, ~~REN,~~ or ~~CCA~~ issuing the rebate or incentive, the rebate or incentive name, and if known, the project identification code, ~~if known.~~
- c. Date that the IOU, ~~REN,~~ or ~~CCA~~ approved the Eligible Commercial Financing Customer's custom measure(s), if applicable.

(3) Certifications. A completed financing submittal includes the following certifications provided to the Authority:

~~A completed financing submittal includes the following certifications provided to the Authority:~~

(A) Participating Contractor Certifications. Certification, signed by a person authorized to legally bind the Participating Contractor, of the following:

~~Certification, signed by a person authorized to legally bind the Participating Contractor, of the following:~~

- (i) The Participating Contractor who completed the Scope of Work holds the relevant license(s) to perform the installation;
- (ii) All ESMs and Non-ESMs listed on the Scope of Work were installed and comply with Program requirements;
- (iii) The installation of the ESMs and Non-ESMs complies with all applicable California building standards including, but not limited to, Title 24 of the California Code of Regulations. The installation also complies with all laws, ordinances, regulations and standards applicable in the jurisdiction where the installation occurred;
- (iv) All permits and approvals required to install the Scope of Work have been approved or are in the process of being approved;
- (v) It has reported to the Authority any Distributed Generation that was installed at the Eligible Property(ies);
- (vi) It complied with all Program regulations, rules, and requirements; and
- (vii) All of the information provided by the Participating Contractor is true and correct to the best of the signatory's knowledge.

(B) Project Developer Certification. Certification from an individual authorized to legally bind the Participating Project Developer of the following:

~~Certification from an individual authorized to legally bind the Participating Project Developer of the following:~~

- (i) All of the information provided by the Project Developer and Participating Contractor is true and correct to the best of the Participating Project Developer's knowledge.

(C) Finance Provider Entity Certifications. Certification from the Primary Finance Provider Entity of the following:

~~Certification from the Primary Finance Provider Entity of the following:~~

- (i) All data provided by the Primary Finance Provider Entity is true and correct to the best of its knowledge.

- (D) Eligible Commercial Financing Customer Certification. Certification, signed by a person authorized to legally bind the Eligible Commercial Financing Customer of the following:

~~Certification, signed by a person authorized to legally bind the Eligible Commercial Financing Customer of the following:~~

- (i) All Scopes of Work have been installed and completed to its satisfaction;
- (ii) It understands that the Authority and its directors, officers, and agents, and the IOUs and its directors, officers and agents, do not guarantee the performance, quality, or workmanship of any installation in the Project;
- (iii) The Eligible Financing Agreement funds were, or will be, used to pay for the eligible Project;
- (iv) All permits and approvals required to complete the Project have been approved or are in the process of being approved;
- (v) The Participating Contractor, Participating Project Developer, or the Finance Provider Entity has provided the Eligible Commercial Financing Customer with a Bill Impact Estimate;
- (vi) Acknowledgement and agreement to be subject to random post-project verifications, as described in Section 10092.7(d); and
- (vii) Certification that all of the information provided by the Eligible Commercial Financing Customer is true and correct to the best of its knowledge.

- (E) Energy Professional Certification

- (i) The Energy Professional certifies that each Energy Saving Measure qualifying by the Professionally Certified Measure Method, as described in Section 10092.7(b)(3), will save energy and its estimates of savings are true and correct to the best of its knowledge.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.9** Credit Enhancement

- (a) Establishment of Accounts. Upon the Authority's acceptance of an application from a Finance Provider Applicant to be a Finance Provider Entity, the Authority shall instruct the Trustee to establish a Loss Reserve Account(s) for the Finance Provider Entity. The Loss Reserve Account(s) will be held by the Trustee and will be used to:

~~Upon the Authority's acceptance of an application from a Finance Provider Applicant to be a Finance Provider Entity, the Authority shall instruct the Trustee to establish a Loss Reserve Account(s) for the Finance Provider Entity. The Loss Reserve Account(s) will be held by the Trustee and will be used to:~~

- (1) Receive and hold Loss Reserve Contributions deposited by the Authority for the benefit of a Finance Provider Entity; and
  - (2) Pay claims in accordance with Section 10092.10.
- (b) At the Loss Reserve Account Representative's request, the Authority will establish up to three Loss Reserve Accounts for the Finance Provider Entity.
- (c) Contributions to Loss Reserve Accounts
- (1) For each of the Finance Provider Entity's Enrolled Financing Agreements, the Authority shall direct the Trustee to transfer a Loss Reserve Contribution from the Program Holding Account to the Loss Reserve Account of that Finance Provider Entity.
  - (2) The Loss Reserve Contribution for each Enrolled Financing Agreement will be calculated in the following manner: 20% of the first \$50,000 of claim-eligible financing and then 5% of the next \$950,000.
  - (3) If the Primary Finance Provider Entity notifies the Authority per Section 10092.2(c)(6)(F) that it determined not to fund the Enrolled Financing Agreement, the Authority will recover the Loss Reserve Contribution for that Enrolled Financing Agreement by transferring the funds back to the Program Holding Account and the financing agreement will be removed from the Program.
  - (4) If the Primary Finance Provider Entity notifies the Authority per Section 10092.2(c)(6)(F) that it determined to fund less than the Claim-Eligible Financing Amount as reported at the time of submittal, the Authority will recover any excess contribution to the Loss Reserve Account by transferring the funds back to the Program Holding Account.
- (d) Annual Rebalance. Once per fiscal year ending June 30, the Authority shall instruct the Trustee to rebalance a Finance Provider Entity's Loss Reserve Account, if necessary, and move funds from the FPE's Loss Reserve Account into the Program Holding Account.

~~Once per fiscal year ending June 30, the Authority shall instruct the Trustee to rebalance a Finance Provider Entity's Loss Reserve Account, if necessary, and move funds from the FPE's Loss Reserve Account into the Program Holding Account.~~

- (e) Methodology. The initial rebalance amount will be the sum of the original Loss Reserve Contributions associated with Enrolled Financing Agreements that were paid off in full during the fiscal year.

~~The initial rebalance amount will be the sum of the original Loss Reserve Contributions associated with Enrolled Financing Agreements that were paid off in full during the fiscal year.~~

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- (1) If the FPE did not make any claims as provided under Section 10092.10 during the fiscal year, the initial rebalance amount will not be changed and the funds will be transferred from the FPE's Loss Reserve Account to the Program Holding Account.
- (2) If the FPE made one or more claims as provided under Section 10092.10 during the fiscal year, and the total claim amount is less than the initial rebalance amount, the final rebalance amount will equal the initial rebalance amount less the claim(s) amount.
- (3) If the FPE made one or more claims as provided under Section 10092.10 during the fiscal year, and the total claim amount is more than the initial rebalance amount, there will be no rebalance.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.10** Claims

- (a) An FPE may submit a claim for an Enrolled Financing Agreement when all of the following conditions are met:
  - (1) The claim is submitted within 10 years from the Enrollment Date;
  - (2) The Eligible Commercial Financing Customer has defaulted on the Enrolled Financing Agreement and the FPE has charged off some or all of the outstanding Claim-Eligible Financed Amount;
  - (3) The FPE has taken reasonable steps in accordance with industry standards to seek recoveries through liquidation of collateral and any personal guarantees, if applicable; and
  - (4) The FPE is in compliance with Program regulations including, but not limited to, the reporting requirements in Section 10092.12.
- (b) In the event of a charge-off, the FPE may submit a claim for up to 90% of the Claim-Eligible Charge-Off Amount.
- (c) Claims will be paid net of any recovery and proceeds that the Finance Provider Entity has obtained prior to the filing of the claim such that the Finance Provider Entity will recoup no more than 100% of the Claim-Eligible Charge-Off Amount. Unless as described in Section 10092.10(d), a payment for a particular claim is limited to the funds in the Finance Provider Entity's Loss Reserve Account(s) at the time that the claim is approved by the Authority.
- (d) If there are not sufficient funds in the FPE's Loss Reserve Account to cover 90% of the Claim-Eligible Charge-Off Amount at the time of a claim, the Loss Reserve Account Representative may ask that future contributions to the Loss Reserve Account (when new financings are enrolled) be paid out as part of the original claim until the end of the next annual rebalancing.
- (e) Claim Applications. Claim applications must be submitted by the Loss Reserve Account Representative to the Authority within 180 calendar days of the date of charge-off of an Enrolled Financing Agreement. To make a claim, an FPE must be in compliance with the Program regulations, including, but not limited to, the reporting requirements in Section 10092.12. The claim application must include the following information provided by the Finance Provider Entity in a format to be specified by the Authority:

~~Claim applications must be submitted by the Loss Reserve Account Representative to the Authority within 180 calendar days of the date of charge-off of an Enrolled Financing Agreement. To make a claim, an FPE must be in compliance with the Program regulations, including, but not limited to, the reporting requirements in Section 10092.12. The claim application must include the following information provided by the Finance Provider Entity in a format to be specified by the Authority:~~

- (1) The following data:
  - (A) Total ~~C~~harge-~~O~~ff ~~A~~mount and claim amount requested.
  - (B) Whether or not enforcement proceedings have commenced.
  - (C) Trustee account number(s) from which the claim payment will be made.
  - (D) The loss reserve payee.

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- (2) If the Enrolled Financing Agreement is secured, a statement of whether the FPE has commenced enforcement proceedings;
  - (3) Certification that the claim was submitted as required by Section 10092.10(a) and certification that such charge-off was made in a manner consistent with the FPE's usual methods for taking action on financing agreements which are not Enrolled Financing Agreements under the Program;
  - (4) Certification that the FPE will comply with reporting requirements on recoveries and proceeds, as laid out in Section 10092.12(b)(8);
  - (5) Certification that all of the information provided is true and correct to the best of the signatory's knowledge; and
  - (6) The claim application must be signed by the Loss Reserve Account Representative and shall include the signatory's printed name, title, and date.
- (f) The Authority will approve claims within thirty calendar days of the Authority's receipt of a completed and qualified claim request, provided, however, that the Executive Director shall be authorized to reject a claim if it is determined that any of the acknowledgements, certifications, representations, and warranties provided by the FPE pursuant to Sections 10092.2(c)(4) - (7) and Sections 10092.3(g) and (h) at the time of application to the Program were false, or if the Eligible Financing Agreement claimed upon does not conform to financing product(s) submitted in the application to participate in the Program per Section 10092.2(c)(3) or a subsequent update per Section 10092.12(f), or if the FPE is not in compliance with its obligations, including reporting obligations, under the regulations within this Article. The Authority, upon providing written notice to the FPE, may defer approval of claims up to an additional thirty calendar days if the Authority requires more information in order to determine if the claim shall be paid. Prior to authorizing a disbursement from a Loss Reserve Account, the Authority may request documentation relating to the original Enrolled Financing Agreement, the servicing file, and the default.
- (g) Upon approval of a claim, the Authority will direct the Trustee to disburse the approved claim amount from the FPE's Loss Reserve Account to the Loss Reserve [Account](#) Representative within five business days.
- (h) The Loss Reserve Representative may request that the Trustee disburse funds to a third party of its choosing. Such request to disburse funds to a third party must be made by the Loss Reserve [Account](#) Representative to the Authority, in writing, at the time of the submission of the claim application.
- (i) If, subsequent to the payment of a claim by the Authority, the FPE recovers from the Eligible Small Business Financing Customer, from liquidation of collateral, personal guarantees, or from any other source, amounts for which the FPE applied to have recouped from the Authority, the FPE must promptly pay to the Authority or its agent, for deposit in the Program Holding Account, the amount received, net of reasonable and customary costs of collection, that in aggregate exceeds the amount needed to fully cover the FPE's loss on the Claim-Eligible Charge-Off Amount.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.11** Sale and Transfer of Enrolled Financings and Transfer of Program Roles

- (a) A Finance Provider Entity may sell, transfer, or assign an Enrolled Financing Agreement or the associated repayments of an Enrolled Financing Agreement in whole or in part, or a portfolio of Enrolled Financing Agreements, in whole or in part. The sale must be reported to the Authority per Section 10092.12.
- (b) The Primary Finance Provider Entity and Affiliate Finance Provider Entity may transfer between themselves the roles of Monthly Reporting, Loss Reserve Account Representative, and Financing Submittal by notifying the Authority in writing. If the Financing Submittal role transfers, the entity performing the Financing Submittal role will become the new Primary Finance Provider Entity.
- (c) If the Primary Finance Provider Entity or Affiliate Finance Provider Entity wish to transfer any of the roles it has been approved to perform, and/or disclosed that it will perform, to a ~~non-enrolled~~new entity, the new entity must apply to the Program as a Primary Finance Provider Applicant or Affiliate Finance Provider Applicant and be approved by the Authority for enrollment in the Program. At any time, no more than one entity may serve as Primary Finance Provider Entity and at any time, no more than one entity may serve as Affiliate Finance Provider Entity for any Finance Provider Entity. Once approved, the new entity must assume all of the roles filled by the departing Finance Provider Entity.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.12** Reporting

- (a) The Finance Provider Entity must report to the Authority, on a monthly basis, on the status of each Enrolled Financing Agreement as well as on financing applications and decisions for the Program. The report is due to the Authority on the 5th day of the month, except the report will be due on the 6th day of the month if a bank holiday falls in the first week of the month.
- (b) The report must include the following data points in a format approved by the Authority for Enrolled Financing Agreements:
  - (1) Whether the financing agreement is current, 30 days, 60 days, or 90 days past due, fully satisfied, or charged off.
  - (2) Any changes to the maturity date or contractual end date, payment amount, and/or interest rate.
  - (3) The current outstanding financed amount.
  - (4) Whether the financing agreement was sold, transferred, or assigned to a third party and the date of such sale, transfer, or assignment.
  - (5) If the financing agreement was sold, transferred, or assigned, the name of the purchaser, transferee, or assignee and whether the transaction was in whole or in part.
  - (6) Date(s) and amount(s) of any charge-off(s) and whether enforcement proceedings have begun.
  - (7) Any anticipated losses and whether acceleration notices have been sent.
  - (8) Amount of any recoveries or proceeds from charged-off financings.
- (c) Once an FPE has reported an Enrolled Financing Agreement as having a zero balance, it does not need to continue reporting on that agreement in future reports.
- (d) For Savings-Based Payment Agreements where the payment amount fluctuates monthly, the Finance Provider Entity must report changes to the monthly payment amount annually, no later than February 6 for the January monthly report.
- (e) The report must also include the number of completed applications received and the number approved for the Program during the prior month.
- (f) No later than January 15th of each year:
  - (1) The FPE must provide a report to the Authority on any material changes to information or certifications provided in the initial application to participate or indicating that all statements made in the application remain materially unchanged.
  - (2) FPEs that are not Financial Institutions must also provide written evidence of current licenses and insurance.
- (g) If an FPE becomes subject to a cease and desist order or other regulatory sanction from an appropriate federal or state regulatory body, the FPE must inform the Authority in writing within ten business days of such action.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.13** California Hub for Energy Efficiency Financing Privacy Rights Disclosure

The Eligible Commercial Financing Customer authorizes the Participating Contractor(s), Participating Project Developer, IOU(s), and Finance Provider Entity(ies) to share information with the Authority, as required by the regulations within this Article, including contact information, data on work performed and improvements installed on the Project, any and all IOU rebate data, information regarding the Eligible Financing Agreement, and other information relating to or arising from participation in the Program.

- (a) An authorized representative of the Eligible Commercial Financing Customer will be required to affirm that it has read and acknowledges the following privacy rights disclosure in a format to be specified by the Authority:
- (b) As a result of your participation in an energy efficiency financing program, as approved by the California Public Utilities Commission (CPUC) and administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), CAEATFA may come into possession of some or all of the following information:
  - (1) Information disclosing the fact that you are a customer of the finance company.
  - (2) Your financing agreement or the account number associated with your financing agreement.
  - (3) Your name, address, social security number, and contact information.
  - (4) Your financial status and underwriting criteria including, but not limited to, credit scores.
  - (5) The amount of and terms for repayment of your financing agreement.
  - (6) Information regarding your financing agreement payment history.
  - (7) The equipment or improvements funded with the proceeds of your financing agreement.
  - (8) Utility rebate and/or incentive data including, but not limited to, rebate or incentive amount, program project name and identifier, and approval date.
  - (9) The account and service agreement number on your utility bill, monthly energy use, and utility account payment history.
  - (10) Energy savings data from your project.
- (c) The information may be provided to CAEATFA by the CPUC or your utility(ies) or your finance company or a contractor or project developer acting on their behalf. The information may be combined with energy usage information provided by your utility(ies) to the CPUC, who may then provide such information to CAEATFA.
- (d) The information provided to CAEATFA may be released to the Investor-Owned Utilities (IOUs), other state agencies, and the federal government pursuant to contracts, interagency agreements, or if required by law. The information provided to CAEATFA will be released in an anonymized form, aggregated with information from other financing recipients throughout the state to make both financing and energy efficiency project performance available to the public. The information released to the public will be anonymized and aggregated to reduce (but may not eliminate) the risk of anyone viewing the data making an association between specific information and the provider of that information. Information that cannot be anonymized and aggregated will not be released to the public.
- (e) In addition to the anonymized and aggregated release of information contemplated above, CAEATFA may contact financing customers or may release individual financing customer names, addresses, and phone numbers that will enable the IOUs or the CPUC or individuals acting on their behalf to contact financing customers. The purpose of the release and contact will be limited to inviting financing

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customers to participate in surveys or to arrange visits to financing customers' business to evaluate various aspects of the program.

- (f) The officials responsible for maintaining the information provided regarding your financing agreement are program personnel at the agency or its contractors. You have the right of access to records established from the information provided to the agency as it pertains to you.
- (g) By your affirmation to this Privacy Rights Disclosure, you represent and warrant that you are a duly authorized representative of the financing customer and that you have the authority to agree to the terms of this Privacy Rights Disclosure on behalf of the financing customer.

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code

**Section 10092.14** Energy Saving Measure List

The following table designates the Energy Saving Measure (ESM) List for the Program and the corresponding requirements for each measure. In any situation in which the Title 20, Title 24, or any other legal requirement exceeds the requirement specified in the table, the ESM must be installed to meet the legal requirement(s). Where a measure is removed from the ESM list or its requirements are revised, that measure and requirements will continue to be eligible for inclusion in an Eligible Financing Agreement which is submitted to the Program for enrollment within 365 calendar days of the removal or revision of the ESM.

| Measure Category  | Measure   | Requirements   | IOU Fuel Source Eligibility | Eligible for Self-Install |
|-------------------|---|--|-----------------------------|---------------------------|
| Agriculture       | Automatic Pump Shut-off Sensor                          |  | Electric                    | No                        |
| Agriculture       | High Efficiency Booster or Well Pump                    |  | Electric                    | No                        |
| Agriculture       | Heat Recovery   |  | Electric<br>Gas             | No                        |
| Agriculture       | High Efficiency Ventilation Fan                         |  | Electric                    | No                        |
| Agriculture       | High Efficiency Irrigation Pump                         |  | Electric                    | No                        |
| Agriculture       | Irrigation Pump Performance Testing and Optimization    |  | Electric                    | No                        |
| Agriculture       | Plate Cooler  |  | Electric                    | No                        |
| Agriculture       | Sprinkler-to-Drip Irrigation                            |  | Electric                    | No                        |
| Agriculture       | VFD on Booster or Well Pump Motor                       |  | Electric                    | No                        |
| Agriculture       | VFD on Pump or Fan Motor                                |  | Electric                    | No                        |
| Appliances        | Air Cleaner/Purifier                                    | Energy Star  | Electric                    | Yes                       |
| Appliances        | Residential In-Unit Clothes Dryer (Electric)            | Energy Star  | Electric                    | Yes                       |
| Appliances        | Residential In-Unit Clothes Dryer (Gas)                 | Energy Star  | Gas                         | No                        |
| Appliances        | Residential In-Unit Clothes Washer (Electric Hot Water) | Energy Star  | Electric                    | Yes                       |
| Appliances        | Residential In-Unit Clothes Washer (Gas Hot Water)      | Energy Star  | Gas                         | Yes                       |
| Appliances        | Residential In-Unit Dishwasher (Electric Hot Water)     | Energy Star  | Electric                    | Yes                       |
| Appliances        | Residential In-Unit Dishwasher (Gas Hot Water)          | Energy Star  | Gas                         | Yes                       |
| Appliances        | Residential In-Unit Freezer                             | Energy Star  | Electric                    | Yes                       |
| Appliances        | Residential In-Unit Refrigerator                        | Energy Star  | Electric                    | Yes                       |
| Building Envelope | Air Sealing   |  | Electric<br>Gas             | No                        |
| Building Envelope | Attic Insulation  |  | Electric<br>Gas             | No                        |
| Building Envelope | Cool Roof   | Must be certified by Cool Roof Rating Council (CRRC) | Electric                    | No                        |

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| Measure Category                | Measure  | Requirements   | IOU Fuel Source Eligibility | Eligible for Self-Install         |
|---------------------------------|--|--|-----------------------------|-----------------------------------|
| Building Envelope               | Floor Insulation   |  | Electric Gas                | No                                |
| Building Envelope               | Heat Reflective Coating  | Product must have solar reflectance $\geq 0.5$ as tested to ASTM C1549-16      | Electric                    | No                                |
| Building Envelope               | Radiant Barrier  |  | Electric Gas                | No                                |
| Building Envelope               | Wall Insulation  |  | Electric Gas                | No                                |
| Building Envelope               | Window Film  |  | Electric Gas                | Yes                               |
| Building Envelope               | Windows  |  | Electric Gas                | No                                |
| Data Centers                    | Airflow Management Device  |  | Electric                    | No                                |
| Data Centers                    | Aisle Containment  |  | Electric                    | No                                |
| Data Centers                    | Aisle Layout Optimization  | Separate hot and cold aisles   | Electric                    | No                                |
| Data Centers                    | Efficient Network Equipment                                      | Energy Star  | Electric                    | Yes                               |
| Data Centers                    | Efficient Server   | Energy Star  | Electric                    | Yes                               |
| Data Centers                    | Efficient UPS  | Energy Star  | Electric                    | Yes                               |
| Data Centers                    | Server Consolidation   |  | Electric                    | No                                |
| Data Centers                    | Server Virtualization  |  | Electric                    | No                                |
| Demand Response                 | Automated Demand Response Equipment (Electric)                   |  | Electric Gas                | No                                |
| <a href="#">Demand Response</a> | <a href="#">Automated Demand Response Equipment (Gas)</a>        |  | <a href="#">Gas</a>         | <a href="#">No</a>                |
| Demand Response                 | Mechanical Energy Storage (MES) System                           | Must be used for the purpose of permanent load shifting (PLS)                  | Electric                    | No                                |
| Demand Response                 | Thermal Energy Storage (TES) System                              | Must be used for the purpose of permanent load shifting (PLS)                  | Electric                    | No                                |
| Food Service                    | Commercial Cooking Equipment (Electric)                          | Energy Star <a href="#">electric</a> griddles, ovens, steam cookers, or fryers | Electric Gas                | <del>No</del> <a href="#">Yes</a> |
| <a href="#">Food Service</a>    | <a href="#">Commercial Cooking Equipment (Gas)</a>               | <a href="#">Energy Star griddles, ovens, steam cookers, or fryers</a>          | <a href="#">Gas</a>         | <a href="#">No</a>                |
| Food Service                    | Commercial Dishwashing Equipment (Electric Hot Water)            | Energy Star  | Electric Gas                | No                                |
| <a href="#">Food Service</a>    | <a href="#">Commercial Dishwashing Equipment (Gas Hot Water)</a> |  | <a href="#">Gas</a>         | <a href="#">No</a>                |
| Food Service                    | Hot Holding Cabinet  | Energy Star  | Electric                    | Yes                               |
| Food Service                    | Low Flow Pre-Rinse Spray Valve (Electric Hot Water)              |  | Electric Gas                | Yes                               |
| <a href="#">Food Service</a>    | <a href="#">Low Flow Pre-Rinse Spray Valve (Gas Hot Water)</a>   |  | <a href="#">Gas</a>         | <a href="#">No</a>                |
| Food Service                    | On-demand Hand Wrap Machine                                      |  | Electric                    | Yes                               |
| Food Service                    | Ventilation Hood Control   |  | Electric Gas                | No                                |

**Agenda Item – 4.D**

| <b>Measure Category</b> | <b>Measure</b>                                    | <b>Requirements</b>   | <b>IOU Fuel Source Eligibility</b> | <b>Eligible for Self-Install</b> |
|-------------------------|---|---|------------------------------------|----------------------------------|
| HVAC                    | Air Filter Sensor or Automatic Filter Replacement |   | Electric                           | No                               |
| HVAC                    | Air-Source or Ground-Source Heat Pump             |   | Electric<br>Gas                    | No                               |
| HVAC                    | Air-Side or Water-Side Economizer                 |   | Electric                           | No                               |
| HVAC                    | Automatic Temperature Setpoint Control            |   | Electric                           | No                               |
| HVAC                    | Chilled Water Outdoor Temperature Reset           |   | Electric                           | No                               |
| HVAC                    | Chiller Optimization Control                      |   | Electric                           | No                               |
| HVAC                    | Chiller Upgrade, Retrofit, or Replacement         |   | Electric                           | No                               |
| HVAC                    | Cold Water Booster Pump                           | Variable speed pump with ECM motor  | Electric                           | No                               |
| HVAC                    | Compressor or Condenser                           |   | Electric                           | No                               |
| HVAC                    | Condensate Recovery                               |   | Gas                                | No                               |
| HVAC                    | Cooling Tower Upgrade, Retrofit, or Replacement   |   | Electric                           | No                               |
| HVAC                    | Demand Controlled Ventilation                     |   | Electric<br>Gas                    | No                               |
| HVAC                    | Dual Enthalpy Control                             |   | Electric                           | No                               |
| HVAC                    | Duct Insulation                                   |   | Electric<br>Gas                    | No                               |
| HVAC                    | Duct Sealing (Existing)                           |   | Electric<br>Gas                    | No                               |
| HVAC                    | Duct Sealing (New)                                |   | Electric<br>Gas                    | No                               |
| HVAC                    | Evaporative Cooling                               |   | Electric                           | No                               |
| HVAC                    | Fan or Motor Control                              |   | Electric                           | No                               |
| HVAC                    | Furnace - Commercial                              |   | Gas                                | No                               |
| HVAC                    | Furnace - Residential In-Unit                     | Energy Star   | Gas                                | No                               |
| HVAC                    | Furnace Fan Brushless DC Motor                    | Brushless Permanent Magnet (BPM) or Electronically Commutated Motors (ECM) motors | Electric                           | No                               |
| HVAC                    | Gas Hydronic Boiler - Commercial                  |   | Gas                                | No                               |
| HVAC                    | Gas Boiler - Residential In-Unit                  |   | Gas                                | No                               |
| HVAC                    | Gas Steam Boiler - Commercial                     |   | Gas                                | No                               |
| HVAC                    | Heat Recovery                                     |   | Electric<br>Gas                    | No                               |
| HVAC                    | Heat/Energy Recovery Ventilator                   |   | Electric<br>Gas                    | No                               |
| <a href="#">HVAC</a>    | <a href="#">High Efficiency HVAC Fan</a>          |   | <a href="#">Electric</a>           | <a href="#">No</a>               |
| <a href="#">HVAC</a>    | <a href="#">High Efficiency HVAC Pump</a>         |   | <a href="#">Electric</a>           | <a href="#">No</a>               |

Agenda Item – 4.D

| Measure Category     | Measure  | Requirements                                     | IOU Fuel Source Eligibility      | Eligible for Self-Install |
|----------------------|--|--|----------------------------------|---------------------------|
| HVAC                 | High Performance Circulator Pump                             | Variable speed pump with ECM motor               | Electric                         | No                        |
| HVAC                 | Hotel Guest Room Occupancy Temperature Control               |  | Electric<br>Gas                  | No                        |
| HVAC                 | HVAC Tune-up and Optimization                                |  | Electric<br>Gas                  | No                        |
| HVAC                 | Infrared Heater <a href="#">(Electric)</a>                   |  | Electric<br><del>Gas</del>       | No                        |
| <a href="#">HVAC</a> | <a href="#">Infrared Heater (Gas)</a>                        |  | <a href="#">Gas</a>              | <a href="#">No</a>        |
| HVAC                 | Notched or Synchronous Drive Belt                            |  | Electric                         | Yes                       |
| HVAC                 | Outside Air Reduction  |  | Electric<br>Gas                  | No                        |
| HVAC                 | Packaged Terminal Air Conditioner (PTAC)                     |  | Electric                         | No                        |
| HVAC                 | Pipe Insulation  |  | Electric<br>Gas                  | No                        |
| HVAC                 | Rooftop Units or Packaged HVAC System                        |  | Electric<br>Gas                  | No                        |
| HVAC                 | Rooftop Unit Control   | Must include VFD control of RTU supply fan speed | Electric<br>Gas                  | No                        |
| HVAC                 | Smart Thermostat   | Programmable and communicating thermostat        | Electric<br>Gas                  | Yes                       |
| HVAC                 | Split/Mini Split Air Conditioning Unit - Commercial          |  | Electric                         | No                        |
| HVAC                 | Split/Mini Split Air Conditioning Unit – Residential In-Unit | 18 SEER or above                                 | Electric                         | No                        |
| HVAC                 | Static Pressure Reset  |  | Electric<br>Gas                  | No                        |
| HVAC                 | Steam Trap Audit/Replacement                                 |  | Gas                              | No                        |
| HVAC                 | Variable Air Volume <a href="#">(VAV)</a>                    |  | Electric<br>Gas                  | No                        |
| <a href="#">HVAC</a> | <a href="#">Variable Refrigerant Flow (VRF)</a>              |  | <a href="#">Electric<br/>Gas</a> | <a href="#">No</a>        |
| HVAC                 | Ventilation Fan  | Energy Star                                      | Electric                         | No                        |
| HVAC                 | VFD on Compressor Motor                                      |  | Electric                         | No                        |
| HVAC                 | VFD on Pump or Fan Motor                                     |  | Electric                         | No                        |
| HVAC                 | Residential In-Unit Wall Furnace (Fan-type)                  |  | Gas                              | No                        |
| HVAC                 | Residential In-Unit Wall Furnace (Gravity)                   |  | Gas                              | No                        |
| Industrial           | Air Receiver Tanks for Load/No Load Compressor               |  | Electric                         | No                        |
| Industrial           | All-Electric Injection Molding Machine                       |  | Electric                         | No                        |
| Industrial           | Compressed Air Cycling, Desiccant, or Heat Pump Dryer        |  | Electric                         | No                        |

**Agenda Item – 4.D**

| <b>Measure Category</b> | <b>Measure</b>                                   | <b>Requirements</b>   | <b>IOU Fuel Source Eligibility</b> | <b>Eligible for Self-Install</b> |
|-------------------------|--|---|------------------------------------|----------------------------------|
| Industrial              | Compressed Air Leak Audit and Repair             |   | Electric                           | No                               |
| Industrial              | Compressed Air No-Loss Drain                     |   | Electric                           | No                               |
| Industrial              | Compressed Air Pressure Reduction                |   | Electric                           | No                               |
| Industrial              | Energy Recovery Pressure Reducing Valve          |   | Electric                           | No                               |
| Industrial              | Exhaust Hood Control                             |   | Electric Gas                       | No                               |
| Industrial              | High Performance Circulator Pump                 | Variable speed pump with ECM motor  | Electric                           | No                               |
| Industrial              | Notched or Synchronous Drive Belt                |   | Electric                           | Yes                              |
| Industrial              | Premium Efficiency Motor                         | Exceed EISA 2007  | Electric                           | No                               |
| Industrial              | Process Heat Recovery                            |   | Electric Gas                       | No                               |
| Industrial              | Process Pump                                     |   | Electric                           | No                               |
| Industrial              | SCADA System                                     |   | Electric Gas                       | No                               |
| Industrial              | VFD on Compressor Motor                          |   | Electric                           | No                               |
| Industrial              | VFD on Process Pump or Fan Motor                 |   | Electric                           | No                               |
| Lighting                | Controls: Indoor Daylight Sensor                 | <a href="#">Wall or ceiling mount</a>   | Electric                           | No                               |
| Lighting                | Controls: Indoor Networked Lighting System       | DLC qualified Networked Lighting Control  | Electric                           | No                               |
| Lighting                | Controls: Indoor Vacancy Sensor                  | <a href="#">Wall or ceiling mount</a>   | Electric                           | No                               |
| Lighting                | Controls: Integrated Networked Lighting System   | DLC qualified Networked Lighting Control with Luminaire Level Lighting Control (LLLC)   | Electric                           | No                               |
| Lighting                | Controls: Integrated Vacancy and Daylight Sensor | Sensors are integral to the light fixture   | Electric                           | No                               |
| Lighting                | Controls: Integrated Vacancy Sensor              | Sensors are integral to the light fixture   | Electric                           | No                               |
| Lighting                | Controls: Outdoor Networked Lighting System      | DLC qualified Networked Lighting Control  | Electric                           | No                               |
| Lighting                | Controls: Outdoor Occupancy Sensor               |   | Electric                           | No                               |
| Lighting                | LED Accent/Track Light Fixture                   | Energy Star   | Electric                           | No                               |
| Lighting                | LED Case Light Fixture                           | DLC qualified display case, horizontal refrigerated case, or vertical refrigerated case | Electric                           | No                               |
| Lighting                | LED Ceiling Mount or Pendant Fixture             | Energy Star   | Electric                           | No                               |
| Lighting                | LED Decorative <a href="#">Screw-base</a> Lamp   | Energy Star   | Electric                           | Yes                              |
| Lighting                | LED Directional <a href="#">Screw-base</a> Lamp  | Energy Star   | Electric                           | Yes                              |

**Agenda Item – 4.D**

| <b>Measure Category</b> | <b>Measure</b>   | <b>Requirements</b>   | <b>IOU Fuel Source Eligibility</b> | <b>Eligible for Self-Install</b> |
|-------------------------|--|---|------------------------------------|----------------------------------|
| Lighting                | LED Downlight Fixture  | Energy Star hard-wired recessed, surface, or pendant mount  | Electric                           | No                               |
| Lighting                | LED Downlight Screw-base Retrofit Kit                                      | Energy Star recessed or surface mount; screw base retrofit  | Electric                           | Yes                              |
| Lighting                | LED Four-Pin Replacement Lamp  | DLC qualified vertical or horizontal lamps; UL type A   | Electric                           | Yes                              |
| Lighting                | LED General Service <a href="#">Screw-base Lamp</a>                        | Energy Star   | Electric                           | Yes                              |
| Lighting                | LED Horticultural Light Fixture  | DLC qualified horticultural light fixture   | Electric                           | No                               |
| Lighting                | LED High/Low-Bay Fixture or Retrofit Kit                                   | DLC qualified high-bay, low-bay, or high-bay aisle  | Electric                           | No                               |
| Lighting                | LED Interior Directional Fixture   | DLC qualified wall wash or track  | Electric                           | No                               |
| Lighting                | LED Linear Ambient Fixture or Retrofit Kit                                 | DLC qualified direct or indirect linear   | Electric                           | No                               |
| Lighting                | LED Linear Replacement Lamp (TLED) – Type A                                | DLC qualified T8 or T5 linear replacement lamps (all dimensions); UL Type A   | Electric                           | Yes                              |
| Lighting                | LED Linear Replacement Lamp (TLED) – Type B or C                           | DLC qualified T8 or T5 linear replacement lamps (all dimensions); UL types B or C                                       | Electric                           | No                               |
| Lighting                | LED Mogul Screw- <del>b</del> -Base Replacement Lamp - Indoor              | DLC qualified high- or low-bay; UL types B or C   | Electric                           | No                               |
| Lighting                | LED Mogul Screw- <del>b</del> -Base Replacement Lamp - Outdoor             | DLC qualified UL types B or C   | Electric                           | No                               |
| Lighting                | LED Outdoor Area Light Fixture or Retrofit Kit                             | DLC qualified pole/arm-mounted area, decorative, wall-mounted, bollards, parking garage, canopy, flood, spot, stairwell | Electric                           | No                               |
| Lighting                | LED Residential-style Outdoor Wall, Porch, Post, or Security Light Fixture | Energy Star   | Electric                           | No                               |
| Lighting                | LED Street Light Fixture or Retrofit Kit                                   | DLC qualified pole/arm-mounted roadway  | Electric                           | No                               |
| Lighting                | LED Troffer Fixture or Retrofit Kit  | DLC qualified 2x2, 1x4, or 2x4  | Electric                           | No                               |
| Lighting                | LED Under-Cabinet or Cove Fixture  | Energy Star   | Electric                           | No                               |
| Other                   | Building Management System (BMS)   |   | Electric Gas                       | No                               |
| Other                   | Energy Audit   |   | Electric Gas                       | No                               |
| Other                   | Energy Management System (EMS)   |   | Electric Gas                       | No                               |
| Other                   | Energy Measurement, Metering or Monitoring Equipment                       | Must be installed with at least one other non-lighting Energy Saving Measure on this list                               | Electric Gas                       | No                               |

**Agenda Item – 4.D**

| <b>Measure Category</b> | <b>Measure</b>  | <b>Requirements</b>  | <b>IOU Fuel Source Eligibility</b> | <b>Eligible for Self-Install</b> |
|-------------------------|---|--|------------------------------------|----------------------------------|
| Other                   | Generator Circulating Block Heater                        |  | Electric                           | No                               |
| Other                   | High Efficiency Distribution Transformer                  |  | Electric                           | No                               |
| Other                   | IOU/REN/CCA Deemed Rebate - Other                         | Measure not elsewhere on this list for which Participating Contractor or Eligible Finance Customer seeks an IOU/REN/CCA rebate or incentive. | Electric Gas                       | No                               |
| Other                   | Plug Load Control   |  | Electric                           | Yes                              |
| Pool Products           | Gas Pool Water Heater                                     | Energy Star  | Gas                                | No                               |
| Pool Products           | Heat Pump Pool Water Heater                               | Energy Star  | Electric                           | No                               |
| Pool Products           | Pool Cover (Electric Heater)                              |  | Electric                           | Yes                              |
| Pool Products           | Pool Cover (Gas Heater)                                   |  | Gas                                | Yes                              |
| Pool Products           | Pool Pump Motor   | Energy Star  | Electric                           | No                               |
| Pool Products           | VFD on Pool Pump Motor                                    |  | Electric                           | No                               |
| Refrigeration           | Add Doors to Open Case                                    |  | Electric                           | Yes                              |
| Refrigeration           | Add Insulation to Refrigerant Lines or Storage Tanks      |  | Electric                           | No                               |
| Refrigeration           | Air Curtain   |  | Electric                           | No                               |
| Refrigeration           | Anti-Condensation Door/Frame Heater Control               |  | Electric                           | No                               |
| Refrigeration           | Auto-Close Doors for Walk-in Cooler or Freezer            |  | Electric                           | No                               |
| Refrigeration           | Commercial Ice Machine                                    | Energy Star  | Electric                           | Yes                              |
| Refrigeration           | Commercial Refrigerator or Freezer                        | Energy Star  | Electric                           | Yes                              |
| Refrigeration           | Compressor Unit   |  | Electric                           | No                               |
| Refrigeration           | Condensing Unit   |  | Electric                           | No                               |
| Refrigeration           | Evaporator Defrost Control for Freezer                    |  | Electric                           | No                               |
| Refrigeration           | Evaporator Fan Brushless DC Motor                         | Brushless Permanent Magnet (BPM) or Electronically Commutated Motors (ECM) motors  | Electric                           | No                               |
| Refrigeration           | Evaporator Fan Motor Control                              |  | Electric                           | No                               |
| Refrigeration           | Floating Head Pressure Control                            |  | Electric                           | No                               |
| Refrigeration           | Low Charge Ammonia  |  | Electric                           | No                               |
| Refrigeration           | Low Energy Anti-Condensation Door                         |  | Electric                           | No                               |
| Refrigeration           | Phase Change Material for Refrigerated or Freezer Storage |  | Electric                           | Yes                              |
| Refrigeration           | Rapid Close Doors for Refrigerated Warehouse              |  | Electric                           | No                               |
| Refrigeration           | Reach-in Refrigerator or Freezer                          | Energy Star  | Electric                           | Yes                              |
| Refrigeration           | Refrigerated Case Door Strip                              |  | Electric                           | Yes                              |
| Refrigeration           | Refrigerated Case Night Cover                             |  | Electric                           | Yes                              |
| Refrigeration           | Variable Refrigerant Flow <a href="#">(VRE)</a>           |  | Electric                           | No                               |

**Agenda Item – 4.D**

| <b>Measure Category</b> | <b>Measure</b>                                      | <b>Requirements</b> | <b>IOU Fuel Source Eligibility</b> | <b>Eligible for Self-Install</b> |
|-------------------------|---|---------------------|------------------------------------|----------------------------------|
| Refrigeration           | Vending Machines                                    | Energy Star         | Electric                           | Yes                              |
| Refrigeration           | VFD on Refrigeration Pump or Fan Motor              |                     | Electric                           | No                               |
| Water Heating           | Central Gas Domestic Water Heater or Boiler         |                     | Gas                                | No                               |
| Water Heating           | Faucet Aerator (Electric Hot Water)                 |                     | Electric                           | Yes                              |
| Water Heating           | Faucet Aerator (Gas Hot Water)                      |                     | Gas                                | Yes                              |
| Water Heating           | Faucet Laminar Flow Restrictor (Electric Hot Water) |                     | Electric                           | Yes                              |
| Water Heating           | Faucet Laminar Flow Restrictor (Gas Hot Water)      |                     | Gas                                | Yes                              |
| Water Heating           | Heat Pump Water Heater                              | Energy Star         | Electric                           | No                               |
| Water Heating           | Shower Head - Low Flow (Electric Hot Water)         |                     | Electric                           | Yes                              |
| Water Heating           | Shower Head - Low Flow (Gas Hot Water)              |                     | Gas                                | Yes                              |
| Water Heating           | Ozone Laundry System (Electric Hot Water)           |                     | Electric                           | No                               |
| Water Heating           | Ozone Laundry System (Gas Hot Water)                |                     | Gas                                | No                               |
| Water Heating           | Shower Thermostatic Valve (Electric Hot Water)      |                     | Electric                           | No                               |
| Water Heating           | Shower Thermostatic Valve (Gas Hot Water)           |                     | Gas                                | No                               |
| Water Heating           | Tank Insulation (Electric Hot Water)                |                     | Electric                           | Yes                              |
| Water Heating           | Tank Insulation (Gas Hot Water)                     |                     | Gas                                | Yes                              |
| Water Heating           | Tank Water Heater (Gas)                             | Energy Star         | Gas                                | No                               |
| Water Heating           | Tankless Water Heater (Electric)                    |                     | Electric                           | No                               |
| Water Heating           | Tankless Water Heater (Gas)                         | Energy Star         | Gas                                | No                               |

Authority: Section 26009, Public Resources Code  
Reference: Sections 26003 and 26040, Public Resources Code