



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, June 8, 2022
12:00 PM**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501**

[Join Zoom Meeting](#)

Meeting ID: 835 3389 4369

Password: 060822

Dial in: (669) 900 9128 U.S.

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the State or local recommendations for social distancing resulting from the threat of Novel Coronavirus (COVID-19), this meeting is being held via Zoom under Assembly Bill (AB) 361 (Government Code Section 54953). Pursuant to AB 361, WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. AB 361 allows WRCOG to hold Committee meetings via teleconferencing or other electronic means and allows for members of the public to observe and address the committee telephonically or electronically.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to snelson@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson 72 hours prior to the meeting at (951) 405-6703 or snelson@wrcog.us. Later requests accommodated to the extent feasible.

The Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER (Karen Spiegel, Chair)**
- 2. PLEDGE OF ALLEGIANCE**

3. ROLL CALL

4. PUBLIC COMMENTS

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Summary Minutes from the May 11, 2022, Administration & Finance Committee Meeting

Requested Action(s): 1. Approve the Summary Minutes from the May 11, 2022, Administration & Finance Committee meeting.

B. Finance Department Activities Update

Requested Action(s): 1. Receive and file.

6. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. I-REN Partner Program and Operational Agreements

Requested Action(s):

1. Recommend that the Executive Committee approve the Memorandum of Agreement for the I-REN and Authorize the Executive Director to take necessary and appropriate actions to carry out the purpose and intent of the motion.
2. Recommend the Executive Committee either:
 1. Approve the Program Agreement substantially as to form between I-REN Member Council of Governments, SoCal Gas, and SCE and allow the Executive Director to make minor revisions or edits for clarification after consultation with legal counsel; OR
 2. Postpone approval until the Program Agreement is in its final form.
3. Recommend that the Executive Committee approve the selection of Mayor Chris Barajas, City of Jurupa Valley, and Mayor Crystal Ruiz, City of San Jacinto, to the I-REN Executive Committee and ask for one additional volunteer or recommendation for the final WRCOG seat on the I-REN Executive Committee.

B. Potential Amendment to the Beaumont Settlement Agreement

Requested Action(s): 1. Direct the Executive Director to begin negotiations with the City of Beaumont in regards to the Measure A payments specified in the Settlement Agreement.

7. REPORT FROM THE COMMITTEE CHAIR

Karen Spiegel, County of Riverside - District 2

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

9. ITEMS FOR FUTURE AGENDAS ~ Members

Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

10. GENERAL ANNOUNCEMENTS ~ Members

Members are invited to announce items / activities which may be of general interest to the Committee.

11. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO SECTION 54956.9(d)(1):

Case Numbers

- RIC 1904645 (Norton Rose)
- EDCV 20-2164-GW-KKx (AIG)

12. NEXT MEETING

The next Administration & Finance Committee meeting is scheduled for Wednesday, July 13, 2022, at 12:00 p.m., on the Zoom platform **with the option for Committee members to attend in-person.**

13. ADJOURNMENT

Administration & Finance Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Administration & Finance Committee was called to order by Chair Karen Spiegel at 12:00 p.m., on May 11, 2022, on the Zoom platform.

2. PLEDGE OF ALLEGIANCE

Committee member Chuck Washington led members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Beaumont - Mike Lara*
- City of Jurupa Valley - Chris Barajas
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Matt Liesemeyer
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of San Jacinto - Crystal Ruiz
- City of Wildomar - Ben Benoit
- County of Riverside, District 2 - Karen Spiegel (Chair)
- County of Riverside, District 3 - Chuck Washington
- Western Municipal Water District - Brenda Dennstedt*

*Arrived after Roll Call

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR – (Wildomar / District 3) 9 yes; 0 no; 0 abstention. Items 5.A through 5.F were approved.

A. Summary Minutes from the April 13, 2022, Administration & Finance Committee Meeting

Action:

1. Approved the Summary Minutes from the April 13, 2022, Administration & Finance Committee meeting.

B. Finance Department Activities Update

Action:

1. Received and filed.

C. Professional Services Agreements for On-Call Planning Services

This item was pulled for discussion by Committee member Chuck Washington, who asked staff to explain how the amounts for these items were obtained and how the items were agendaized.

Chris Gray, WRCOG Deputy Executive Director, responded that all the the presented agreements relate to activities in the Transportation Department. Approximately 15 to 20 proposals were received in total; staff reviewed the proposals and made the below recommendations. As part of the budget process, staff determined revenues over the next several years and allocated that work to those consultants. In the current fiscal year it is anticipated that TUMF revenues will exceed projections between \$10M to \$20M. LTF funds are coming in above projections. Additionally, there is approximately \$1M in REAP grant funding.

Actions:

1. Recommended that the Executive Committee authorize the Executive Director to execute a new On-Call Professional Services Agreement between WRCOG and WSP USA, Inc., for support to WRCOG with transportation planning, general land use and housing planning, and staff support activities and services in an amount not-to-exceed \$600,000, for a term of the Agreement through June 6, 2025.
2. Recommended that the Executive Committee authorize the Executive Director to execute a new On-Call Professional Services Agreement between WRCOG and PlaceWorks, Inc., for support to WRCOG with general land use and housing planning support activities and services in an amount not-to-exceed \$400,000, for a term of the Agreement through June 6, 2025.
3. Recommended that the Executive Committee authorize the Executive Director to execute a new On-Call Professional Services Agreement between WRCOG and Blais & Associates, for support to WRCOG with grant writing services in an amount not-to-exceed \$400,000, for a term of the Agreement through June 6, 2025.
4. Recommended that the Executive Committee authorize the Executive Director to execute a new On-Call Professional Services Agreement between WRCOG and Fehr & Peers, for support to WRCOG with transportation planning services in an amount not-to-exceed \$400,000, for a term of the Agreement through June 6, 2025.
5. Recommended that the Executive Committee authorize the Executive Director to execute a new On-Call Professional Services Agreement between WRCOG and National Community Renaissance of California, for support to WRCOG with housing and planning-related services and support activities in an amount not-to-exceed \$350,000, for a term of the Agreement through June 6, 2025.

(District 3 / Menifee) 11 yes; 0 no; 0 abstention. Item 5.C was approved.

D. Approval of Professional Services Agreement with Public Financial Management for Investment Management and Advisory Services

Action:

1. Recommended that the Executive Committee approve an agreement with Public Financial Management to provide investment management and advisory services for WRCOG, starting with Fiscal Year 2022/2023, through Fiscal Year 2024/2025, with an option for the Executive Director to extend services for an additional two fiscal years.

E. Amendments to Environmental Programs On-Call Professional Services Agreements

Actions:

1. Authorized the Executive Director to execute a First Amendment to the On-Call Professional Services Agreement between WRCOG and OPR Communications, Inc., to extend the term of service to support WRCOG with general used oil, solid waste and recycling activities through June 30, 2024.
2. Authorized the Executive Director to execute a First Amendment to the On-Call Professional Services Agreement between WRCOG and Kearns & West, Inc., to extend the term of service to support WRCOG with general used oil, solid waste and recycling activities through June 30, 2024.
3. Authorized the Executive Director to execute a First Amendment to the On-Call Professional Services Agreement between WRCOG and MSW Consultants, to support WRCOG with general used oil, solid waste and recycling activities in an amount not to exceed \$150,000 through June 30, 2024.

F. Second Amendment to the Professional Services Agreement with PFM Financial Advisory

Action:

1. Authorized the Executive Director to enter into a Second Amendment to the Professional Services Agreement between WRCOG and PFM Financial Advisors LLC to extend the term of the Agreement to June 30, 2023, and to modify the scope of services and compensation for financial advisory services.

6. REPORTS / DISCUSSION

A. Nominations for WRCOG Executive Committee Chair, Vice-Chair, and 2nd Vice-Chair Positions for Fiscal Year 2022/2023

Dr. Kurt Wilson, WRCOG Executive Director, presented the nominations for discussion.

Action:

1. Recommended that the Executive Committee approve the following slate of individuals for leadership positions for Fiscal Year 2022/2023:
 - a. Chair: Crystal Ruiz, Mayor, City of San Jacinto
 - b. Vice-Chair: Chris Barajas, Mayor, City of Jurupa Valley
 - c. 2nd Vice-Chair: Rita Rogers, Council member, City of Perris

(District 3 / San Jacinto) 11 yes; 0 no; 0 abstention. Item 6.A was approved.

B. Western Riverside County Energy Resilience Plan Activities Update

Daniel Soltero, WRCOG Program Manager, reported that the Western Riverside County Energy Resilience Plan will assess subregional critical facilities and identify the feasibility of implementing future energy resilience improvements in order to maintain power at the facility during outages at the facility. These could be disaster evacuation centers, cool centers, senior centers, and water, sewer, transportation, and telecommunications infrastructure. A feasibility analysis of three sites across the

subregion will be conducted in order to identify microgrid and energy resiliency options.

A facility prioritization matrix was developed, which provides information to assist with selecting those sites which could be subject to further study. The matrix can also be used by other agencies to rank and prioritize their facilities for energy resilience improvements. The matrix takes into consideration each facility's characteristics and operational needs, climate and environmental hazards of the area, and social vulnerabilities for the local population.

An Advisory Group consisting of representatives from five member agencies was convened to provide feedback and validation on the facility prioritization matrix, as well as to assist staff select the three sites for the technical study. The feedback provided included a desire to select three different types of facilities and facilities that are commonly found in other agencies, to avoid the duplication of efforts with the study being conducted by the University of California, Riverside (UCR), on water distribution facilities, and to focus on areas of existing inequities and disadvantaged communities. The three sites selected for the technical study include the City of Banning's Wastewater Reclamation Plant, the City of Jurupa Valley's Fire Station 16, and the City of Menifee's Kay Cenicerros Senior Center.

WRCOG entered into a Professional Services Agreement with UCR Center for Environmental Research and Technology to conduct a resilience study of certain Western Municipal Water District water facilities to increase resilience against power outages and maintain water delivery. This project is being funded through the same California Resilience Challenge grant that is being used to develop the Western Riverside County Energy Resilience Plan.

Next steps include the review of data, proceeding with the technical study and the three above mentioned locations, holding a workshop to discuss the results, and to commence with the resilience study.

Action:

1. Received and filed.

C. Presentation from the Building Industry Association (BIA) of Southern California - Riverside County Chapter

Lou Monville, BIA, expressed concerns in the underlying data that impacts a lot of work already done regarding several current SCAG efforts.

Jennifer Hernandez, indicated that SB 375 requires that along side the Regional Transportation Plan (RTP), the region has to develop a Sustainable Communities Strategy (SCS). Current SCAG efforts of concern include the process to develop data for the RTP/SCS, the Greenprint, and the Regional Advanced Mitigation Program. After a lot of negotiations with SCAG, the BIA did reach accommodation to embrace Connect SoCal.

SCAG has made modifications to local general plans as part of an overall goal to put new housing near transit; for many parts of the region, transit is only a bus stop. The BIA reviewed the model Traffic Analysis Zones (TAZ) maps and discovered that two areas within the City of Lake Elsinore and the City of Menifee. They noted that SCAG had modified the land use data provided by the cities for use in the RTP/SCS.

The legal significance was negated by the BIA and SCAG leadership agreed that the TAZ maps could not be used in a CEQA context, and were not intended to interfere with local control. When SCAG re-ran its vehicle miles traveled models in a way that was more respectable with legal plans, it was determined that there really wasn't much of a change at all. This happened in all counties and all cities within SCAG's region.

Greenprint was created and is a series of data sets created by a grouping of non-profits from the Bay Area to create a different planning framework what is more focused on land conservation, park expansion, urban gardens, etc. Greenprint's data layers applies to both existing built out environments and cities as well as unincorporated county lands.

Unfortunately, Greenprint was expanded to a planning tool for land use, housing, economic development, and infrastructure and was set up with a CEQA phrase of "best available scientific data." Once data is noted as such, it must be considered as part of the CEQA process; failure to consider it is a CEQA reopener and flaw. There were 166 data sets that were elevated into Greenprint as best available scientific data by SCAG staff.

The BIA asks that the WRCOG elected officials bring much more focus on SCAG activities that may undermine rather than advance regional and local control over housing and infrastructure, as well as other economic activities.

Committee member Crystal Ruiz asked where cities can obtain this information.

Chris Gray, WRCOG Deputy Executive Director, indicated that the data presented today is from the old plan; SCAG is currently developing a new plan.

Mrs. Hernandez indicated that the current plan will still be in affect for a couple more years. The concept of Regional Advance Mitigation Planning (RAMP) is that regional transportation plans are severely underfunded and delayed. RAMP is supposed to get the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Services aligned on mitigation requirements for transportation projects so they can be more accurately budgeted.

Committee members were instructed to reach out to Mr. Monville or Mrs. Hernandez for city-level information.

Action:

1. Received and filed.

D. Fiscal Year 2022/2023 Budget Development

Dr. Kurt Wilson, WRCOG Executive Director, reported that WRCOG's Fiscal Year 2022/2023 budget document has been completed. This document is a major change in layout from prior budgets and provides greater visibility and context to the Agency's financial position.

Four Programs will end in the upcoming fiscal year. The I-REN is anticipated to fully launch this upcoming year and includes one new position. Three WCE positions were removed. The Clean Cities Program budget includes one new position.

Currently, TUMF is collecting more than it is paying out in projects. WRCOG is anticipating \$75 million in revenues against \$46 million in expenditures. The difference in revenues and expenditures is primarily due to the difference in TUMF revenues collected compared to anticipated TUMF project reimbursement expenses anticipated to be paid out in the following year.

There is an unallocated labor increase of 4.5% (Cost of Living Allowance), which is subject to change based on the classification and compensation study.

In the interest of time, many more details can be found in the Staff Report.

Committee member Ben Benoit inquired about a 5-year budget forecast.

Dr. Wilson responded that staff have already begun that process.

Action:

1. Recommended that the Executive Committee and General Assembly approve the draft Fiscal Year 2022/2023 Agency Budget.

(Wildomar / District 3) 10 yes; 0 no; 0 abstention. The City of Jurupa Valley representative did not answer. Item 6.D was approved.

7. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Spiegel reported that if anyone has General Assembly sponsor contacts to provide them to Dr. Wilson. If a member has not done their recording for General Assembly, reach out to Dr. Wilson.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Wilson had no report.

9. ITEMS FOR FUTURE AGENDAS

There were no requests for items for future agendas.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING

The next Administration & Finance Committee meeting is scheduled for Wednesday, June 8, 2022, at 12:00 p.m., on the Zoom platform with the option for Committee members to attend in person.

12. ADJOURNMENT

The meeting of the Administration & Finance Committee adjourned at 1:23 p.m.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Finance Department Activities Update
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: June 8, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the Fiscal Year (FY) 2022/2023 Agency Budget and financials through April 2022.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

On January 12, 2022, the Executive Committee adopted a new Strategic Plan with specific fiscal-related goals:

1. Maintain sound, responsible fiscal policies.
2. Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.
3. Provide detailed financial statements for public review online.

As staff begin to work on meeting these goals, they will seek input through WRCOG's Committee structure regarding updates and to ensure these goals are being met.

Agency Budget Development Process

Staff has completed the FY 2022/2023 Agency Budget and is wrapped up with presentations to WRCOG's committees and just needs the General Assembly to adopt the budget. Below is a schedule of the committees where the budget has and will be presented to:

April 13, 2022: Administration & Finance Committee
April 21, 2022: Technical Advisory Committee
April 28, 2022: Finance Directors Committee
May 3, 2022: Executive Committee
May 11, 2022: Administration & Finance Committee
May 19, 2022: Technical Advisory Committee

June 6, 2022: Executive Committee

June 23, 2022: General Assembly

Financial Report Summary Through April 2022

The Agency's Financial Report summary through April 2022, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1. Please note that the Financial Summary Report will be undergoing a complete change in the coming months, with more detail, in alignment with strategic plan goal #3.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

[Attachment 1 - April 2022 Financials](#)



Western Riverside Council of Governments

Budget to Actuals

For Month Ending April 30, 2022

	Approved Budget 6/30/2022	Actual Thru 4/30/2022	Remaining Budget 6/30/2022
Total Agency			
Revenues			
Member Dues	286,640	294,410	(7,770)
Interest Revenue - Other	17,500	2,843	14,657
Overhead Transfer In	2,000,000	1,617,949	382,051
TUMF Commercial	4,800,000	913,362	3,886,638
TUMF Retail	4,800,000	3,382,732	1,417,268
TUMF Industrial	7,680,000	10,201,525	(2,521,525)
TUMF Single Family	19,200,000	37,992,325	(18,792,325)
TUMF Multi Family	9,600,000	3,934,955	5,665,045
TUMF Commerical - Admin Fee	200,000	38,057	161,943
TUMF Retail - Admin Fee	200,000	140,947	59,053
TUMF Industrial - Admin Fee	320,000	425,064	(105,064)
TUMF Single Family - Admin Fee	800,000	1,583,014	(783,014)
TUMF Multi-Family - Admin	400,000	163,956	236,044
Grant Revenue	1,663,000	579,265	1,083,735
LTF Revenue	750,000	866,250	(116,250)
RIVTAM	50,000	40,300	9,700
Fellowship Revenue	100,000	200,000	(100,000)
HERO Admin Revenue	3,179,548	2,071,790	1,107,758
Clean Cities Revenue	240,000	253,767	(13,767)
Solid Waste Revenue	112,970	160,202	(47,232)
Used Oil Grants	168,023	168,023	-
Gas Co. Prtnrshp Revenue	108,400	78,823	29,577
Regional Streetlights Revenue	211,725	133,498	78,227
PACE Commercial Sponsor Revenue	400,000	279,973	120,027
Total Revenues	\$ 58,598,569	\$ 65,612,191	\$ (7,013,622)
Expenses			
Salaries & Wages - Fulltime	2,745,899	1,985,817	760,082
Fringe Benefits	1,319,884	900,408	419,476
Overhead Allocation	1,682,458	1,402,048	280,410
General Legal Services	1,868,100	1,595,668	272,432
Audit Svcs - Professional Fees	35,000	30,125	4,875
Bank Fees	33,885	50,652	(16,767)
Commissioners Per Diem	57,500	37,700	19,800
Parking Cost	20,000	19,732	268
Office Lease	350,000	276,890	73,110
Fuel Expense	1,500	123	1,377
Parking Validations	15,450	3,579	11,871
Staff Recognition	1,000	423	577
Coffee and Supplies	3,000	2,394	606
Event Support	95,737	53,937	41,799
Meeting Support Services	5,250	362	4,888
Program/Office Supplies	13,700	16,864	(3,164)
Misc. Office Equipment	1,000	873	127
Supplies/Materials	33,540	23,923	9,617
Computer Equipment/Supplies	2,000	5,186	(3,186)
Computer Software	102,000	69,005	32,995
Rent/Lease Equipment	15,000	8,674	6,326
Membership Dues	31,750	17,110	14,640
Subscriptions/Publications	4,250	8,043	(3,793)
Postage	5,350	4,617	733



Western Riverside Council of Governments

Budget to Actuals

For Month Ending April 30, 2022

	Approved Budget 6/30/2022	Actual Thru 4/30/2022	Remaining Budget 6/30/2022
Total Agency			
Other Household Expenses	3,250	1,550	1,700
Storage	5,000	4,993	7
Recording Fee	10,000	16,322	(6,322)
Printing Services	4,000	1,272	2,728
Computer Hardware	16,500	3,542	12,958
Communications - Regular Phone	16,000	16,627	(627)
Communications - Cellular Phones	13,500	11,182	2,318
Communications - Computer Services	53,000	22,976	30,024
Equipment Maintenance	10,500	7,168	3,332
Insurance - Errors & Omissions	15,000	9,335	5,665
Insurance - Gen/Busi Liab/Auto	99,500	70,869	28,631
WRCOG Auto Insurance	4,500	2,802	1,698
TUMF Project Reimbursement	46,080,000	9,494,618	36,585,382
Seminars/Conferences	9,650	6,523	3,127
Travel - Mileage Reimbursement	9,500	3,608	5,892
Travel - Ground Transportation	2,300	1,061	1,239
Travel - Airfare	4,250	2,718	1,532
Lodging	3,800	2,401	1,399
Meals	7,400	3,784	3,616
Other Incidentals	5,000	3,624	1,376
Training	7,500	3,985	3,515
Consulting Labor	2,924,616	1,386,956	1,537,660
Total Expenses	\$ 57,513,228	\$ 17,834,092	\$ 40,720,891



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: I-REN Partner Program and Operational Agreements

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: June 8, 2022

Requested Action(s):

1. Recommend that the Executive Committee approve the Memorandum of Agreement for the I-REN and Authorize the Executive Director to take necessary and appropriate actions to carry out the purpose and intent of the motion.
2. Recommend the Executive Committee either:
 1. Approve the Program Agreement substantially as to form between I-REN Member Council of Governments, SoCal Gas, and SCE and allow the Executive Director to make minor revisions or edits for clarification after consultation with legal counsel; OR
 2. Postpone approval until the Program Agreement is in its final form.
3. Recommend that the Executive Committee approve the selection of Mayor Chris Barajas, City of Jurupa Valley, and Mayor Crystal Ruiz, City of San Jacinto, to the I-REN Executive Committee and ask for one additional volunteer or recommendation for the final WRCOG seat on the I-REN Executive Committee.

Purpose:

The purpose of this item is to provide a status update on the Inland Regional Energy Network (I-REN) Partner Program and Operational Agreements and select up to three Committee members to serve on the I-REN Executive Committee.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #6 - Develop and implement programs that support resiliency for the subregion.

Background:

In December, 2018, the WRCOG Executive Committee authorized a joint cooperative agreement between WRCOG, the Coachella Valley Association of Governments (CVAG), and the San Bernardino Associated Governments (SANBAG) to move forward with the coordination and development of the Inland Regional Energy Network (I-REN) for the three agencies. In February 2021, the I-REN Business Plan was submitted to the CPUC for consideration to authorize I-REN as a Program Administrator (PA) in the State of California, thereby enabling access to the Public Goods Charge funds administered by the CPUC for the development of energy efficiency programs. In November 2021, the California Public Utilities Commission (CPUC) formally approved the I-REN application / business plan with a budget of \$65 million for program years 2022 - 2027. On April 4, 2022, the Executive Committee approved the

Governance & Operations Charter for incorporation into the Memorandum of Agreement (MOA) once completed.

I-REN Memorandum of Agreement (MOA)

WRCOG, CVAG, and SBCOG/SANBAG* have been collaboratively working on a MOA, which will delegate duties and responsibilities to each member Council of Government (COG). The MOA identifies the CPUC-approved budget for each sector for each year and lists allowable costs by buckets within each sector. The buckets are Administration, Marketing & Outreach, and Direct Implementation - incentive and non-incentive. The authority to approve all contracts and agreements will be assigned to a new Brown Act I-REN Executive Committee that will be made up of elected officials – up to three from each COG, selected by that COG – and will meet on a quarterly basis. The MOA will also grant WRCOG, as the Administrative Lead COG, the authority to be the administrator for all invoicing, contracts and agreements once those documents have been approved by the I-REN Executive Committee.

**SANBAG (San Bernardino Associated Governments) is the legal name of the organization and used for all formal contracts and agreements. SBCOG (San Bernardino Council of Governments) was branded for specific areas of focus and falls under the umbrella of SANBAG. SBCTA (San Bernardino County Transportation Authority) is a separate JPA formed from SANBAG to focus specifically on transportation needs.*

I-REN Governance & Operations Charter

At the February 9, 2022, Administration & Finance Committee meeting, staff updated members on the I-REN's status and introduced the development of a MOA and Governance & Operations Charter between WRCOG, CVAG, and SANBAG, which would be brought back through the committees when the final drafts were ready.

The I-REN team has developed a Governance & Operations Charter that will be an exhibit to the MOA and will define roles and responsibilities, and delineate scopes of authority of each member COG. The Charter also establishes processes and channels for effective and transparent communication and decision making, and will accommodate future expansion of programs and capacity to scale.

The Charter's framework consists of four main roles: the I-REN Executive Committee, Administrative Lead COG, Program Managers, and the Program Teams.

I-REN Executive Committee

I-REN will be governed by a new Brown Act committee which will meet on a quarterly basis and consist of elected representatives from each COG. The I-REN Executive Committee will have the final responsibility to make all executive decisions regarding overall I-REN prioritization, managing portfolio-level budgets, program design, authorizing relevant CPUC regulatory filings, and authorizing of any procurements. Each COG will make up to three appointments. Regardless of the number of appointments, each COG will have three votes and each COG's governing board will determine how its voting power will be exercised. Decisions will be made based on the majority of total votes cast on a matter, with each COG having its full three votes independent of the number of representatives present at the meeting. For example, if one COG had only one member present at the meeting, that COG member would still get three votes. If another COG had three members present, each would get one

vote, totaling three votes for that COG.

It will be the responsibility of each COG to determine who will represent their COG on the I-REN Executive Committee. This could be decided a few different ways, which include, specifically pertaining to WRCOG:

1. A nomination process, whereby members of the WRCOG Executive Committee could nominate members they would like to see represent them on the I-REN Executive Committee; or
2. By appointment, whereby the Chair of the WRCOG Executive Committee could appoint representation; or
3. By volunteer and selection, whereby volunteers would submit a letter or request detailing their expertise and interest in being a member of the I-REN Executive Committee, and have the WRCOG Executive Committee or the Chair of the WRCOG Executive Committee determine the best candidates.

On March 9, 2022, the Administration & Finance Committee had a discussion to determine the best process for selecting WRCOG representation for the I-REN Executive Committee. Mayor Chris Barajas, City of Jurupa Valley, and Mayor Crystal Ruiz, City of San Jacinto, both volunteered to serve on the I-REN Executive Committee. WRCOG now has only one vacancy for the I-REN Executive Committee and is seeking a volunteer or recommendation to fill that vacancy.

I-REN Administrative Lead COG

WRCOG will serve as the Administrative Lead COG, purchasing and contracting manager, and primary regulatory contact manager for I-REN, and will oversee day-to-day operations. WRCOG's duties will include, but not be limited to:

- Reimbursing CVAG and SANBAG for I-REN-related invoices;
- Submitting invoices to SoCal Gas;
- Reporting to the CPUC and submitting required regulatory filings;
- Participating on the California Energy Efficiency Coordinating Committee (CAEECC);
- Managing all procurement and contracts;
- Providing oversight of budgets, expenses, and reimbursements;
- Coordinating with IOUs and Program Administrator leads; and
- Scheduling and drafting agendas for the I-REN Executive Committee meetings.

WRCOG's Executive Director shall have the authority to take actions and execute agreements on behalf of WRCOG as the Administrative Lead COG following the approval of such actions by the I-REN Executive Committee.

Program Managers

Each COG will provide one Program Manager as the lead person for that COG to serve as the primary point of contact and will be designated to make program decisions on behalf of their COG. The Program Manager will also be responsible for tasks such as program planning, developing relationships with and understanding the needs of program stakeholders, establishing working groups to provide regular input on programs, and providing annual reports to their respective Executive Committee detailing accomplishments for the year, budget information, and goals for the upcoming year.

Each COG will be responsible for leading one of the three sectors: Public sector, Workforce, Education & Training sector, and Codes and Standards sector. CVAG has volunteered to be the lead on developing and implementing I-REN's Codes and Standards sector, and WRCOG and SANBAG will share lead responsibility for developing and implementing the Public sector and Workforce Education & Training sector. Although there will be a lead COG for some sectors, each COG will be involved in the development of I-REN's programs in each sector and each COG will be responsible for implementing programs within their jurisdictions.

Program Teams / Working Groups

Each I-REN Program will have a Program Team that will include at least one representative from each member COG as well as consultants and/or technical assistance providers and industry specialists. These sector specific Program Teams or Working Groups will be responsible for, but not be limited to:

- Developing relationships with and understanding the needs of stakeholders within the Program Team member's subregion;
- Taking primary accountability for program implementation and operation within the Program Team member's subregion, as directed by the Program Manager;
- Providing input for program design and implementation strategies;
- Completing tasks and action items delegated by the Program Manager;
- Identifying and communicating programmatic concerns and issues that warrant the consideration of the I-REN Executive Committee; and
- Attending and actively participating in weekly or bi-weekly Program Team / Working Group meetings.

The I-REN team collaborated with other existing RENs and reviewed similar MOAs and Governance & Operations Charters before drafting these documents. The attached MOA and Governance & Operations Charter have been vetted by WRCOG's legal counsel and includes their edits and suggestions.

Staff is requesting the Administration & Finance Committee recommend approval of the MOA and Program Agreement, and selection of the two volunteer candidates, Mayor Chris Barajas and Mayor Crystal Ruiz, to the I-REN Executive Committee.

I-REN Program Agreement

The Program Agreement is an agreement between I-REN Member COGs, SoCal Gas, and SCE, and establishes SoCal Gas as the fiscal agent (as approved by the CPUC) and defines how I-REN funds are to be transferred from one agency to another. CVAG and SANBAG will be signing parties to the Program Agreement for specific sections relating to authorizing WRCOG as the Administrative Lead COG, insurance requirements, confidential customer information and security requirements, and making amendments to the Program Agreement. The Program Agreement describes the roles of the Administrative Lead COG and the IOU's, and the deliverables expected of them during the program term, including invoicing, reporting, and regulatory filing.

As the Administrative Lead COG, WRCOG will be required to provide monthly invoices and expense reporting to SoCal Gas, and prepare and submit regulatory reports to the CPUC. Additionally, WRCOG

will have the ability to execute contracts, negotiate disputes, and receive disbursements and payments from SoCal Gas. One of the areas still under negotiation between WRCOG and SoCal Gas is the ability to have a drawdown account established so WRCOG has the ability to draw down on a portion of funds, with approval of SoCal Gas, but those funds would be held by WRCOG to avoid cash flow issues that could arise during periods of high expenditures.

Staff has worked with legal counsel (Best Best & Krieger) and SoCal Gas to finalize the Program Agreement; however, at the time of drafting the Staff Report, the Program Agreement has not been finalized and is presented in its draft form. Based on discussions with SoCal Gas, staff anticipates minimal changes from the Program Agreement beyond what has already been discussed and agreed upon by both parties. All parties expect the final version of the Program Agreement to be ready by the WRCOG Executive Committee meeting in July. As such, staff is presenting two options for the second requested action in this Staff Report. The first option will approve the Program Agreement substantially as to form and authorize the Executive Director to make minor modifications and clarifications upon discussion with legal counsel. Should the Administration & Finance Committee select this option, final changes will be made to the Program Agreement in advance of the July 11, 2022, WRCOG Executive Committee meeting, and the Executive Committee will be provided with the final version of the Agreement for final approval. Should the Administration & Finance Committee elect the second option, the final Program Agreement will return to the Administration & Finance Committee at its next regularly scheduled meeting.

Once the Program Agreement and MOA have been approved and executed by the I-REN member COGs (WRCOG, SANBAG, CVAG), SoCal Gas and SCE will execute the Program Agreement. In order for invoices to be processed and for I-REN budgeted funds to be disbursed, the Program Agreement must be fully executed.

Prior Action(s):

April 4, 2022: The Executive Committee approved the Governance & Operations Charter for the I-REN Program for incorporation into the Memorandum of Agreement once completed.

March 9, 2022: The Administration & Finance Committee recommended that the Executive Committee approve the Governance & Operations Charter for the I-REN Program for incorporation into the Memorandum of Agreement once completed.

Fiscal Impact:

All costs associated with this item are included in the approved I-REN budget. Approval of the Program Agreement is required prior to receiving reimbursement funds for I-REN contracts and agreements and other I-REN related expenses.

Attachment(s):

[Attachment 1 - I-REN Memorandum of Agreement](#)

[Attachment 2 - I-REN Program Agreement](#)

Attachment

I-REN Memorandum of Agreement

MEMORANDUM OF AGREEMENT NO. _____

BY AND BETWEEN

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

AND

SAN BERNARDINO ASSOCIATED GOVERNMENTS

AND

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

FOR

2022-2027 INLAND REGIONAL ENERGY NETWORK (I-REN)

This 2022-2027 Inland Regional Energy Network (I-REN) Memorandum of Agreement (herein called "MOA") is made this ___ day of _____ 2022, by and among Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG) and Western Riverside Council of Governments (WRCOG), (collectively referred to as "MEMBER COGs, individually referred to as "MEMBER COG") with respect to the following recitals:

Whereas, representatives from the MEMBER COGs have pursued and will continue to pursue regional sustainability and energy efficiency opportunities across Riverside and San Bernardino counties; and

Whereas, the MEMBER COGs' primary role is to develop and administer a comprehensive Inland Regional Energy Network ("I-REN"), as defined in California Public Utilities Commission ("CPUC") Decision 21-11-013, and to prepare and submit any future grant applications on behalf of the three MEMBER COGs to fund other sustainability and energy efficiency activities; and

Whereas, WRCOG, on behalf of the MEMBER COGs, will serve as the I-REN Administrative Lead for purposes of coordinating planning activities locally, acting as the fiscal administrator, and executing agreements; and

Whereas, on May 31, 2018, CPUC Decision 18-05-041, Ordering Paragraph 38, was issued and directed Southern California Gas Company ("SoCalGas") to serve as the fiscal lead on behalf of SoCalGas and Southern California Edison, the two investor-owned utilities with territory in the MEMBER COGs' jurisdictions (collectively the "IOUs"); and

Whereas, as a condition precedent to this MOA, WRCOG and the IOUs will enter into the Inland Regional Energy Network 2022-2027 Energy Efficiency Programs and Budgets Agreement (“Programs Agreement”) establishing the rights and responsibilities of WRCOG, acting on behalf of I-REN, and the IOUs; and

Whereas, these efforts will lead to the coordination of regional energy resource planning; development of a long-term, sustainable energy strategy; and increase in awareness of and access to conservation, efficiency, and renewable opportunities within the I-REN region (Riverside and San Bernardino counties); and

Whereas, the MEMBER COGs commit to an effective delivery of I-REN energy efficiency programs to the public sector and local workforce of their respective counties, the details of which are set forth in this MOA.

Whereas, upon receipt of funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) for I-REN program activities, WRCOG will reimburse each MEMBER COG, in amounts not to exceed those stated in Table 3.0 below, for allowable costs incurred for the express purpose of performing I-REN program activities and administration for the period commencing on the effective date and ending upon termination or expiration of this MOA;

Now, therefore, in consideration of the mutual duties set forth in this MOA, the MEMBER COGs agree to the following:

1. Administrative Lead COG. WRCOG shall serve as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN is and, as such, shall serve as the I-REN Administrative Lead COG on behalf of the MEMBER COGs. I-REN shall be managed under the oversight of the I-REN Executive Committee. The I-REN Executive Committee’s structure, composition and duties are further described in the I-REN Governance and Operations Charter (Charter), attached hereto as Exhibit C and incorporated herein by reference. The Charter shall only be amended upon approval from the governing bodies of each of the MEMBER COGs. WRCOG’s Executive Director shall have the authority to take actions and execute agreements on behalf of WRCOG as the I-REN Administrative Lead COG following the approval of such actions and agreements as may be required by the I-REN Executive Committee in accordance with the procurement policy established pursuant to the Charter. WRCOG shall be responsible for:
 - a) Monitoring progress on program objectives, deliverables and budget targets as set forth in this MOA.
 - b) Reviewing all program-related documents, including review of all reporting required in this MOA, and any other reporting duties as may be required. Documents related to purchasing and contracting on behalf of I-REN, including but not limited to, professional services agreements, shall utilize WRCOG’s template documents.

- c) Coordinating the I-REN programs described in Section 2 of this MOA to minimize duplicative administrative and marketing costs.
 - d) Coordinating with the IOUs.
2. Program Activities. WRCOG, acting as the I-REN Administrative Lead COG, shall reimburse each MEMBER COG, from funds provided by the CPUC, for delivery of I-REN program activities as set forth in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference.
- a) I-REN shall be administered in accordance with the Charter.
 - b) The MEMBER COGs shall work cooperatively to implement I-REN programs and comply with CPUC requirements.
 - c) The MEMBER COGs will perform all tasks and deliverables and shall comply with all applicable laws, policies, and regulations in carrying out I-REN program activities and other duties hereunder.
 - d) I-REN program activities are those set forth in Exhibits A, B and C of the Programs Agreement, which exhibits are incorporated herein by reference, and referred to as the I-REN Public Sector Program, I-REN Codes & Standards (C&S) Program and I-REN Workforce Education & Training (WE&T) Program.
3. Budget. Table 3.0 below sets forth for the annual I-REN program budget, by year and by category (Public Sector, Codes & Standards and Workforce Education and Training), the maximum expenditure under this MOA for I-REN program activities and administration. Any amendment to an amount set forth in Table 3.0 must be approved in writing by the I-REN Executive Committee and approved by each of the MEMBER COGs. All reimbursements are subject to receipt of sufficient funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement). To the extent the amounts set forth in Table 3.0 for years 2022-2027 differ from the amounts set forth for those years in Exhibit H of the Programs Agreement, the amounts set forth in Exhibit H shall govern.

Table 3.0:

I-REN Business Plan Program Approved Budgets (\$)							
Category	2022	2023	2024	2025	2026	2027	Total
Public Sector							
Administration	628,819	619,172	662,939	707,457	707,457	707,457	4,033,301
Marketing and outreach	377,292	371,503	397,763	424,474	424,474	424,474	2,419,980

Direct Implementation – non-incentive	3,782,083	3,701,047	3,818,688	3,942,635	3,942,635	3,942,635	23,129,723
Direct Implementation – incentives	1,500,000	1,500,000	1,750,000	2,000,000	2,000,000	2,000,000	10,750,000
Subtotal	6,288,194	6,191,722	6,629,390	7,074,566	7,074,566	7,074,566	40,333,004

Workforce Education and Training							
Administration	225,329	239,343	243,716	267,465	267,465	267,465	1,510,783
Marketing and outreach	135,198	143,606	146,230	160,479	160,479	160,479	906,471
Direct Implementation – non-incentive	1,892,768	2,010,477	2,047,218	2,246,706	2,246,706	2,246,706	12,690,581
Direct Implementation – incentives	-	-	-	-	-	-	-
Subtotal	2,253,295	2,393,426	2,437,164	2,674,650	2,674,650	2,674,650	15,107,835

Codes and Standards							
Administration	144,611	150,395	156,411	162,667	162,667	162,667	939,418
Marketing and outreach	87,766	90,237	93,847	97,600	97,600	97,600	564,650
Direct Implementation – non-incentive	1,214,730	1,263,320	1,313,852	1,366,407	1,366,407	1,366,407	7,891,123
Direct Implementation – incentives	-	-	-	-	-	-	-
Subtotal	1,446,107	1,503,952	1,564,110	1,626,674	1,626,674	1,626,674	9,392,191

EM&V	114,441	115,604	121,810	130,349	130,349	130,349	742,902
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Total	10,102,037	10,204,704	10,752,474	11,506,239	11,506,239	11,506,239	65,577,932
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4. Claims and Payment.

- a) Upon receipt of funds from the CPUC (distributed by SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) (the “CPUC Funds”) for I-REN program activities, WRCOG will reimburse the MEMBER COGs, not to exceed the program budgets set forth in Table 3.0, for Allowable Costs, as described in

Exhibit B, which is attached hereto and incorporated herein by reference, incurred for the express purpose of performing I-REN program activities and administration, pursuant to the following procedure. I-REN program activities shall be limited to funding as provided by the CPUC Funds. Under no circumstances shall WRCOG be required to provide its own funding for I-REN program activities performed in its role as the I-REN Administrative Lead COG.

- b) To obtain reimbursement from the CPUC Funds, a MEMBER COG shall submit to WRCOG a claim for reimbursement containing the following: (i) an invoice showing, at a minimum, the applicable Cost Category and Allowable Cost as described in Exhibit B, the amount of such cost and the date(s) such cost was incurred; (ii) all receipts, evidence of deliverables and other documentation reasonably necessary to substantiate the invoiced cost; (iii) a narrative report describing the I-REN program activity for which the cost was incurred; and (iv) any reports or other information required pursuant to Section 6 and Exhibit H (Commission approved JCM) of the Programs Agreement, which section and exhibit are incorporated herein by reference. A claim must be submitted no later than the last business day of the month after the month in which the cost was incurred; provided, however, that the Member COGs shall have until June 30, 2022, or 60 calendar days after the Member COGs have executed this MOA, whichever date is later, to submit claims for costs incurred from January 1 through April 30, 2022. Allowable labor costs shall comply with I-REN staff and contractor rates listed in Exhibit G of the Programs Agreement, which exhibit is incorporated herein by reference, as such rates are modified from time to time pursuant to the terms of the Programs Agreement.
- c) Upon receipt of a claim, WRCOG shall review the claim and determine whether the claim is complete and seeks reimbursement of Allowable Costs as described in Exhibit B. If the claim is incomplete, WRCOG shall return the claim to the MEMBER COG with an explanation of the reason(s) for incompleteness. If the claim is complete, WRCOG shall approve the claim to the extent the claim seeks reimbursement of Allowable Costs as described in Exhibit B and deny the claim as to the rest.
- d) WRCOG shall have 30 calendar days after submission of a claim by a MEMBER COG to review the claim for completeness. A claim shall be deemed approved if not returned to the MEMBER COG within this 30-day period.
- e) When a claim is approved or deemed approved, WRCOG will reimburse the MEMBER COG for the approved costs within thirty (30) days, to the extent that (i) WRCOG holds sufficient funds from the CPUC for reimbursement and (ii) the MEMBER COG has not exhausted the amount set forth for the applicable category of costs for the applicable year in Table 3.0. WRCOG has no obligation to make a reimbursement under this MOA unless and until there are sufficient CPUC FUNDS available. WRCOG assumes no liability to any person or entity, including, but not limited to, a MEMBER COG, for any delay in the distribution of

funds by CPUC (or SoCalGas on behalf of the IOUs pursuant to the Programs Agreement) to WRCOG.

5. Reporting. Each MEMBER COG shall adhere to common reporting requirements for I-REN programs as required by the CPUC. For WRCOG to compile information to meet reporting deadlines, each MEMBER COG shall provide WRCOG with all required reporting from the previous month, on or before the 28th calendar day of the month. In addition to these reporting requirements, each MEMBER COG shall provide regular updates regarding I-REN activities to their respective legislative bodies.
6. Termination/Breach.
 - a) Consistent with section 17.3 of the Programs Agreement, WRCOG may terminate this MOA for convenience, provided that WRCOG provide one year's written notice prior to the date of termination. In the event that WRCOG provides notice to terminate this MOA for convenience, the MEMBER COGs agree to work together in good faith to assign WRCOG's responsibilities to another management agency. Such good faith efforts shall also include working with the CPUC in order to establish another management agency. In the event the MEMBER COGs are unable to identify and agree on another management agency to serve as Administrative Lead for Program Activities, or if the CPUC does not approve of a new Administrative Lead, this MOA shall be terminated. Additionally, this MOA may be terminated by an order, decision, or resolution of the CPUC.
 - b) CVAG and/or SANBAG may withdraw from this MOA, without cause by providing 60 days' notice to WRCOG. MEMBER COGs agree that monies for carrying out program activities for I-REN not fulfilled by a withdrawing MEMBER COG may be used, by WRCOG, in its sole discretion, to carry out program activities for the Inland Empire (Riverside and San Bernardino counties) region.
 - c) The MEMBER COGs agree that if a MEMBER COG materially breaches its obligations in carrying out program activities for I-REN or fails to cure any material breach of this MOA within 30 days of receipt of a notice of breach from WRCOG, then WRCOG may, in its sole discretion, serve written notice to the MEMBER COG that WRCOG intends to terminate this MOA as to the breaching MEMBER COG and thereafter, if the material breach is not timely and reasonably cured, terminate this MOA with the breaching MEMBER COG. Monies for activities not fulfilled by the breaching MEMBER COG may be used by WRCOG, in its sole discretion, to carry out program activities for the Riverside and San Bernardino counties region.
 - d) In the event that there is a disagreement as to the allegation of a material breach, the MEMBER COGS agree to enter into good faith negotiations via a dispute resolution process in order to resolve the disagreement. The dispute resolution

process shall begin with a formal meeting among the management staff of the MEMBER COGS to resolve the dispute. If management staff is unable to resolve said disputes, the matter shall be escalated to the Executive Director level through a formal meeting between the Executive Directors of the MEMBER COGS. If the disagreement is not resolved at the Executive Director level, the matter will proceed through process as outlined in Section 6(c) of this MOA.

7. Authority. Each MEMBER COG represents and warrants that the person signing this MOA has legal authority to sign this MOA and bind that party.
8. Indemnification by each MEMBER COG. Each MEMBER COG shall indemnify, defend and hold harmless the other MEMBER COGs and their respective officials, officers, directors, agents, and employees from and against any and all third-party liability (including damages, losses, claims, demands, actions, causes of action and costs, along with reasonable attorney fees and expenses) to the extent caused by the negligence and/or willful misconduct of the indemnifying MEMBER COG or its employees, subcontractors, or agents. The obligations of each MEMBER COG under this section shall survive the termination of this MOA.

Additionally, each MEMBER COG shall require all contractors and subcontractors performing I-REN program activities to indemnify, defend, and hold harmless the other MEMBER COGS and their respective officials, directors, agents, employees from and against any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, or willful misconduct of such indemnifying contractor or subcontractor, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the performance of I-REN program activities, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses.

9. Insurance

- a) Each MEMBER COG will maintain the following insurance coverage or self-insurance coverage, and shall require all contractors or subcontractors performing I-REN program activities to maintain this coverage, at all times during the term of this MOA, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:
 - i. Workers' Compensation: statutory minimum.
 - ii. Employer's Liability coverage: \$1 million minimum.
 - iii. Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate. Such insurance shall acknowledge the IOUs and the other MEMBER COGs and their officers, agents and employees as additional insureds, contain standard cross-liability or

- severability of interest provisions, and waive all rights of subrogation against the IOUs and the other MEMBER COGs and their officers, agents, employees and other contractors or subcontractors.
- iv. Commercial or Business Auto: \$1 million minimum. Such insurance shall acknowledge the IOUs and the other MEMBER COGs and their officers, agents and employees as additional insureds.
 - v. Professional Liability (if applicable): \$1 million minimum.
- b) Evidence of Insurance. Upon request at any time during the term of this MOA, each MEMBER COG shall provide evidence that its insurance policies and the insurance policies as provided in this section are in full force and effect and provide the coverage and limits of insurance that each MEMBER COG has represented and warranted herein to maintain at all times during the term of this MOA.
- c) Self-Insurance. If a MEMBER COG is self-insured, the MEMBER COG shall upon request forward documentation to the IOUs and/or to WRCOG that demonstrates to the IOUs' and WRCOG's satisfaction that the MEMBER COG self-insures as a matter of normal business practice. WRCOG will accept reasonable proof of self-insurance comparable to the above requirements.
- d) Notice of Claims. Each MEMBER COG shall immediately report to the IOUs and WRCOG, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by MEMBER COG or any subcontractor or their receipt of notice or knowledge of any claim by a third party of any occurrence related to the I-REN programs, the Programs Agreement and/or this MOA that might give rise to such a claim.
- e) Changes to Insurance Coverage. In the event a MEMBER COG, contractor or subcontractor requests modifications to the standard insurance coverage provided in Section 9(a) of this MOA, WRCOG, in its reasonable discretion, shall approve or disapprove such modifications.
- f) Insurance Indemnification. If a MEMBER COG fails to comply with any of the provisions of this section, or to the extent each MEMBER COG does not require its subcontractors to maintain the insurance coverage specified in this section, each MEMBER COG shall, at its own cost, defend, indemnify, and hold harmless the IOUs and/or each MEMBER COG and their affiliates and their officers, directors, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of any I-REN program by each MEMBER COG or any subcontractor or their officers, directors, employees or agents to the extent that the IOUs and/or each other MEMBER COG would have been protected.

10. Limitation of Liability. Except for indemnification for third-party liability claims in accordance with Section 8 of this MOA, the liability of WRCOG to the other MEMBER COGs for WRCOG's acts or omissions as the I-REN Administrative Lead is limited to no more than the following: (1) for claims of nonpayment, the amount of the reimbursement due to each MEMBER COG pursuant to Section 4 of this MOA; (2) for all other claims, the amount of the reimbursement to each MEMBER COG pursuant to Section 4 of this MOA in the calendar year(s) in which the acts or omissions occurred.
11. Relationship of the Parties. The officers, employees and agents of each MEMBER COG are not and shall not be deemed to be the officers, employees, or agents of any other MEMBER COG. Notwithstanding anything contained in this MOA to the contrary, a MEMBER COG shall not be responsible for the performance or non-performance hereunder of any other MEMBER COG or whether such performance meets applicable legal and regulatory requirements, nor be obligated to remedy any other MEMBER COG's defaults or defective performance.
12. No Third Party Beneficiary. This MOA is only for the benefit of the MEMBER COGs and not for the benefit of any third party.
13. Exhibits. In the event of an inconsistency between this MOA and the Exhibits as attached hereto, the MOA shall control.
14. Term. The term of this MOA commences _____, 2022 (with retroactive effect as of January 1, 2022, for submission of claims under section 4(b)), and expires December 31, 2027, unless sooner terminated pursuant to section 6.

IN WITNESS WHEREOF, the MEMBER COGs enter into this MOA.

WRCOG

By: _____
Kurt Wilson
WRCOG Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Steven DeBaun
General Counsel

SANBAG

By: _____
Curt Hagman
President, Board of Directors

Date: _____

APPROVED AS TO FORM:

By: _____
Juanda Daniel
Assistant General Counsel

CONCURRENCE:

By: _____

CVAG

By: _____
Tom Kirk
CVAG Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Michael Jenkins
General Counsel

CONCURRENCE:

By: _____

EXHIBIT A

Scope of Work

Task 1. Administration (Admin)

Admin activities include any actions necessary to support I-REN programs and ensure compliance with California Public Utilities Commission (CPUC) regulatory requirements. Admin activities include, but are not limited to, the following:

- Prepare, review, and submit reports and invoices
- Participate in CPUC regulatory activities (e.g., proceedings, rulemakings, workshops) either in person or via written comments

Task 2. Marketing, Education, and Outreach (ME&O)

ME&O activities include any communications activities designed to identify, reach, and motivate potential program participants to participate in a I-REN program. ME&O activities include, but are not limited to, the following:

- Development and deployment of marketing and outreach campaigns
- Preparation and distribution of explanatory mailers or other promotional materials
- Conducting or participating in outreach events
- Advertising, media, newspaper, website, and related marketing activities

Task 3. Direct Implementation (DI)

DI activities include any actions taken in the course of implementing I-REN programs related to program theory, planned program processes and direct interface with a program participant. DI activities include, but are not limited to, the following:

- Program planning, development, design, and implementation
- Development of program goals, budgets, and milestones
- Education and training of program participants and others (e.g., contractors, local governments)
- Providing program participant support and responding to participant inquiries (e.g., calls, emails, letters)
- Compiling and maintaining information (e.g., data, customer records) for program participants and projects

EXHIBIT B

Allowable Cost Categories

CPUC Allowable Costs Table¹

Cost Categories	Allowable Costs
Administrative Cost Categories	Managerial and Clerical Labor
	IOU Labor - Clerical
	IOU Labor - Program Design
	IOU Labor - Program Development
	IOU Labor - Program Planning
	IOU Labor - Program/Project Management
	IOU Labor - Staff Management
	IOU Labor - Staff Supervision
	Subcontractor Labor - Clerical
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	Human Resource Support and Development
	IOU Labor - Human Resources
	IOU Labor - Staff Development and Training
	IOU Benefits - Administrative Labor
	IOU Payroll Tax - Direct Implementation Labor ²
	IOU Payroll Tax - Marketing/Advertising/Outreach Labor ³
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Payroll Tax - Administrative Labor
	IOU Pension - Administrative Labor
	IOU Pension - Direct Implementation Labor
	IOU Pension - Marketing/Advertising/Outreach Labor
	Subcontractor Labor- Human Resources
	Subcontractor Labor - Staff Development and Training
	Subcontractor Benefits - Administrative Labor
	Subcontractor Benefits - Direct Implementation Labor
	Subcontractor Benefits - Marketing/Advertising/Outreach Labor
	Subcontractor Payroll Tax - Administrative Labor
	Subcontractor Payroll Tax - Direct Implementation Labor
	Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
	Subcontractor Pension - Administrative Labor
	Subcontractor Pension - Direct Implementation Labor
	Subcontractor Pension - Marketing/Advertising/Outreach Labor

Administrative Cost Categories (Continued)	Travel⁴ and Conference Fees⁵
	IOU Conference Fees ⁶
	IOU Labor - Conference Attendance
	IOU Travel - Airfare
	IOU Travel - Lodging
	IOU Travel - Meals
	IOU Travel - Mileage
	IOU Travel - Parking
	IOU Travel - Per Diem for Misc. Expenses
	Subcontractor - Conference Fees
	Subcontractor Labor - Conference Attendance
	Subcontractor - Travel - Airfare
	Subcontractor - Travel - Lodging
	Subcontractor - Travel - Meals
	Subcontractor - Travel - Mileage
	Subcontractor - Travel - Parking
	Subcontractor - Travel - Per Diem for Misc. Expenses
	Overhead (General and Administrative) - Labor and Materials
	IOU Equipment Communications
	IOU Equipment Computing
	IOU Equipment Document Reproduction
	IOU Equipment General Office
	IOU Equipment Transportation
	IOU Food Service
	IOU Office Supplies
	IOU Postage
	IOU Labor - Accounting Support
	IOU Labor - Accounts Payable
	IOU Labor - Accounts Receivable
	IOU Labor - Administrative
	IOU Labor - Facilities Maintenance
	IOU Labor - Materials Management
	IOU Labor - Procurement
	IOU Labor - Shop Services
	IOU Labor - Transportation Services
	IOU Labor - Automated Systems
	IOU Labor - Communications
	IOU Labor - Information Technology
	IOU Labor - Telecommunications
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage

	Subcontractor Labor - Accounting Support
Administrative Cost Categories (Continued)	Subcontractor Labor - Accounts Payable
	Subcontractor Labor - Accounts Receivable
	Subcontractor Labor - Facilities Maintenance
	Subcontractor Labor - Materials Management
	Subcontractor Labor - Procurement
	Subcontractor Labor - Shop Services
	Subcontractor Labor - Administrative
	Subcontractor Labor - Transportation Services
	Subcontractor Labor - Automated Systems
	Subcontractor Labor - Communications
	Subcontractor Labor - Information Technology
	Subcontractor Labor - Telecommunications
Marketing/Advertising/Outreach Costs	IOU - Advertisements / Media Promotions
	IOU - Bill Inserts
	IOU - Brochures
	IOU - Door Hangers
	IOU - Print Advertisements
	IOU - Radio Spots
	IOU - Television Spots
	IOU - Website Development
	IOU Labor - Marketing
	IOU Labor - Media Production
	IOU Labor - Business Outreach
	IOU Labor - Customer Outreach
	IOU Labor - Customer Relations
	Subcontractor - Bill Inserts
	Subcontractor - Brochures
	Subcontractor - Door Hangers
	Subcontractor - Print Advertisements
	Subcontractor - Radio Spots
	Subcontractor - Television Spots
	Subcontractor - Website Development
	Subcontractor Labor - Marketing
	Subcontractor Labor - Media Production
	Subcontractor Labor - Business Outreach
	Subcontractor Labor - Customer Outreach
	Subcontractor Labor - Customer Relations
Direct Implementation	Financial Incentives to Customers
	Activity - Direct Labor
	IOU Labor - Curriculum Development
	IOU Labor - Customer Education and Training
	IOU Labor - Customer Equipment Testing and Diagnostics
	IOU Labor - Facilities Audits
	Subcontractor Labor - Facilities Audits
	Subcontractor Labor - Curriculum Development
	Subcontractor Labor - Customer Education and Training

Direct Implementation (Continued)	Subcontractor Labor - Customer Equipment Testing and Diagnostics
	Installation and Service - Labor
	IOU Labor - Customer Equipment Repair and Servicing
	IOU Labor - Measure Installation
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Subcontractor Labor - Measure Installation ⁷
	Direct Implementation Hardware and Materials
	IOU Audit Applications and Forms
	IOU Direct Implementation Literature
	IOU Education Materials
	IOU Energy Measurement Tools
	IOU Installation Hardware
	Subcontractor - Direct Implementation Literature
	Subcontractor - Education Materials
	Subcontractor - Energy Measurement Tools
	Subcontractor - Installation Hardware
	Subcontractor -Audit Applications and Forms
	Rebate Processing and Inspection - Labor and Materials
	IOU Labor - Field Verification
	IOU Labor - Site Inspections
	IOU Labor - Rebate Processing
	IOU Rebate Applications
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing
	Subcontractor - Rebate Applications
Evaluation, Measurement and Verification	IOU Labor - EM&V
	IOU Materials - EM&V
	IOU Benefits - EM&V Labor
	IOU Overhead - EM&V
	IOU Payroll Tax - EM&V Labor
	IOU Pension - EM&V Labor
	IOU Travel - EM&V
	Subcontractor Labor - EM&V
	Subcontractor Materials - EM&V
	Subcontractor Benefits - EM&V Labor
	Subcontractor Overhead - EM&V
	Subcontractor Payroll Tax - EM&V Labor
	Subcontractor Pension - EM&V Labor
	Subcontractor Travel - EM&V
	The budget/cost items listed on the Allowable Costs sheet are the only costs that can be claimed for ratepayer funded energy efficiency work. If a utility finds that they or one of their contractors/program implementers have additional costs, the utility will obtain approval for that cost from the CPUC's Energy Division. Energy Division will determine whether that cost fits an existing category or cost item and whether it is an acceptable cost item. Upon ED approval, new cost items will be added to the Allowable Costs sheet and included in an updated reporting workbook. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item.

¹ The CPUC Allowable Costs Table, dated 1/12/2006, was issued by Administrative Law Judge (ALJ) Meg Gottstein on 2/21/2006 as an Appendix to R.01-08-028, her ALJ Ruling on Reporting Requirements [for utility EE programs]. The Table is applicable to Utilities, Local Government Partnerships, and Third-Party Implementers.

² Correction made to Allowable Costs Table line item. The original line item read, "IOU Payroll Tax – Administrative Labor," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "IOU Payroll Tax – Direct Implementation Labor."

³ Correction made to Allowable Costs Table line item. The original line item read, "IOU Payroll Tax – Administrative Labor," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "IOU Payroll Tax – Marketing/Advertising/Outreach Labor,"

⁴ Employees should refer to the Edison International Travel & Employee Expense Policy (link provided in §5.2 of this Policy) for general guidance on the appropriateness of and limitations on travel expenses.

⁵ For additional guidance and clarification on EE Travel and Conference Fees, see Item No. 2 on Page 2 of Attachment A and Item No. 4 on Page 2 of Attachment B.

⁶ Per Item No. 2 on Page 2 of Attachment A and Item No. 4 on Page 2 of Attachment B, "IOU sponsorships of EE conferences (i.e., "platinum" "gold" level donations) be [are] explicitly prohibited from inclusion in EE"

⁷ Correction made to Allowable Costs Table line item. The original line item read, "Subcontractor Labor – Customer Equipment Repair and Servicing," which was a repeat of the previous line and a typographical error. The clear intent of the line item was, "Subcontractor Labor – Measure Installation."

EXHIBIT C

I-REN Governance and Operations Charter

Inland Regional Energy Network (I-REN) Governance and Operations Charter

Last Updated: April 5, 2022

Purpose of Charter:

To provide the Inland Regional Energy Network (I-REN) member Councils of Governments (MEMBER COGs) and their staff with a simple and flexible governance and operations framework that:

- Defines roles and responsibilities, and delineates scopes of authority of the MEMBER COGs, I-REN Executive Committee, Administrative Lead COG, Program Managers, and Program Teams;
- Establishes processes and channels for effective and transparent communication and decision making; and
- Accommodates future expansion of programs and capacity to scale.

Overview of I-REN:

I-REN is a consortium of Coachella Valley Association of Governments (CVAG), San Bernardino Associated Governments (SANBAG), and Western Riverside Council of Governments (WRCOG), who have joined together to establish locally administered, designed, and delivered energy efficiency programs. I-REN's current portfolio of programs, as authorized by the California Public Utilities Commission (CPUC), includes:

- Workforce Education and Training (WE&T)
- Codes and Standards (C&S)
- Public Sector

The above program names are used for CPUC communications. For marketing purposes, I-REN has rebranded the programs as the following:

- WE&T: TBD
- C&S: TBD
- Public Sector: TBD

I-REN's overall Administrative Lead COG is WRCOG. Each individual program in I-REN's portfolio is administered by one or more Program Lead COGs based on their existing expertise, interest, and knowledge of the region. One representative from each Program Lead COG is selected - by the Program Lead COG - to be the Program Manager. Each program has a Program Team, including at least one representative from each member COG.

The table below showing I-REN's initial staffing is included to illustrate the above:

Sector	Program Lead COG(s)	Program Manager	Program Team Member Titles
Public Sector	SANBAG and WRCOG	SANBAG Program Manager– co-lead	CVAG – Program Manager/Mgmt. Analyst

		WRCOG Program Manager – co-lead	SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support
Workforce, Education and Training	SANBAG and WRCOG	SANBAG Program Manager– co-lead WRCOG Program Manager – co-lead	CVAG – Program Manager/Mgmt. Analyst SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support
Codes and Standards	CVAG	CVAG Program Manager	CVAG – Program Manager/Mgmt. Analyst SANBAG – Program Manager/Mgmt Analyst WRCOG – Program Manager/Mgmt. Analyst Consultant support

* *Program Team members are encouraged to attend other meetings to facilitate coordination and learn about other program activities. Staff only involved in some program services or activities are included as Program Team members.*

Governance and Operations:

I-REN's governance and operations framework consists of four main roles. Each role is listed below with its associated responsibilities and scopes of authority, as well as any relevant processes and channels intended to promote and enhance effective and transparent communication and decision making.

1. I-REN Executive Committee:

I-REN is governed by an Executive Committee on which each MEMBER COG will have three votes. Each COG's governing board will determine how its voting power will be exercised, including the number of representatives it will have on the Executive Committee and whether its representatives will be elected officials, staff members, or a combination of elected officials and staff members. Decisions will be made based on majority of the total votes cast on a matter, with each MEMBER COG having its full three votes independent of the number of its representatives present at the meeting.

The I-REN Executive Committee has final responsibility to make all executive decisions including:

- Establishing portfolio-level strategy and overall I-REN prioritization;
- Establishing and managing portfolio-level budgets;

- Addressing and resolving high-level programmatic concerns and issues such as program design, branding and marketing, strategy, procurement, and consulting support;
- Authorizing responses to relevant CPUC regulatory filings, inquiries, data requests, etc.
- Authorizing procurements above the threshold set in the procurement policy to be established by the I-REN Executive Committee.

2. **I-REN Administrative Lead COG:** WRCOG will serve as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN and as such is responsible as I-REN Administrative Lead COG for administering I-REN on a day-to-day basis in accordance with the Memorandum of Agreement for the 2022-2027 Inland Regional Energy Network (I-REN) dated XXXXX, 2022, as the same may be amended from time to time, to which this Charter is an exhibit. WRCOG's administrative responsibilities include:

- Submitting monthly invoices to SoCalGas, I-REN's CPUC appointed Investor-Owned Utility (IOU) fiscal agent;
- Reporting to the CPUC on monthly, quarterly, and annual basis;
- Coordinating with CPUC Energy Division staff; and filing required regulatory submissions;
- Participating on the California Energy Efficiency Coordinating Committee (CAEECC);
- Managing all procurement and contracts;
- Providing oversight of budgets, expenses, and reimbursements;
- Coordinating with IOU leads for all regulatory requirements.
- Scheduling and drafting agendas for the I-REN Executive Committee, with input from the Program Managers.

WRCOG's Executive Director shall have the authority to take actions and execute agreements on behalf of WRCOG as the I-REN Administrative Lead COG following the approval of such actions and agreements as may be required by the I-REN Executive Committee in accordance with the procurement policy to be established by it referred to above.

3. **Program Managers:** As noted above, one representative from each Program Lead COG is selected - by the Program Lead COG - to be the Program Manager. Program Manager responsibilities include:

- Serving as the primary point of contact for all program-specific interactions with consultants and implementers. This includes project initiation, planning, execution, and monitoring and review. Project initiation will include gathering input from program team members. Intermediate deliverables at established milestones will also be distributed for Program Team member comment as appropriate;
- Recommending overall program decisions to the I-REN Executive Committee;
- Making program decisions to implement and operate the programs;
- Participating in local and state industry webinars, conferences and events, researching other similar programs, sharing and leveraging best practices to inform program design;
- Developing relationships with and understanding the needs of program stakeholders in all three COG subregions;
- Establishing a working group of such stakeholders to provide regular input to the Program Manager on the administration of the program;
- Coordinating with other Regional Energy Networks and IOUs regarding program design and delivery to enhance program performance and achieve mutual objectives;
- Developing and presenting program design and implementation strategies consistent with the Implementation Plan for Program Team member input and approval;

- Developing and updating annual Strategic Action Plans and work plans; and establishing and communicating program-level roles and priorities;
- Delegating tasks as appropriate to Program Team members;
- Managing program-level performance and providing program-level reporting to the I-REN Administrative Lead COG;
- Managing program-level budget;
- Scheduling and drafting agendas for Program Team meetings; sending agenda at least 24 hours prior to meeting; and sending meeting notes and action items within 24 hours after the meeting;
- Supporting CPUC regulatory filings (e.g. metrics) as necessary; and
- Coordinating and communicating with the I-REN Executive Committee, including preparing staff reports for the I-REN Executive Committee meetings.

4. **Program Teams:** Each I-REN program has a Program Team including at least one representative from each member COG as well as consultants and/or technical assistance providers. Program Team member responsibilities include:

- Developing relationships with and understanding the needs of stakeholders within the Program Team member's subregion;
- Taking primary accountability for program implementation and operation within the Program Team member's subregion, as directed by the Program Manager;
- Providing input and/or alternative suggestions for program design and implementation strategies presented by the Program Manager;
- Completing tasks and action items delegated by the Program Manager within the timeframe allotted;
- Understanding defined program-level roles and priorities and communicating with the Program Manager if and when clarification is needed;
- Identifying and communicating programmatic concerns and issues that warrant the consideration of the I-REN Executive Committee; and
- Attending and actively participating in weekly or bi-weekly Program Team meetings.

Inland Regional Energy Network (I-REN) Meetings

To further promote and enhance effective and transparent communication and decision-making, critical meetings with pre-established frequency and with invitations sent to all pertinent members have been identified and detailed in the matrix below. Each of the meetings has been previously referenced as a responsibility under each of the aforementioned roles.

Meeting Type	Frequency	Mode	Time
I-REN Executive Committee	Quarterly	In-Person / Virtual	TBD
Program Team / Member COG All-Staff*	Bi-Weekly (or as needed)	Virtual	TBD

**Member COG All-Staff meetings are meant to drive program implementation and resolve operational issues.*

The I-REN Executive Committee is subject to the Brown Act. Meeting information will be generated and distributed in a manner consistent with the requirements of the Brown Act.

If a Program Manager or Program Team member is not present at meetings, it is such person's responsibility to review shared meeting notes and deliver assigned action items. All I-REN related meetings, events or related travel shall include an invitation to XX@IREN.org.

Attachment

I-REN Program Agreement

**INLAND REGIONAL ENERGY NETWORK
ENERGY EFFICIENCY
PROGRAMS AND BUDGETS AGREEMENT
FOR YEARS 2022-2027**

THIS INLAND REGIONAL ENERGY NETWORK – ENERGY EFFICIENCY PROGRAMS AND BUDGETS AGREEMENT FOR YEARS 2022-2027 (hereinafter, and as further defined below, the “Programs Agreement”) is entered into and made effective, subject to Section 7.13, as of **[CURRENT DATE]**, 2022 (the “Effective Date”), by and among:

The Western Riverside Council of Governments (the “WRCOG”), a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 et. seq.) (the “Act”) and that certain Joint Power Agreement entered into on [April 1, 1991], as amended from time to time (the “WRCOG JPA”), by and among the WRCOG Agencies (as defined in Section 2.21) on behalf of itself as well as in its capacity as the I-REN Authorized Agent (as defined in recital R3.); and

Southern California Gas Company (“SoCalGas”), an investor-owned, California public utilities corporation, with its principal place of business in Los Angeles, California, and a wholly owned subsidiary of Sempra Energy, a California Corporation; and

Southern California Edison (“SCE”), an investor-owned, California public utilities corporation, with its principal place of business in Rosemead, California, and a wholly owned subsidiary of Edison International, a California corporation; and

For purposes of Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Articles XIII and XVI only, the Coachella Valley Association of Governments (the “CVAG”), a joint exercise of powers authority established pursuant to the Act and that certain Joint Power Agreement entered into on or about November 1973, as amended from time to time (the “CVAG JPA”), by and among the CVAG Agencies (as defined in Section 2.8); and

For purposes of Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Articles XIII and XVI only, the San Bernardino Associated Governments (the “SANBAG”), a joint exercise of powers authority established pursuant to the Act and that certain Joint Power Agreement entered into on June 8, 1973, as amended from time to time (the “SANBAG JPA”), by and among the SANBAG Agencies (as defined in Section 2.17).

RECITALS

R1. On February 26, 2021, the WRCOG filed a motion with the Commission to recognize the consortium of the WRCOG, the CVAG and the SANBAG (collectively, the “Constituent COGS”) as a regional energy network (a “REN”) (as originally introduced by the Commission in its decision, *Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education and Outreach* (D.12-05-015)) to be known as, the Inland Regional Energy Network (the “I-REN”), and to approve the I-REN’s proposed energy efficiency rolling portfolio business plan and budget (the “Business Plan & Budget”) concerning the proposed program areas and certain administrative costs associated therewith incorporated into such motion, as further described herein. This motion was made in accordance with various decisions of the Commission, including *Decision Re Energy Efficiency Goals for 2016 and Beyond* and *Energy Efficiency Rolling Portfolio Mechanics* (D.15-10-028), *Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filings* (D.16-08-019), *Decision Addressing Energy Efficiency Business Plans* (D.18-05-041), and *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation* (D.19-12-021).

R2. On November 22, 2021, the Commission issued its decision, *Approval of Inland Regional Energy Network Energy Efficiency Business Plan* (D.21-11-013) (the “Decision”), pursuant to which, among other

things, the Commission (i) approved the I-REN as a REN and as a full energy efficiency program administrator, (ii) approved the Business Plan & Budget by authorizing energy efficiency funding in the aggregate amount of Sixty-Five Million Five Hundred Seventy-Seven Thousand Nine Hundred Thirty-Two Dollars and Zero Cents (\$65,577,932.00) for the years 2022 through 2027, (iii) appointed SoCalGas to serve as the fiscal and contracting agent utility for the I-REN, and (iv) instructed SoCalGas and SCE to coordinate administratively with respect to the collection and distribution of electric funds supporting the I-REN's activities.

R3. Pursuant to that certain Memorandum of Agreement (the "MOA") (including the I-REN Governance and Operations Charter attached as Exhibit C thereto and incorporated therein by reference), dated as of [] **[TO BE DATED PRIOR TO THIS PROGRAMS AGREEMENT]**, 2022, by and among the Constituent COGS, and in accordance with Section 3.1, the Constituent COGS, by and through each of their respective executive committees, have agreed, adopted and approved that the WRCOG be the authorized Administrative Lead COG, fiscal agent, purchasing and contracting entity, and the primary regulatory contact manager for the I-REN as well as the authorized agent for and on behalf of the Constituent COGS under this Programs Agreement (the WRCOG, acting in such capacity and performing such roles is referred to herein as, the "I-REN Authorized Agent").

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, each of the WRCOG, on behalf of itself and the Constituent COGS, SCE and SoCalGas agree as follows:

ARTICLE I Documents

Section 1.1 This base document (including its Recitals) along with the Exhibits expressly listed below, as well as any documents expressly incorporated herein, collectively form, and are referred to throughout and hereinafter as, the "Programs Agreement." The Parties intend that this Programs Agreement be read and interpreted as a single and unified document, without giving interpretive precedence to where a provision is located in the Programs Agreement. The Exhibits are as follows:

Exhibit A-1: the I-REN Public Sector Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit A-2: the I-REN Workforce Education and Training Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit A-3: the I-REN Codes & Standards Program Implementation Plan (a copy of which has been filed with CEDARS and updated from time to time).

Exhibit B Maximum Contract Sum and IOU Maximum Contribution **[TO BE PROVIDED BY IOUs]**

Exhibit C Security Incident Response Provision **[TO BE PROVIDED BY IOUs]**

Exhibit D Computing System and Security Review and Obligations **[TO BE PROVIDED BY IOUs]**

Exhibit E Monthly Invoicing and Reporting Requirements

Exhibit F Energy Efficiency Policy Manual Version 6, April 2020

Exhibit G Time & Materials Hourly Rate Schedule

Exhibit H Commission Approved JCMs

Exhibit I The MOA (including the Charter)

Exhibit J Program Coordinating Committees **[TBD]**

Exhibit K Description of I-REN Service Territory **[TBD]** **[MAP OF 3 COG'S JURISDICTIONS TO BE PROVIDED]**

Section 1.2 This Programs Agreement constitutes the complete and exclusive statement of understanding among the Parties and supersedes any previous agreements, amendments, written or oral, and all communications among the Parties relating to the subject matter herein. To the extent that there is any conflict of, or inconsistency in, interpretation between this Programs Agreement and the Decision (or any other decision of the Commission), the Decision (or such decision of the Commission) shall be given interpretive priority. To the extent that there is a direct and explicit conflict between the body of the Programs Agreement and the Implementation Plan, as approved by the Commission, the Implementation Plan shall control. Captions and Section headings used in this Programs Agreement are for convenience only and are not intended to be used in interpreting this Programs Agreement.

ARTICLE II Definitions

The terms and phrases in this **Article 2**, in quotes and with initial letter(s) capitalized, shall have the meanings set forth below whenever used in this Programs Agreement.

Section 2.1 “Administrative Lead COG” means WRCOG serving in its capacity as the fiscal agent, purchasing and contracting manager and primary regulatory contact manager for I-REN.

Section 2.2 “Authorized Work” means any and all goods, services, materials and deliverables and related obligations to be performed and undertaken by an administrator or implementor of an I-REN Program, pursuant to a contract between a Subcontractor (or Third-Party Contractor), on the one hand, and an I-REN Constituent Agency, on the other hand, as approved by the WRCOG, in its capacity as the I-REN Authorized Agent, in conformance with an Implementation Plan, this Programs Agreement and the Decision or as otherwise authorized by the Commission.

Section 2.3 “Business Day” is the measurement period of time, for purposes of this Programs Agreement, from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.

Section 2.4 “Calendar Day” is the measurement period of time, for purposes of this Programs Agreement, from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Programs Agreement are Calendar Days.

Section 2.5 “CEDARS” means the California Energy Data and Reporting System.

Section 2.6 “CFA” means that certain Co-Funding Agreement, dated as of the Effective Date, by and between SCE and SoCalGas, pursuant to which SCE and SoCalGas have agreed to work together to coordinate administratively with respect to the collection and distribution of utility rate-payer funds supporting the I-REN’s activities and to appoint SoCalGas as the lead fiscal and contracting agent utility for the I-REN.

Section 2.7 “Commission” means the California Public Utilities Commission.

Section 2.8 “CVAG Agencies” means, collectively, the following member, local government agencies and tribal governments of the CVAG as of the Effective Date (which may thereafter change from time to time): the County of Riverside, the City of Coachella, the City of Indio, the City of La Quinta, the City of Indian Wells, the City of Palm Desert, the City of Rancho Mirage, the City of Cathedral City, the City of Palm Springs, the City of Desert Hot Springs, the City of Blythe, the Agua Caliente Band of Cahuilla Indians, the Cabazon Band of Mission Indians and the Torres Martinez Tribe; “CVAG Agency” means any individual member, local government agency or and tribal government thereof.

Section 2.9 “Customer” or “Customers” means, whether singular or plural, whether residential, commercial or otherwise, those persons or entities receiving electrical service from SCE (i.e., electric utility ratepayers) or natural gas service from SoCalGas (i.e., natural gas utility ratepayers), who pay the ‘public goods charge,’ pursuant to Section 381 of the California Public Utilities Code, or the ‘gas surcharge,’ pursuant to the Sections 890-900 of the California Public Utilities Code, respectively, in each case, for public purposes programs, including energy efficiency programs approved by the Commission.

Section 2.10 “EM&V Activities” means those evaluation, measurement and verification activities undertaken by the I-REN or any I-REN Constituent Agency, including data collection, Commission evaluation activities, as well as process, market and sector analysis for I-REN Program planning and implementation pursuant to the Decision and other Commission requirements.

Section 2.11 “Incentive” has the meaning used in the Commission’s Energy Efficiency Policy Manual, Version 6, April 2020, as may be supplemented or updated from time to time.

Section 2.12 “Implementation Plan” means the document filed by the WRCOG on behalf of I-REN and approved by the Commission, which addresses the design and implementation of the work and activities of one or more I-REN Programs, including the description of the I-REN’s implementation strategies and tactics, program processes, program targets and deliverables conforming to the Decision or other written Commission decisions or directives, and attached to this Programs Agreement as one of its Exhibit As. For future Implementation Plan amendments and updates, once the Commission has approved the revised Implementation Plan, such approved Implementation Plan shall be attached as an Exhibit A and shall be automatically incorporated herein. Any subsequent changes or modifications by the Commission to an Implementation Plan shall also be automatically incorporated into and attached as an Exhibit A and shall be incorporated herein. As between Implementation Plans, the most recent Commission-approved Implementation Plan shall be controlling.

Section 2.13 “I-REN Constituent Agencies” means, collectively, the Constituent COGS, the WRCOG Agencies, the CVAG Agencies and the SANBAG Agencies; “I-REN Constituent Agency” means any individual member, local government agency(ies) thereof (including any constituent agency of the same).

Section 2.14 “JCM” means those certain Joint Cooperation Memorandums to be jointly filed with the Commission annually by the Parties as a Tier 2 Advice Letter pursuant to the Decision and as approved by the Commission during the term of this Program Agreements, as may be amended and updated from time to time.

Section 2.15 “Parties” means, collectively, the WRCOG, SCE and SoCalGas. CVAG and SANBAG have executed this Programs Agreement only for purposes of agreeing to Sections 3.1, 4.3, 7.13, 14.5, 18.2 and 19.1 and Sections XIII and XVI hereof, but are otherwise not considered Parties hereto; “Party” means, individually, each of the WRCOG, SCE or SoCalGas.

Section 2.16 “Program Expenditures” means actual (i.e., no mark-up for profit, administrative or other indirect costs), reasonable expenditures by any of the I-REN Constituent Agencies in solely targeted and direct support of an I-REN Program or Commission-approved EM&V Activity.

Section 2.17 “SANBAG Agencies” means, collectively, the following member, local government agencies of the SANBAG as of the Effective Date (which may thereafter change from time to time): []; “SANBAG Agency” means any individual member, local government agency thereof. Notwithstanding the foregoing, the Party’s agree that the Utilities will only have to recognize those constituents of the SANBAG Agencies (and any Authorized Work relating thereto) that comport in all respects with the Decision and its reference to the “San Bernardino Council of Governments.”

Section 2.18 “Subcontractor” means a person or an entity (or any subcontractor thereof) contracting directly with any of the I-REN Constituent Agencies to furnish services or materials as part of or directly related to an I-REN Program and this Programs Agreement.

Section 2.19 “Third-Party Contractor” is a person or an entity participating in any of the I-REN Programs to furnish services or materials as part of or directly related to an I-REN Program. To be a Third-Party Contractor, the following conditions must be met: (1) the person or entity is not an employee, Subcontractor, or agent of any I-REN Constituent Agency, (2) the person or entity does not have a contractual relationship with any I-REN Constituent Agency relating to any of the I-REN Programs, and (3) the person or entity’s participation in the I-REN Programs is not controlled, directly or indirectly, by any I-REN Constituent Agency.

Section 2.20 “Utility” means SCE or SoCalGas, individually; “Utilities” means SCE and SoCalGas, collectively.

Section 2.21 “WRCOG Agencies” means, collectively, the following member, local government agencies of the WRCOG as of the Effective Date (which may thereafter change from time to time): The County of Riverside , the City of Banning, the City of Beaumont, the City of Calimesa, the City of Canyon Lake, the City of Corona, the City of Eastvale City of Hemet, the City of Jurupa Valley, the City of Lake Elsinore, the City of Menifee, the City of Moreno Valley, the City of Murrieta, the City of Norco City of Perris, the City of Riverside, the City of San Jacinto, the City of Temecula, the City of Wildomar, the Eastern Municipal Water District, the Western Municipal Water District, and the Riverside County Superintendent of Schools; “WRCOG Agency” means any individual member, local government agency thereof.

ARTICLE III

I-REN Authorized Agent and I-REN Programs

Section 3.1 Appointment of I-REN Authorized Agent.

(a) By the approval of this Programs Agreement by each of the Constituent COGS, and in accordance with the MOA, each of the Constituent COGS hereby irrevocably appoints and constitutes the WRCOG as its respective exclusive agent, proxy and attorney-in-fact, with full power of substitution, to act on behalf of the Constituent COGS for the purposes specified herein (including the Recitals hereto) as the I-REN Authorized Agent including the full power and authority to act on the Constituent COGS behalf with respect to this Programs Agreement as well as the I-REN and the I-REN Programs, including, without limitation, to act as the I-REN’s authorized Administrative Lead COG, fiscal agent, purchasing and contracting entity, and primary regulatory contact manager, and to bind the Constituent COGS to the rights and obligations described herein. The Constituent COGS, by approving this Programs Agreement, further agree that such exclusive agency, proxy and attorney-in-fact and the powers and immunities granted to the I-REN Authorized Agent hereunder (i) are coupled with an interest, are therefore irrevocable without the consent of the I-REN Authorized Agent, and (ii) shall be binding upon the successors, heirs, executors, administrators and legal representatives of each of the Constituent

COGS and shall not be affected by, and shall survive, the bankruptcy, dissolution or liquidation of any of the I-REN Constituent Agencies.

(b) All decisions, actions, consents and instructions by the I-REN Authorized Agent shall be binding upon all of the Constituent COGS, and none of the Constituent COGS shall have the right to object to, dissent from, protest or otherwise contest any such decision, action, consent or instruction. The Utilities shall be entitled to rely on any decision, action, consent or instruction of the I-REN Authorized Agent as being the decision, action, consent or instruction of the Constituent COGS, and each of the Utilities are hereby relieved from any liability to any person for acts done by them in accordance with any such decision, act, consent or instruction.

(c) The I-REN Authorized Agent shall have such powers and authority as are necessary to carry out the functions assigned to it under this Programs Agreement. Without limiting the generality of the foregoing, the I-REN Authorized Agent shall have full power, authority and discretion to: (i) consummate the transactions contemplated by this Programs Agreement; (ii) negotiate disputes arising under, or relating to, this Programs Agreement; (iii) receive and disburse the payments it receives from SoCalGas pursuant to Section 7.6, whether to Third-Party Contractors, Subcontractors, the I-REN Constituent Agencies or otherwise; (iv) withhold any amounts received under this Programs Agreement or otherwise to satisfy any and all obligations or liabilities incurred by the I-REN Authorized Agent in the performance of its duties hereunder; (v) execute and deliver any amendment or waiver to this Programs Agreement (without the prior approval of the other Constituent COGS); and (vi) take all other actions to be taken or refrain from taking such action by or on behalf of the Constituent COGS in connection with this Programs Agreement.

(d) By the approval of this Programs Agreement and the MOA, each of the Constituent COGS hereby, severally, but not jointly, agrees to indemnify and hold harmless the I-REN Authorized Agent and its partners, managers, officers, agents and other representatives from and against any losses, liabilities, costs, claims, damages, expenses (including reasonable attorneys' fees and costs of other skilled professionals and in connection with seeking recovery from insurers), judgments, fines and amounts incurred by such persons arising out of actions taken or omitted to be taken by the WRCOG when acting in the capacity as the I-REN Authorized Agent except for those arising out of the WRCOG's gross negligence or willful misconduct.

(e) The Constituent COGS agree not to amend or modify the MOA without the written prior consent of the Utilities to the extent such amendment or modification would cause any of the Constituent COGS to be in breach of this Programs Agreement or otherwise adversely affect the obligations of any of the Constituent COGS, or the rights of the Utilities, hereunder.

Section 3.2 The I-REN's goal is to connect residents, businesses, and local governments to a wide range of energy efficiency resources to increase energy savings and equitable access throughout San Bernardino and Riverside counties. In order to achieve this goal, pursuant to and in accordance with this Programs Agreement, the Decision, other Commission decisions, the Commission approved Business Plan & Budget, the JCM, and the applicable Implementation Plans, the WRCOG, acting as the I-REN Authorized Agent, shall implement the following I-REN programs (collectively, as approved by the Commission, the "I-REN Programs," and each, individually, an "I-REN Program"):

(a) I-REN Public Sector Program. The goal of this I-REN Program is to build capacity and knowledge in order to enable local governments to effectively leverage energy efficiency services and to demonstrate best practices in accordance with the I-REN Public Sector Program Implementation Plan. This I-REN Program will serve the I-REN Constituent Agencies, including cities, school districts, water districts, special districts, and tribal communities. This I-REN Program will target, but not be limited to, upgrades to existing public buildings and facilities with high energy use and older equipment. There will also be a focus on community-serving buildings such as community centers, libraries, senior centers, schools, and fire and police buildings. Through energy efficiency projects in these facilities, I-REN can provide benefits to disadvantaged, low income, and other vulnerable communities where these facilities

serve as cooling centers offering protection from the region's extreme heat. This I-REN Program provides a range of offerings and services that include, but are not limited to, technical assistance and strategic energy planning, including a public building NMEC program, a resource program.

(b) I-REN Codes & Standards Program. The goal of this I-REN Program is to work closely with local building departments and the building industry to support, train, and enable long-term streamlining of energy code compliance in accordance with the I-REN Codes & Standards Program Implementation Plan. This I-REN Program will assist its local government agencies to better understand and enforce energy building codes and will also assist its local government agencies in development and implementation of reach codes and model ordinances. This I-REN Program will support the Inland Empire region's building industry to better conform to and implement the building codes. This I-REN Program could include but is not limited to identifying gaps in code compliance and working with the statewide IOU C&S Program to ensure that CAEECC-vetted, statewide and consistent support is provided to their constituents. The I-REN will leverage opportunities to support code compliance and enforcement to ensure that the staffs of local government building departments have adequate knowledge and awareness of energy-savings measures.

(c) I-REN Workforce Education & Training Program. The goal of this I-REN Program is to ensure that there is a trained workforce to support and realize energy efficiency savings goals across sectors in accordance with the I-REN Workforce Education and Training Program Implementation Plan. This I-REN Program will serve as a vital link between workforce skills and training providers such as community colleges and employers to build a more robust market and increase the number of skilled energy efficiency contractors in Inland Empire region. The Program will promote job market recovery and progress toward statewide goals regarding energy efficiency, air quality, and support for hard-to-reach, underserved, rural, tribal, and disadvantaged communities. This I-REN Program intends to create a robust local network of trainings to increase capacity, knowledge and awareness of energy efficiency and the number of skilled energy efficiency workers in the Inland Empire region.

(d) Subject to Article IV, including any changes that would directly or indirectly modify any material provision of this Programs Agreement, any future energy efficiency programs of the I-REN that are approved by the Commission pursuant to a future Commission decision and implemented in accordance with a Commission approved Implementation Plan, which such plan will be attached hereto as an additional Exhibit A.

ARTICLE IV

Roles and Deliverables

Section 4.1 Utilities. Pursuant to and in accordance with the Decision, the CFA, and this Programs Agreement, SoCalGas shall act as the fiscal and contracting agent utility for the I-REN in order to disburse Commission authorized funds pursuant to a valid invoice and based on the Business Plan & Budget to the I-REN Authorized Agent and conduct general management and monitoring activities in compliance with Commission directives. The Utilities' role shall encompass all of the usual fiscal and management functions as set forth in this Programs Agreement, including fiscal oversight and monitoring, and as otherwise determined by the Commission. The Utilities will be responsible for timely payments to the I-REN Authorized Agent for Authorized Work completed in accordance with an applicable Implementation Plan and as set forth in this Programs Agreement. Other than expressly described herein, the Utilities shall have no role in, or obligations with respect to, the I-REN Program design or implementation other than to transfer the funds described herein.

Section 4.2 I-REN Independent Authority. Pursuant to Commission decision, *Decision Approving 2013-2014 Energy Efficiency Programs And Budgets* (D.12-11-015), for initial authorization of Regional Energy Network and *Decision Regarding Frameworks for Energy Efficiency Regional Energy Networks and Market Transformation* (D.19-12-021), and Energy Efficiency Policy Manual Version 6 dated April 2020 (Exhibit F), and within the confines of the applicable I-REN Programs and Implementation Plans approved by the Commission, the WRCOG, as the I-REN Authorized Agent, on

behalf of the I-REN amongst and between the Constituent COGS, has the independent authority to design, manage, deliver, and oversee the I-REN Programs, without the Utilities' direction as it relates to design and delivery of such I-REN Programs. The WRCOG, as the I-REN Authorized Agent, on behalf of I-REN, shall be independently accountable to the Commission for delivering the results outlined in I-REN's Implementation Plans, and neither SCE nor SoCalGas will have any responsibility or liability for WRCOG's failure to implement any I-REN Programs in accordance with Commission decisions, directives, policies, or rules.

Section 4.3 WRCOG Authority in I-REN Governance. The Constituent COGS have each executed the MOA, a copy of which is attached as Exhibit I and which is incorporated herein by reference, pursuant to which the WRCOG has been appointed as the I-REN Authorized Agent of the Constituent COGS in order to administer the I-REN and the I-REN Programs in accordance with this Programs Agreement.

Section 4.4 Modification of the Program by the Commission. The Parties each acknowledge and agree that this Programs Agreement and any I-REN Program shall at all times be subject to the authority and discretion of the Commission, including, but not limited to, review, modifications and denials, as the Commission may direct from time to time in the exercise of its jurisdiction. If the Commission modifies an I-REN Program, the Parties shall amend this Programs Agreement as necessary to incorporate such changes. Such corresponding amendment shall specify any changes, including without limitation, the Implementation Plans, increases or decreases in overall I-REN Program funding, or such other modification or change as directed by the Commission.

Section 4.5 Modification of the Program by the Parties. The WRCOG and the Utilities each acknowledge that the Utilities' function does not extend to the I-REN Program design or modification, or the effectiveness of the WRCOG's delivery of Authorized Work under this Programs Agreement. Without limiting the generality of the foregoing, the Utilities and the WRCOG may collaborate on and agree to I-REN Program designs, implementation strategies or modifications. If the WRCOG desires to modify an Implementation Plan, it must notify the appropriate Utility(ies) and Commission staff by providing the proposed modifications. With Commission approval, the WRCOG may modify the Implementation Plan by documenting the changes in the California Energy Data and Reporting System (CEDARS) website, maintained by the Commission. If the WRCOG wishes to eliminate an existing I-REN Program or propose a new program, the WRCOG must file an advice letter or take other action as directed by the Commission to obtain Commission approval.

Section 4.6 I-REN Program Start Up.

(a) Program Data, Invoicing and Reporting Tool. The WRCOG shall attend a workshop that provides training on the use of Utility invoicing and reporting, protocols and procedures, including the use of various invoicing and reporting tools (collectively, "IR Tools"). The WRCOG will attend IR Tool training as determined by SoCalGas in consultation with the WRCOG.

(b) Reporting

(i) IR Tools. After SoCalGas provides the WRCOG training on the IR Tools, the WRCOG will utilize the IR Tools, which serve three primary purposes:

(A) Enable the WRCOG to provide SoCalGas with required I-REN Program information that supports the costs incurred;

(B) Provide SoCalGas the capability to access the I-REN Program information for the purpose of fiscal management and coordination; and create reports; and

(C) Provide miscellaneous reporting support for the Utilities' internal and Commission reporting requirements.

(ii) Submission of Information into IR Tools. The WRCOG will update invoicing and reporting information using the IR Tools on a monthly basis in accordance with requirements set forth in this Programs Agreement. The WRCOG will work collaboratively with SoCalGas in tailoring the required files and data for each I-REN Program.

(iii) Monthly Invoicing and Reporting. All required monthly invoice reports can be generated via the IR Tools. The WRCOG will be responsible for implementing, adhering to, and the submission of, the items as described in Exhibit E of this Programs Agreement. The invoice reporting requirements may be amended from time to time, at which time SoCalGas will notify the WRCOG of the changes and issue a new Exhibit E. The WRCOG shall implement these modifications in a timely manner and they will be reflected in future invoice documentation.

(iv) Utilities' Regulatory Reporting and Filing. The WRCOG will timely implement, adhere to, and submit the items as requested by the Utilities for Commission regulatory reporting, filing or data request purposes. The WRCOG acknowledges that the Utility may, in its sole discretion, require the WRCOG to provide such other reports or documentation that the Utilities deem appropriate or necessary ("Ad Hoc Reports"). The WRCOG will comply with any request for such Ad Hoc Report(s) within a reasonable time or within the time requested by the Utility.

(v) I-REN Regulatory Reporting and Filing. Subject to each Utility's internal compliance, confidentiality and disclosure policies, the Utilities will cooperate and timely submit items as requested by the WRCOG for Commission regulatory reporting, filing or data request purposes. The Utilities acknowledge that the WRCOG may reasonably request the Utilities to provide such other reports or documentation that the WRCOG deems appropriate or necessary for the purpose of Commission regulatory reporting, filing or data request.

(vi) The WRCOG acknowledges that to the extent any authorized entity seeks to audit an I-REN Program, including the use of funds relating thereto, the Utility(ies) may direct the seeking entity to the WRCOG directly or require the WRCOG to provide any and all documentation or records required. The Utilities may make any of the records they develop and maintain accordance to this Programs Agreement, as well as any information obtained from any of the I-REN or the I-REN Constituent Agencies, available to the Commission upon request of the Commission.

(vii) The WRCOG agrees to the following I-REN monthly invoice and cost accounting schedule as follows:

Deliverable(s)	Due Date(s)
The WRCOG to prepare and submit monthly invoices and supporting documentation to SoCalGas.	Monthly, by the 15th Calendar Day for Authorized Work completed the preceding month.
The WRCOG to prepare and submit quarterly invoice estimate for accrual to SoCalGas.	Quarterly by the 10th Calendar Day for the month of March, June, September and December of each calendar year.

Deliverable(s)	Due Date(s)
The WRCOG to prepare and submit relevant reporting data to SoCalGas.	As SoCalGas or WRCOG requests and/or requires, as set forth in this Programs Agreement.

(c) Particular I-REN Programs may have additional or different requirements and/or deadlines as communicated to the WRCOG, on behalf of the I-REN, in writing by SoCalGas. Any Commission-approved changes to the Implementation Plan shall be incorporated herein in accordance with this Article IV

(d) Relationship of the Parties. Each Party is an independent contractor vis-à-vis the other, and neither this Programs Agreement nor the exercise of any of the duties of the Parties pursuant to this Programs Agreement shall be deemed to create any joint venture, partnership, fiduciary, agency or employment relationship between the Parties. Nothing in this Agreement is intended to convey any rights or benefits upon any third party other than as expressly set forth herein.

ARTICLE V

Maximum Contract Sum

Section 5.1 The Maximum Contract Sum committed to this Programs Agreement from the Utilities is set forth in Exhibit B of this Programs Agreement. Exhibit B reflects the I-REN's Commission authorized Business Plan & Budget from the Decision for each I-REN Program year from 2022 through 2027. Exhibit B may be amended and updated to reflect the latest Commission-approved I-REN budget or budget changes and the Utilities' maximum funding contribution for each I-REN Program year without a need for formal amendment. Notwithstanding the foregoing, WRCOG shall provide the Utilities (1) notice of any request to the Commission to update, change, or extend its current authorized I-REN budget that increases the maximum funding contribution of the Utilities; and (2) notice of any Commission-approved changes to the I-REN budget to be incorporated into Exhibit B. The parties understand and agree that there will be no carry-over for unspent and uncommitted budget from one program year to the following program year.

Section 5.2 Except as otherwise set forth in an Implementation Plan, and future Commission written decisions, and unless the fund-shifting rules established by the Commission are changed, the WRCOG, as the I-REN Authorized Agent, has the sole discretion to re-allocate the I-REN Program budgets amongst and between individual projects supported by Authorized Work, subject to Commission approval. The WRCOG shall timely notify the Utilities of any approved fund shift or budget change. Any Commission-approved I-REN budget changes shall be automatically incorporated into and attached to Exhibit B and shall be incorporated herein.

Section 5.3 Cost Caps. The WRCOG shall use its best efforts to cap administrative costs at ten percent (10%) of the Maximum Contract Sum per year, and marketing and outreach costs to a maximum of six percent (6%) of the Maximum Contract Sum per year. The WRCOG acknowledges that it is the desire of the Commission to keep administrative and marketing costs as low as possible.

ARTICLE VI

Utilities' Relationship

Section 6.1 SoCalGas will serve as the primary utility administrator for this Programs Agreement, in compliance with Commission directives and the CFA, and shall act as a fiscal agent with responsibility for the timely distribution of funds to the WRCOG (as the I-REN Authorized Agent) for Authorized Work.

Section 6.2 SCE's rights are coextensive of the rights of SoCalGas under this Programs Agreement and are in no way limited by SoCalGas.

Section 6.3 As between SCE and SoCalGas the terms of their CFA shall control. The CFA may be amended by mutual agreement of the Utilities without notice, consent, or consultation from the WRCOG. Nothing in the CFA, or any amendment to it, shall affect any right or obligation of the WRCOG with respect to the Utilities.

ARTICLE VII

Invoicing, Reporting and Payments

The WRCOG shall deliver monthly invoices to SoCalGas by the 15th Calendar Day of each month for Program Expenditures incurred for Authorized Work completed in the preceding month. SoCalGas shall review the invoices concurrently with SCE to ensure (1) that the costs incurred are allowable costs related to I-REN Program activities that are consistent with the applicable Implementation Plan and (2) that sufficient Commission budgetary authorization exists. The following invoicing, reporting and payment requirements are applicable to each payment request pursuant to an invoice, which must be in accordance with the applicable project's scope of work for an I-REN Program and/or Commission-approved I-REN EM&V Activity:

Section 7.1 Time and Material Basis. All Authorized Work will be performed on a "time and material basis" and subject to the general provisions set forth below. In the event Authorized Work is performed on a basis other than time and materials, the Parties shall agree on general provisions for invoicing and reporting such Authorized Work and incorporate such provisions into this Programs Agreement by amendment prior to the consummation of any such Authorized Work and prior to the WRCOG invoicing the Utilities for the same.

Section 7.2 Energy Efficiency Incentive. Subject to Article IX, the WRCOG (as the I-REN Authorized Agent) will invoice the Utilities for funding to cover energy efficiency Incentives paid to a Customer (or such Customer's authorized contractor) for such Customer's energy efficiency improvement. The Utilities and WRCOG agree that the activities covered by the Incentive may be invoiced by the WRCOG in a manner other than on a 'time and materials' basis. Funding for the Incentive shall be invoiced by the WRCOG to SoCalGas along with completed energy efficient project and installed measure data identifying electric and/or gas Incentives. Notwithstanding the foregoing, consistent with Section 9.1, the Utilities have no obligation to pay for Incentive costs provided to a Customer that previously received Incentives for the same measure(s) through another ratepayer-funded program.

Section 7.3 General Provisions

(a) All charges shall be directly identifiable, with reasonably supported, written documentation, and required for the Authorized Work.

(b) The WRCOG shall notify SoCalGas' representative(s) responsible for the Programs Agreement at such time that it becomes reasonably apparent that the forecasted cumulative charges may exceed any budgets authorized under the Decision or applicable projects then in process (or otherwise forecasted) pursuant to the applicable Implementation Plan (whether by task, total amount authorized, or both). The WRCOG shall not proceed with or be reimbursed for any Authorized Work performed, either beyond the effective period of the Programs Agreement, or exceeding the authorized amounts of the Programs Agreement absent a written, pre-authorized change order or amendment by the Commission.

(c) The WRCOG shall notify SoCalGas' representative responsible for the Programs Agreement as soon as possible upon the occurrence of any fund-shifting or re-allocation of the budget amongst and between outstanding individual projects supported by Authorized Work.

(d) Labor-Related Costs Under Time and Material Basis. To the extent applicable, the WRCOG shall invoice SoCalGas at the fixed hourly rates for the applicable labor categories stated in Exhibit G for time spent directly engaged in performance of the Authorized Work by any of the I-REN Constituent Agencies'. Such fixed hourly rates will be updated per I-REN Constituent Agencies' fiscal year and shall be inclusive of all the I-REN Constituent Agencies' overhead costs (including all taxes and insurance), administrative and general fees. All labor-related costs shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.

(e) The fixed hourly rates provided by the WRCOG for the respective fiscal year are specified in Exhibit G and may change at the discretion of the applicable I-REN Constituent Agencies from time to time; provided, that, the WRCOG shall, as soon as practicable, notify SoCalGas in writing of any change to the labor rates in Exhibit G, and such change shall be automatically incorporated into the Programs Agreement without need for a formal amendment. The Utilities neither endorse nor approved the fixed hourly rates.

(f) Expenses. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary. This prohibition on mark-ups shall be observed by all Subcontractors and Third-Party Contractors and shall be incorporated into any contracts by and between such persons and an I-REN Constituent Agency, such that, the applicable Subcontractor or Third-Party Contractor is not receiving payment relating to services that it did not directly provide. In furtherance of the foregoing, no I-REN Constituent Agency, Subcontractor or Third-Party Contractor, shall give, and no such person shall accept, any portion, split or percentage of any charge made or received in rendering any services (or goods) other than for services actually performed (or goods directly manufactured).

(g) Material Costs. Material costs shall be charged at cost without mark-up and substantiated with an invoice stating the unit price, quantity, and other information as required to identify the Authorized Work.

(h) Subcontract Costs and Subcontractors. Subcontracted Authorized Work shall be charged at the rates actually paid by the I-REN Constituent Agencies, not to exceed the rates set forth in the applicable contract between the I-REN Constituent Agency and the Subcontractor, or this Programs Agreement for the Authorized Work by the I-REN Constituent Agencies. The WRCOG shall provide SoCalGas the Subcontractor invoices (incorporating any Third-Party Contractor costs) for any invoice that includes Subcontractor costs. With respect to the Utilities, the WRCOG shall at all times be responsible for the Authorized Work, and for the acts and omissions of Subcontractors and persons directly or indirectly engaged by the Subcontractors, including Third-Party Contractors. All expenses shall be charged at cost, without mark-up.

(i) Out-of-Pocket Expenses. Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, computer time and in-house technical software are deemed to be included in the I-REN Constituent Agencies' overhead costs and will not be reimbursed.

(j) Travel Costs. Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available or in accordance with I-REN Constituent Agencies' travel cost policy. A copy of an airfare receipt indicating the final expense for the trip taken and applicable supporting documents showing the starting point, travel destination, departure and return dates, and the purpose of the trip are required for each air travel reimbursement. Automobile travel from the offices of the I-REN Constituent Agencies' agents or representatives to any I-REN Program job site, function or activity shall be paid at the fixed mileage rate stated in the Programs Agreement or, if not stated, at the applicable Internal Revenue Service standard mileage reimbursement rate or a reimburseable rate set by I-REN Constituent Agency's travel cost policy. Either a mileage log showing miles driven for each trip or a

Google/MapQuest, or their equivalent, printout showing the travel path is required for each mileage reimbursement request.

(k) Records. The WRCOG shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. The Utilities reserve the right to audit and copy any applicable documents related to the Authorized Work, including, hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the purchase order number and the WRCOG's vendor number provided by the Utilities when applicable. In addition, the WRCOG shall cooperate in any audit of the I-REN Programs, any action or activity related to this Programs Agreement or the Decision undertaken by the Commission or other authorized entity, if applicable.

(l) Key Personnel. The WRCOG will appoint a Programs Agreement representative ("WRCOG Representative") who will be the primary contact between SoCalGas and the WRCOG, and who will be authorized to act on behalf of the WRCOG, as the I-REN Authorized Agent. Such appointment shall be communicated in writing to SoCalGas as soon as reasonably practicable following execution of this Programs Agreement. The WRCOG shall promptly notify SoCalGas of the intended reassignment or proposed replacement of the WRCOG Representative who will be submitting invoicing and reporting information to SoCalGas. No other key personnel shall undertake the aforementioned tasks without prior written notice to SoCalGas.

(m) Activities Outside of Program Scope. SoCalGas, as lead fiscal manager, for itself and on behalf of SCE, shall not be required to pay or reimburse the WRCOG or any other person for any activities undertaken that do not constitute Authorized Work as contemplated hereunder or are otherwise outside of the scope of an I-REN Program or this Programs Agreement, and the WRCOG may not include any costs or expenses for any such activities on an invoice submitted pursuant to this Programs Agreement.

Section 7.4 Invoicing Requirements: The WRCOG shall provide the following: Monthly electronic copy invoices are required by the **15th Calendar Day of each month** for Authorized Work completed in the preceding month with supporting documents described herein. These invoices and supporting documents are for Authorized Work performed by the I-REN Constituent Agencies and all of their respective Subcontractors (and their respective Third-Party Contractors). Each invoice shall indicate the sub-total expense for each of the I-REN Programs and itemized each I-REN Program expense in "Administrative," "Marketing" and "Direct Implementation." Each invoice shall include but not be limited to the following details: identify the contractor name, type (e.g., Third-Party Contractor or a Subcontractor), hiring I-REN Constituent Agency, contract start and end dates, details on any intermittency between the contract start and end dates, program start date, program end date (date program will no longer be offered to the public or criteria used to decide whether to end the program), customers eligible for the program (gas or electric, market segment, other criteria), value of contract, and any other data reasonably required by the Utilities.

Section 7.5 **[CERTAIN EXPENSES – UNDER REVIEW]**

Section 7.6 Invoicing Procedures:

(a) The WRCOG shall transmit to SoCalGas the monthly invoice files as directed by SoCalGas during the initial training for the IR Tools. The invoice file transmission will take place via a secured file transfer protocol (SFTP) provided by SoCalGas to protect customer or proprietary information.

(b) SoCalGas concurrently with SCE shall review the monthly invoice within 15 Business Days of receipt of an invoice from the WRCOG to determine if the invoice complies with the

requirements set forth in this Programs Agreement; provided, however, that for any monthly invoices relating to any Prior Expenses received on or after the Execution Date for Authorized Work conducted during the period from January 1, 2022 through the Effective Date as further set forth in Section 7.12, SoCalGas and SCE shall have 30 Business Days to determine if the invoice complies with the requirements set forth in this Programs Agreement and thereafter make any reimbursements with respect thereto.

(c) Monthly Narrative. The WRCOG shall include with the monthly invoices a monthly narrative that includes a discussion on the following I-REN Program activities occurring during the month:

- (i) Administrative activities;
- (ii) Marketing activities;
- (iii) Direct Implementation activities;
- (iv) Other activities which support the review and approval of the WRCOG's invoices and that fall within the scope of the Decision.

(d) Invoice Deficiencies. In the event SoCalGas determines that the WRCOG's invoices or any of the invoices of any Third-Party Contractors or Subcontractors that are included for payment do not meet the invoicing requirements of this Programs Agreement, lack accounting transparency, and/or lack sufficient material document support, SoCalGas will notify the WRCOG of the deficiencies and the WRCOG shall correct such deficiencies promptly. SoCalGas has the right to review and approve the data and methods used to develop the invoice documentation. However, the failure to conduct such review or grant such approval shall not relieve the WRCOG from its responsibilities and obligations under this Programs Agreement.

Section 7.7 Payment. SoCalGas shall pay undisputed charges within fifteen (15) Business Days of invoice approval. SoCalGas has the right to withhold payment of particular charges that SoCalGas disputes in good faith, pending the resolution of the dispute, and SoCalGas will provide the WRCOG with notice of the amounts being withheld and the reasons for the dispute. Any withholding of disputed amounts by SoCalGas shall not be deemed a breach of the Programs Agreement by SoCalGas.

Section 7.8 Final Invoice. The final invoice with respect to any I-REN Program shall be marked "FINAL" and must be received by SoCalGas within ninety (90) Calendar Days after December 31, 2027 (the "Cut-Off Date"). SoCalGas shall not be liable for payment of any invoices that are submitted to SoCalGas at any time after the Cut-Off Date.

Section 7.9 Additional Invoice, Payment and Reporting Requirements. Additional invoice, payment and reporting requirements may be set forth for each scope of work with respect to individual projects supported by Authorized Work.

Section 7.10 Ratepayer Benefit, Tracing, Segregation of Funds. The Parties agree that ratepayer-funded programs must directly benefit Customers in the service territory from which the funds are collected. The I-REN Programs implemented pursuant to this Programs Agreement are funded in whole or in part by funds collected from SoCalGas' and SCE's Customers for public purpose programs, and therefore must directly benefit SoCalGas' and SCE's Customers. For purposes of clarification:

- (a) No I-REN Constituent Agency shall use I-REN Program funds for activities outside the Utilities' service territories or for the benefit of persons or entities other than Customers.

(b) No I-REN Constituent Agency shall use I-REN Program funds for activities in any non-joint Utility territory until such time that the WRCOG has determined to the reasonable satisfaction of the Utilities that the WRCOG can trace and segregate Program funds in order to avoid using Program funds for (i) electric program activities outside SCE territory and/or (ii) gas program activities outside SoCalGas territory.

(c) The WRCOG shall not submit any invoice seeking reimbursement for money that does not directly benefit SCE's Customers (for electricity programs) or SoCalGas' Customers (for gas programs). The Utilities are not required to pay any such invoice (or portion of such an invoice) unless the activities and services paid for by such invoice directly benefit the Utilities' customers. If an invoice (or portion of such an invoice) is paid by SoCalGas to WRCOG that is discovered to not meet this requirement, the WRCOG, upon request, shall refund to SoCalGas the amount paid for such activities that do not meet this requirement, or at SoCalGas' option, SoCalGas may offset those amounts against future payments owed to the WRCOG pursuant to the Programs Agreement.

Section 7.11 Audits.

(a) The WRCOG shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. The Utilities and the Commission shall have the right to audit the WRCOG and the I-REN at any time during the term of this Programs Agreement and for five (5) years thereafter. In addition, each I-REN Constituent Agency shall cooperate in any audit of this any action or activity related to this Programs Agreement or the Decision undertaken by the Commission. An audit may include, but is not limited to, a review of financial records relating to the Authorized Work, I-REN Program marketing material, I-REN Program implementation documents, funds spent to date, tracing of expenditure of ratepayer funds to a Utility's Customers, information relating to the substantiation of I-REN Program expenditures, Incentives paid to date, Customers given Incentives to date, lists of employees and respective duties, lists of Third-Party Contractors and/or Subcontractors and their respective responsibilities or service provided.

(b) The Utilities may, in their sole discretion and at any time, request information or data relating to an I-REN Program, Authorized Work or this Programs Agreement, and the WRCOG shall provide such information in the format and within the time requested by the Utilities.

Section 7.12 The WRCOG shall not retain any ratepayer funds erroneously paid under this Programs Agreement. If, at any time, the Utilities discover that an amount was paid to the WRCOG in error, either through subsequent review or audit by SoCalGas, SCE, the Commission audit, or by another means, the amount erroneously paid to the WRCOG may, at the option of the Utility, be used to offset future payment(s) due to the WRCOG or must be repaid by the WRCOG to the Utility.

Section 7.13 **Prior Authorized Work.** To the extent that the Constituent COGs have caused any Authorized Work to be commenced or completed (or have otherwise contracted for the same) and have incurred Program Expenditures incurred for such Authorized Work on or after January 1, 2022 and prior to the Effective Date ("Prior Expenses"), strictly in accordance with the Decision and an Implementation Plan, each of the Constituent COGs hereby represents and warrants that all of the obligations and duties set forth in this Programs Agreement with respect to such person, had such agreement been in effect during such time, were fully complied with in all material respects. Provided that the foregoing remains true and correct, SoCalGas and SCE agree to treat such Prior Expenses in accordance with this **Article VII**.

ARTICLE VIII
Committees and Meeting Requirements

The Utilities and the WRCOG shall, as soon as practicable after the execution of this Programs Agreement, form Coordinating and/or Technical Committees consistent with the intent of the approved JCM. The roles and responsibilities for these committees are set forth in the applicable JCM. Meeting requirements for the Coordinating and Technical Committees are also set forth in Exhibit J. Additional coordination requirements between the Utilities and the WRCOG that are specific to an I-REN Program are set forth in that Program's Implementation Plans or approved JCM.

ARTICLE IX

Incentives and Cooperation

Section 9.1 If an I-REN Program participant has been identified as a Customer that has previously received Incentives either through another ratepayer-funded program, or through any other funding source, then no I-REN Constituent Agency shall, thereafter, knowingly provide an Incentive to such I-REN Program participant for the same measure, product or service. Without limiting the foregoing, the Parties shall cooperate in identifying Customers and I-REN Program participants who are ineligible for further Incentives due to prior participation in a program administered by a Utility.

Section 9.2 The WRCOG and the Utilities shall coordinate and cooperate with the goal of achieving seamless program offerings and to avoid customer confusion in the offering of products and services.

ARTICLE X

Ownership of Developments, Marketing Materials

Section 10.1 The WRCOG, on behalf of itself and each I-REN Constituent Agency, acknowledges and agrees that the Utilities, on behalf of their respective Customers, shall own all data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") created by the I-REN Constituent Agencies in the performance of this Programs Agreement. Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. The Utilities hereby grant to the I-REN an irrevocable, royalty-free, non-exclusive license to use such Developments solely for the purpose of implementing the I-REN Programs, and shall execute such other documents as may be necessary or desirable to effectuate such grant.

Section 10.2 The WRCOG shall submit all marketing materials that contain reference to any Utilities to SoCalGas for review and approval prior to their release or communication. All such marketing materials may be approved or disapproved in each applicable Utility's sole and absolute discretion.

Section 10.3 Use of Utilities' Name. The WRCOG must receive prior review and written approval from a Utility for the use of such Utility's name or logo on any marketing or other I-REN Program materials. The WRCOG shall allow twenty (20) Business Days for such Utility review and approval. If the WRCOG does not received a response from such Utility within the twenty (20) Business Day period, then it shall be deemed that such Utility has disapproved such use.

Section 10.4 Use of WRCOG's or I-REN's Name: The Utilities must receive prior review and written approval from the WRCOG for the use of the name or logo of any I-REN Constituent Agency on any marketing or other I-REN Program materials using such information. The Utilities shall allow twenty (20) Business Days for the WRCOG's review and approval. If the Utilities do not receive a response from the WRCOG within the twenty (20) Business Day period, then it shall be deemed that the WRCOG has disapproved such use.

Section 10.5 No I-REN Constituent Agency shall in any way represent to third parties, Customers or I-REN Program participants that SoCalGas or SCE has endorsed or approved a product, a

Third-Party Contractor, a Subcontractor, or their performance of any I-REN Program or any other energy efficiency services.

Section 10.6 Notwithstanding any provision in this Article X to the contrary, whether expressly or by implication, the I-REN Constituent Agencies shall disclose the source of funding for the I-REN Programs by stating prominently on marketing materials (including, but not limited to, printed materials, Websites or any social media) that, “the I-REN Programs are administered by the Western Riverside Council of Governments, on behalf of itself and each of Coachella Valley Association of Governments and the San Bernardino Council of Governments, and funded by SoCalGas and SCE utility ratepayers under the auspices of the California Public Utilities Commission.”

ARTICLE XI

Jurisdictional Warranty

Section 11.1 The WRCOG warrants that it has full legal authority to implement the I-REN Programs as authorized by the Commission under this Programs Agreement.

Section 11.2 The WRCOG warrants that the geographic area in which the I-REN Programs under this Programs Agreement will be implemented is set forth on the attached Exhibit K.

ARTICLE XII

Compliance With Applicable Law, Policies and Commission Regulations

Section 12.1 Each of the Parties shall comply with all federal, state (including Commission), and local laws, rules, regulations, ordinances, decisions, policies and directives that are applicable to this Programs Agreement, including, but not limited to, labor and fair employment laws and prevailing wage laws, and all provisions required thereby to be included in contracts are hereby incorporated herein by this reference. Additionally, the WRCOG shall ensure compliance with the Commission’s decisions with respect to “program administrators,” including, without limitation, workforce standards regarding implementors.

Section 12.2 Such regulatory compliance activities, including costs to maintain compliance, shall be paid for solely by the I-REN for and on behalf of the applicable I-REN Constituent Agency through authorized funding provided under this Programs Agreement, if available, inclusive of any Commission-imposed penalties or disallowances. These include but are not limited to:

- (a) Filing and/or submitting required regulatory documents;
- (b) Complying with all Commission, statutory and other applicable requirements, rules and policies;
- (c) Maintaining adequate records for future financial and management audits and/or reviews;
- (d) Maintaining savings and engineering assumptions consistent with current Commission rules or baselines;
- (e) Maintaining necessary preventative controls on expenses;
- (f) Maintaining and tracking all monies by task and function, including complying with fund-shifting rules between the I-REN Programs;
- (g) Responding to data requests and complying with all required reporting; and

(h) Any additional compliance requirements of the I-REN Constituent Agencies, that arise during the effective period of this Programs Agreement, but that were not anticipated in this Programs Agreement, shall be the sole responsibility of the I-REN Constituent Agencies.

Section 12.3 Changes in Applicable Laws. After the Effective Date, if any legal, regulatory, or administrative authority issues a decision, ruling, order, or directive of any kind that is binding upon the Parties and that requires modification or addition of terms, covenants or conditions of this Programs Agreement in order for the Parties to be in compliance with same, then the Parties shall meet as soon as practicable to discuss proposed modifications to this Programs Agreement only to the extent required to bring it into compliance with such applicable laws.

Section 12.4 The WRCOG shall follow General Order 156, setting forth the Commission's policy statement on utility utilization of resources from women, minority, and disabled veteran business enterprises, to the extent not in conflict with Proposition 209 (codified as Article I Section 31 of the California Constitution).

Section 12.5 Background Checks. The WRCOG shall conduct background checks on any employee or Subcontractor (and each Subcontractor shall require that its Third-Party Contractors conduct background checks on its employees and contractors) who will undertake I-REN Program Authorized Work conducted at a Utility Customer's residence or a private business location. The background check requirements shall be determined by the WRCOG in its reasonable discretion, provided that, at a minimum, the background checks shall be consistent with the WRCOG's then-current background check requirements for WRCOG programs that contain similar job requirements. Employees of any I-REN Constituent Agencies or Subcontractors or Third-Party Contractors conducting activities under this **Section 12.5**:

- (a) Shall report for work in a manner fit to do their job;
- (b) Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician for such person so long as the performance or safety of the Authorized Work is not affected thereby); and
- (c) Shall not have been convicted of any serious criminal offense, which by its time and nature, presents a discernible safety or property risk to the public.

Section 12.6 Non-Discrimination. No Party shall unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment and shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990(a)-(f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990(a)-(f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated by reference and made a part of this Programs Agreement. Each Party represents and warrants that it shall include the substance of the nondiscrimination and compliance provisions in all subcontracts for its Authorized Work obligations. Additionally, the Parties shall conform to the applicable employment practices requirements of Executive Order 11246 of September 24, 1965, as amended, and applicable regulations promulgated thereunder.

ARTICLE XIII Indemnification

Section 13.1 By the Constituent COGS. The Constituent COGS, on behalf of themselves and each I-REN Constituent Agency carrying out Authorized Work or other implementation or design of an I-REN Program on behalf of a Constituent COG, shall, joint and severally, indemnify, defend and hold harmless SCE and SoCalGas, and their respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any liability (including expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys' fees) of to the extent caused by the WRCOG's act(s) and/or omission(s), or by the act(s) and/or omission(s) of its employees, representatives Third-Party Contractors, Subcontractors, or agents, including, without limitation, with respect to the I-REN's compliance or non-compliance with the Commission's policy regarding program administrators, application or misapplication of program funds (even if disbursed), as well as any of the Authorized Work or other implementation or design of an I-REN Program.

Section 13.2 By the Utilities. So long as the WRCOG, SANBAG, and CVAG are in compliance with the terms and conditions of this Programs Agreement, the Utilities shall, on a several but not joint basis, indemnify, defend and hold harmless the WRCOG, SANBAG, and CVAG, their respective special districts, elected and appointed officers, employees, and agents, from and against any and all third-party liability (including expenses, claims, losses, damages, liabilities or actions in respect thereof, along with reasonable attorneys' fees) to the extent caused by the Utilities' failure to make the uncontested payments described in Section 7.5.

Section 13.3 The obligations of SCE, SoCalGas, WRCOG, SANBAG, and CVAG under this section shall survive the termination of this Programs Agreement.

ARTICLE XIV Insurance

Section 14.1 The WRCOG and each of the I-REN Constituent Agencies will maintain the following insurance coverage at all times during the term of this Programs Agreement, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent: Such insurances shall acknowledge the Utilities, their officers, agents and employees as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against the Utilities, its officers, agents, employees and other contractors or subcontractors.

- (a) Workers' Compensation: statutory minimum.
- (b) Employer's Liability coverage: \$1 million minimum.
- (c) Commercial General Liability: \$2 million minimum per occurrence/\$4 million minimum aggregate.
- (d) Commercial or Business Auto: \$1 million minimum.
- (e) Professional Liability (if applicable): \$1 million minimum.

Section 14.2 Evidence of Insurance. Upon request at any time during the term of this Programs Agreement, the WRCOG shall provide evidence that its insurance policies and the insurance policies as provided in this Article XIV are in full force and effect and provide the coverage and limits of insurance that the WRCOG has represented and warranted herein to maintain at all times during the term of this Programs Agreement.

Section 14.3 Self-Insurance. If the WRCOG or any of the I-REN Constituent Agencies is self-insured, it shall upon request forward documentation to the Utilities that demonstrates to the Utilities' satisfaction that the WRCOG self-insures as a matter of normal business practice before commencing the Authorized Work.

Section 14.4 Notice of Claims. The WRCOG shall immediately report to the Utilities, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by the WRCOG, any other I-REN Constituent Agency or any Subcontractor or Third-Party Contractor or their receipt of notice or knowledge of any claim by a third party of any occurrence related to the I-REN Programs and/or to this Programs Agreement that might give rise to such a claim.

Section 14.5 Insurance Indemnification. If the WRCOG fails to comply with any of the provisions of this Article XIV, or to the extent any I-REN Constituent Agency carrying out Authorized Work or other implementation or design of an I-REN Program on behalf of a Constituent COG does not require its Subcontractors to maintain the insurance coverage specified in Section 14.1, the I-REN Constituent Agencies, severally but not jointly, shall, at their own cost, defend, indemnify, and hold harmless the Utilities, their affiliates and their officers, directors, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of the Authorized Work.

ARTICLE XV

Limitation Of Certain Liabilities

NO PARTY SHALL BE LIABLE TO THE OTHER(S) FOR THE OTHER'S OR OTHERS' INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE AUTHORIZED WORK OR TERMINATION OF THIS PROGRAMS AGREEMENT.

ARTICLE XVI

Confidential Information and Security Requirements

Section 16.1 Except as provided for in Section 16.3, no Utility shall be required to provide to the WRCOG any Confidential Customer Information (as defined below), or any information that is deemed by the Utility to be proprietary, trade secret, or otherwise confidential. In the event a Utility agrees in writing to any such disclosure of such information, the Utility may require the WRCOG to enter into a nondisclosure agreement and undergo a data security review as a condition to its disclosure. Notwithstanding the foregoing and in the event the Utilities provide any Confidential Customer Information pursuant to this Programs Agreement, the Parties agree that Confidential Customer Information is exempt from disclosure under the California Public Records Act, Cal. Gov't Code Sections 6250, et seq., under the exemptions provided in the California Public Records Act, including Sections 6254(e), 6254(k), and/or 6255(a), and will withhold from disclosure such materials unless ordered to do so by a court of competent jurisdiction.

Section 16.2 Confidential Customer Information. "Confidential Customer Information" is a Utility Customer's personal identifiable information including, but not limited to, such person's name, address, telephone number, account number and all billing and usage information, as well as any Utility Customer's information marked as "confidential."

Section 16.3 Except as explicitly provided for in this Section 16.3, no Utility will disclose any Confidential Customer Information to the WRCOG unless authorized in writing by the Customer, except for the following information, which will be made available on an as-needed basis and subject to the confidentiality and non-disclosure provisions of this Programs Agreement:

(a) The WRCOG may request and receive confirmation that a purported Customer is currently served by one of the Utilities;

(b) The WRCOG may request and receive information on a Utility Customer's past participation in an energy efficiency program if that Customer is located in the I-REN's service territory.

Section 16.4 The WRCOG shall comply with the attached Exhibit C and Exhibit D with respect to any Confidential Customer Information provided under this Programs Agreement. The WRCOG shall immediately notify SCE and SoCalGas representatives if the WRCOG is, or becomes, unable to meet any of the requirements contained therein.

Section 16.5 The WRCOG shall not disclose any Confidential Customer Information of a Utility to any third party, including, without limitation, any Constituent COG or any I-REN Constituent Agency, during the term of this Programs Agreement or after its completion, without the WRCOG having obtained the prior written consent of such Utility, except as provided by law, lawful court order or subpoena and provided the WRCOG gives such Utility written notice of such order or subpoena promptly after its receipt.

Section 16.6 Any information provided to the WRCOG is provided "as is," and the Utility shall not be liable for the accuracy or completeness of any information provided.

Section 16.7 Commission Proceedings. Nothing in this Article XVI shall prohibit the WRCOG from disclosing non-confidential information (including aggregated and anonymized statistical data without specific Customer identifiers) concerning the I-REN Programs to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

Section 16.8 Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to the WRCOG by a Utility, and any and all documents and materials containing such Confidential Customer Information or produced by the WRCOG based on such Confidential Customer Information (including all copies, backups and abstracts thereof), during the performance of this Programs Agreement shall be returned (or destroyed at the Utility's option, with confirmation by affidavit thereof) upon written request by such Utility. Nothing in the Programs Agreement shall be construed as granting any rights in or to Confidential Customer Information to the receiving Party, except the right of use in accordance with the provisions in this Programs Agreement.

Section 16.9 Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages may be an inadequate remedy for breach of this Article XVI and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Article XVI by any Party, the Party whose Confidential Customer Information is implicated in such breach shall be entitled to an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

Section 16.10 Computing System Access and Security Review Obligations. The Parties acknowledge and agree that no Utility shall be required to allow any Party to access the Utility's computer systems unless and until the Parties execute an amendment incorporating mutually agreeable computing system access terms that are the same or substantially similar to Exhibit D.

Section 16.11 The obligations of each Party under this Article XVI shall survive the termination of this Programs Agreement.

ARTICLE XVII
Term and Termination

Section 17.1 Term. The term of this Programs Agreement shall be from the Effective Date until [March 31, 2028], unless terminated earlier as provided in this section, provided however that all Authorized Work and services shall be completed by the dates specified in the scope of work with respect to individual projects supported by Authorized Work or December 31, 2027, whichever is earlier. The 90-Calendar Day period following December 31, 2027 shall be for administrative purposes only.

Section 17.2 If the WRCOG possesses unspent funding authorized by the Decision after July 1, 2028, including moneys repaid pursuant to financing terms, such funds shall, in consultation with SoCalGas, as lead fiscal manager, for itself and on behalf of SCE, be returned to SoCalGas's and SCE's ratepayers unless otherwise directed by the Commission.

Section 17.3 Termination For Convenience. This Programs Agreement shall not be terminated for convenience of the Parties, except as by an order, decision, or resolution of the Commission. Notwithstanding the foregoing, the Commission, by decision, order, or resolution, may deem that all or a portion of this Programs Agreement be terminated. In the event of such termination, the Utilities shall pay for Authorized Work performed prior to the date of termination but in no event shall the Utilities be liable for lost or anticipated proceeds or overhead on uncompleted portions of the Authorized Work.

Section 17.4 Immediate Cause For Suspension. The Utilities can suspend this Programs Agreement for the following situations:

- (a) Any Consituent COG has become insolvent, has failed to pay its bills, or has had checks for payment of its bills returned from suppliers and Subcontractors due to insufficient funds; or
- (b) Any Consituent COG's commission of any material act of dishonesty, fraud and misrepresentation or material act causing public risk or harm. In the event of such suspension, the Utilities may seek Commission approval to terminate the Programs Agreement.

In a case of suspension and/or termination, the Utilities shall pay for Authorized Work satisfactorily performed prior to the date of suspension or termination but in no event shall the Utilities be liable for lost or anticipated proceeds or overhead on uncompleted portions of the Authorized Work.

Section 17.5 Declaration of Default. Any Party, by written notice of default, may declare a default of the whole or any part of this Programs Agreement by another Party, if the other Party has breached any of its obligations under the Programs Agreement.

Section 17.6 Opportunity to Cure. Upon delivery of a notice of default, the defaulting Party shall have a reasonable amount of time, but not greater than twenty (20) Business Days, to cure the default or demonstrate convincing progress toward a cure.

Section 17.7 Unless default is timely cured, or in the event the same default occurs more than three times in a 12-month period, the non-breaching Party may (i) notify Commission staff of the dispute; (ii) suspend payment of a particular invoice, or portion thereof, which may be subject to the dispute; (iii) suspend all further performance by the non-breaching Party until the breach is cured; (iv) seek an order, decision or resolution from the Commission authorizing and directing termination of all or part of this Programs Agreement; or (v) any combination of the above. In the event the Commission authorizes and directs that the non-breaching Party can terminate all or part of the Programs Agreement, the non-breaching Party shall notify the breaching Party of such decision and thereafter all or a portion of the Programs Agreement, as authorized by the Commission, shall be deemed terminated. Notwithstanding the foregoing, the Utilities may immediately suspend their obligations under this Program Agreement in the event the Utilities reasonably determine that any I-REN Constituent Agency has committed a material and non-curable breach of applicable laws, rules, regulations, Commission orders or directives, or is using confidential information or Confidential Customer Information in a manner not contemplated under this Programs Agreement. A material breach shall include failure by the WRCOG to comply with duties owed to the Commission and/or Commission staff as defined in the Decision.

Section 17.8 Breach of Duty of Confidentiality. In the event of a breach of any provision of Article XVI, the non-breaching Party is immediately relieved of any obligation to provide further Confidential Customer Information and/or computer system access and may demand immediate return of all Confidential Customer Information or other confidential information that may have been provided. This remedy is in addition to the remedies for material breach listed above.

Section 17.9 Subject to the provisions of this Programs Agreement, the WRCOG, as the I-REN Authorized Agent, shall be entitled to funds for all expenditures incurred or accrued up to the effective date of termination or suspension of the Programs Agreement, provided that any reports, invoices, documents or information required under the Programs Agreement are submitted in accordance with the terms and conditions of the Programs Agreement. The provisions of this Section 17.9 shall be the WRCOG's sole compensation resulting from any termination or suspension of this Programs Agreement. In the event of termination or suspension, the WRCOG shall (and shall cause each other person performing the same to) stop any Authorized Work then in progress and take action to bring the activities to an orderly conclusion, and the Parties shall work cooperatively to facilitate the termination of operations and of any applicable contracts.

ARTICLE XVIII Other Provisions

Section 18.1 Notices. Any written notice, demand or request required or authorized in connection with this Programs Agreement shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first-class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

WRCOG:

Casey Dailey
Director of Energy & Environmental Programs
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Tel: (951) 405-6720
E-Mail: cdailey@wrcog.us

SCE:

Christopher Malotte, Sr. Advisor
Southern California Edison Company

1515 Walnut Grove Avenue
Rosemead, CA 91770
Tel: (626) 302-0857
Email: christopher.malotte@sce.com

SoCalGas:

Chauncy C. Tou, Principal Customer Programs Advisor
Southern California Gas Company
555 W. Fifth Street, GT19xx
Los Angeles, CA 90013
Phone: (213) 244-2823
E-mail: CTou@SoCalGas.com

With copy: []

Section 18.2 Amendments. Except as otherwise explicitly set forth herein, this Programs Agreement may be changed only by written amendment(s) duly executed by the Utilities and the WRCOG.

Section 18.3 Validity. The Parties agree to the rule of contract interpretation which allows the Court to disregard invalid clauses so that it may otherwise hold the remaining provisions of this Programs Agreement as binding.

Section 18.4 Notification of Certain Matters. The WRCOG shall give prompt written notice to the Utilities of (i) the occurrence or non-occurrence of any change, condition or event, the occurrence or non-occurrence of which would render any representation or warranty of the WRCOG contained in this Agreement, if made on or immediately following the date of such event, untrue or inaccurate, (ii) any failure of the WRCOG or any of the I-REN Constituent Agencies to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder.

Section 18.5 Successors and Assigns. The Programs Agreement shall be binding on the Parties and their respective successors and assigns. No Party shall assign, delegate, or transfer the Programs Agreement or any interest under it without the prior written consent of the other Parties and the Commission. Any purported assignment of the Programs Agreement by the WRCOG either by operation of law, order of any court, or pursuant to any plan of merger, consolidation or liquidation, shall be deemed an assignment by the WRCOG for which prior consent is required, and any assignment made without any such consent shall be void and of no effect as among the Parties. Notwithstanding the foregoing, if a Utility is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require any other Parties' consent and the Utility shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

Section 18.6 Remedies Cumulative. All remedies provided for in this Programs Agreement shall be cumulative and in addition to, and not in lieu of, any other remedies available to any Party at law or in equity.

Section 18.7 No Third-Party Beneficiaries. Except as provided in Sections 13.1, 13.2 and 14.5, nothing in this Agreement, express or implied, is intended to or shall confer upon any person (including without limitation, any I-REN Constituent Agency, Third-Party Contractor, Subcontractor or Customer) other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit, or remedy of any nature under or by reason of this Agreement.

Section 18.8 No Construction Against Drafter. No provision of this Programs Agreement shall be construed against any Party merely because that Party drafted the document. Each Party represents that it has had time to review and discuss provisions of the Programs Agreement with interested parties, including its attorneys, and understands the terms and obligations as written.

Section 18.9 Severability. If any section, provision, or portion of the Programs Agreement is held to be invalid, illegal, or void by a court of proper jurisdiction, or is terminated by the Parties by direction or by order of the Commission or by the Commission itself, or if an individual Program is terminated by the Parties or at the direction or order of the Commission, such decision shall not impair, affect, or invalidate the remainder of this Programs Agreement. To the extent necessary, the invalid provision shall be reformed so that each Party shall have the obligation to perform reasonably to give the other Party the benefit of its bargain. In the event that the invalid provision cannot be reformed, the remainder of the Programs Agreement shall subsist and continue in full force and effect, and the invalid provision shall be deemed stricken from the Programs Agreement.

Section 18.10 No Waiver. No waiver by any Party of any default or breach of any provision of this Programs Agreement shall constitute a waiver of any other default or breach. Failure of a Party to enforce at any time, or from time to time, any provision of this Programs Agreement shall not be construed as a waiver thereof.

Section 18.11 Survival. Despite the completion or termination of a Program or any service, scope of work with respect to individual projects supported by Authorized Work, Authorized Work, activities or deliverables under this Programs Agreement, or any portion of the Programs Agreement, the Parties shall continue to be bound by those provisions of the Programs Agreement which by their nature survive the completion or termination.

Section 18.12 Further Assurances. The Parties, at the request of another, shall perform those actions, including executing additional documents and instruments, reasonably necessary to give full effect to the full performance of the Programs Agreement.

Section 18.13 Conflict of Interest. The WRCOG represents and agrees that, to the best of its knowledge, it shall not, and shall cause each I-REN Constituent Agency not to hire or otherwise engage any current SoCalGas, SCE, or Commission employee, current employee's spouse, other person or entity that has a conflict of interest to perform any part of the activities contemplated under this Programs Agreement.

Section 18.14 Governing Law; Venue. This Programs Agreement shall be interpreted, governed, and construed under the laws of the State of California as executed and to be performed wholly within the State of California without regard to its conflict of laws provisions. Any action brought to enforce or interpret this Programs Agreement shall be filed in Riverside County, California.

Section 18.15 Counterparts. This Programs Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument, so long as duplicate originals are delivered to all Parties.

ARTICLE XIX

Authorization Warranties

Section 19.1 Each of the Constituent COGS represents and warrants that the person executing this Programs Agreement is its authorized agent who has actual authority to bind it to each and every term, condition, and obligation of this Programs Agreement, and that all requirements of such the Constituent COG have been fulfilled to provide such actual authority. The WRCOG has delivered to the Utilities the following documents, which are true and complete and current and effective as of the Effective Date and

which shall remain effective throughout the term of this Programs Agreement: the WRCOG JPA, the CVAG JPA and the SANBAG JPA.

Section 19.2 SoCalGas represents and warrants that the person executing this Programs Agreement for SoCalGas is an authorized agent who has actual authority to bind SoCalGas to each and every term, condition, and obligation of this Programs Agreement and that all requirements of SoCalGas have been fulfilled to provide such actual authority.

Section 19.3 SCE represents and warrants that the person executing this Programs Agreement for SCE is an authorized agent who has the actual authority to bind SCE to each and every term, condition, and obligation of this Programs Agreement, and that all requirements of SCE have been fulfilled to provide such actual authority.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above [Effective Date] by their respective duly authorized persons.

SCE:

SoCalGas:

By _____
Jill C. Anderson
VP Customer Programs & Services

By _____
Jimmie I. Cho
COO

WRCOG:

By _____

For purposes of Sections 3.1, 4.3, 7.12, 14.5, 18.2 and 19.1 and Articles XIII and XVI only:

CVAG:

By _____

SANBAG:

By _____



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Potential Amendment to the Beaumont Settlement Agreement
Contact: Chris Gray, Deputy Executive Director, cgray@wrcoug.us, (951) 405-6710
Date: June 8, 2022

Requested Action(s):

1. Direct the Executive Director to begin negotiations with the City of Beaumont in regards to the Measure A payments specified in the Settlement Agreement.

Purpose:

The purpose of this item is to provide direction to staff regarding a prepayment of a portion of the City of Beaumont's obligation under the 2017 Settlement Agreement.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #5 - Develop projects and programs that improve infrastructure and sustainable development in our subregion.

Background:

In 2017, WRCOG and the City of Beaumont entered into a Settlement Agreement, which ended a long-standing dispute between the parties related to the payment of TUMF.

One aspect of this Settlement Agreement is that the City of Beaumont is required to pay 60% of Measure A funds it would otherwise receive during a Fiscal Year to WRCOG five years after the agreement is finalized. Measure A is a Countywide sales tax collected by the Riverside County Transportation Commission (RCTC). Each jurisdiction in Riverside County receives a portion of funds collected that they can use for local street improvements and maintenance. The first payment of these funds is scheduled to occur in September 2022 since the five years has now elapsed.

The Settlement Agreement notes that these payments will continue until \$9.4M is paid. Currently, Beaumont's payment to WRCOG will be approximately \$900,000 in 2022. Based on that current level of payment, staff anticipates that full payment will not occur for 10 years, based on current levels of economic activity.

Based on prior Executive Committee action in 2018, any funds received by through the Settlement are returned to the TUMF Program and distributed via the Nexus Study formula.

The City of Beaumont has approached WRCOG and inquired as to whether WRCOG would consider a lump sum payment in lieu of the annual payments. Additionally, if a lump sum payment is acceptable,

the City of Beaumont has inquired about the possibility of applying a discount rate to the debt.

If WRCOG can reach an agreement with the City of Beaumont regarding this lump sum payment to satisfy this provision of the Settlement Agreement, the item will be brought to the Administration & Finance and Executive Committees for consideration and potential approval.

Prior Action(s):

None.

Fiscal Impact:

This action only requests direction to begin negotiations with the City of Beaumont regarding a potential advance payment; therefore, the requested action itself has no fiscal impact. If an agreement is reached, further action will be required by the Administration & Finance Committee and Executive Committee to approve an updated Settlement Agreement. If that agreement is updated, then the anticipated Fiscal Impact will be disclosed at that time.

Attachment(s):

None.