

BUILDING ELECTRIFICATION ASSISTANCE PROGRAM PARTICIPATION AGREEMENT

This Building Electrification Assistance Program Participation Agreement (“Agreement”), made as of the last date signed below (the “Effective Date”), by and between the City of Hermosa Beach (“Participant”), and Clean Power Alliance of Southern California, a Joint Powers Authority and Community Choice Aggregation program (“CPA”), referred to individually or collectively as “Party” or “Parties,” is to enroll Participant in the CPA Energized Communities Program for Building Electrification Assistance, described in more detail below.

RECITALS

WHEREAS, CPA has launched the Energized Communities Program (“Energized Communities”) to assist CPA’s member agencies with the implementation of building and transportation electrification measures to reduce dependence on fossil fuels and reach sustainability and decarbonization goals by providing financial and technical support;

WHEREAS, as part of the Energized Communities program offering, CPA desires to support building electrification efforts in its service territory through the CPA Energized Communities Program for Building Electrification Assistance (“Program”), which seeks to help Participant develop and implement building electrification measures that will result in cleaner and healthier buildings in our communities by reducing methane emissions from municipal facilities;

WHEREAS, to implement the Program, CPA has entered into the Professional Services Agreement, dated as of March 7, 2024, by and between Lincus, Inc. (“Lincus”) and CPA, under which Lincus will provide technical support for Participant as it engages in efforts to develop, draft, review, and/or implement Participant’s building electrification measures;

WHEREAS, CPA intends to make Lincus or a successor consultant (“Contractor”) available to Participant and other CPA member agencies to support Participant as it engages in its own effort to develop, draft, review, and/or implement Participant’s building electrification measures;

WHEREAS, Participant desires technical support from Contractor as Participant develops, drafts, reviews, and/or implements building electrification measures; and

WHEREAS, Participant may seek financial support provided by CPA to offset the cost of implementing building electrification measures as agreed upon by the Parties.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, it is mutually understood and agreed by and between the Parties as follows:

AGREEMENT

1. **Term.** This Agreement begins on the Effective Date and ends on June 30, 2029 (“Term”).
2. **Termination.** Any Party may terminate this Agreement for convenience and without liability to the other Party upon giving the other Party thirty (30) days prior written notice.

3. **CPA Obligations.** CPA agrees to perform the services and provide financial reimbursement to Participant, as detailed in Exhibit A, Building Electrification Assistance – Program Terms and Conditions, attached hereto.
4. **Participant Obligations.** Participant agrees to the obligations detailed in Exhibit A attached hereto.
5. **NO LIABILITY; NO REPRESENTATION OR WARRANTY; INDEMNITY.**
 - a. CPA DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE WITH RESPECT TO (1) SERVICES PROVIDED BY CONTRACTOR TO PARTICIPANT AND (2) ANY BUILDING ELECTRIFICATION MEASURES IMPLEMENTED BY PARTICIPANT.
 - b. INDEMNIFICATION. EACH PARTY SHALL INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW THE OTHER PARTY AND ITS ELECTED OFFICIALS, OFFICERS, EMPLOYEES, MEMBERS, VOLUNTEERS, AGENTS, AND REPRESENTATIVES FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, COSTS, EXPENSES, CLAIMS, AND/OR JUDGMENTS, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS THAT MAY DIRECTLY OR INDIRECTLY ARISE AND/OR RESULT FROM THE INDEMNIFYING PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNIFICATION SHALL BE ONLY IN PROPORTION TO AND TO THE EXTENT THAT SUCH CLAIMS, JUDGMENTS, CAUSES OF ACTION, DAMAGES, PENALTIES, COSTS, LIABILITIES, AND EXPENSES, INCLUDING ATTORNEYS' FEES AND COSTS INCURRED IN THE DEFENSE OF ANY SUCH CLAIM OR ANY ACTION OR PROCEEDING BROUGHT THEREON ARISE FROM THE NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF INDEMNIFYING PARTY, AND ITS OFFICERS, EMPLOYEES, INVITEES, OR AGENTS. NOTWITHSTANDING THE FOREGOING, CPA SHALL BE UNDER NO OBLIGATION WHATSOEVER TO INDEMNIFY PARTICIPANT OR HOLD PARTICIPANT HARMLESS, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, COSTS, OR DISBURSEMENTS AS A RESULT OF PARTICIPANT'S CONSIDERATION, DEVELOPMENT, REVIEW, DRAFTING, ADOPTION, AND/OR IMPLEMENTATION OF PARTICIPANT'S BUILDING ELECTRIFICATION MEASURES.

- c. LIMITATION OF LIABILITY. CPA SHALL NOT BE LIABLE TO PARTICIPANT FOR ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, LOST PROFIT, LOST OPPORTUNITY, OR EXEMPLARY DAMAGES FOR ANY CLAIM, WRIT, PETITION, OR CAUSE OF ACTION RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO PARTICIPANT'S DEVELOPMENT, DRAFTING, REVIEW, ADOPTION, AND/OR IMPLEMENTATION OF PARTICIPANT'S BUILDING ELECTRIFICATION MEASURES, ANY SERVICES PROVIDED BY CONTRACTOR, AND/OR ANY OTHER CLAIM, WRIT, PETITION, OR CAUSE OF ACTION RELATED TO THIS AGREEMENT WHETHER ARISING FROM BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), STATUTE, OR OTHERWISE.

6. Insurance.

- a. The Parties agree to provide and maintain throughout the Term of this Agreement, at their own expense, a program of insurance, or self-insurance, covering the activities and operations of their respective officers, agents and employees, and contractors for the Term of this Agreement. This insurance shall include general liability insurance with coverage limits of \$2,000,000 per occurrence and \$2,000,000 aggregate (unless the aggregate is on a per-policy basis, in which case the aggregate shall be a minimum of \$4,000,000). This insurance shall be endorsed to include the following: (i) CPA, its Board, Officers, Officials, Employees, Agents, Servants, and Volunteers are covered as additional insureds on Participant's commercial general liability policy, and Participant's Board, Officers, Officials, Employees, Agents, Servants, and Volunteers are covered as additional insureds on CPA's commercial general liability policy; and (ii) a written notice to be mailed to the other Party 30 days prior to the effective date of a cancellation or non-renewal of such insurance.
- b. Participant agrees to maintain throughout the Term of this Agreement, at their own expense, an automobile liability policy covering any auto (including owned, hired, and non-owned autos) with limits no less than \$1,000,000 per occurrence for bodily injury and property damage.
- c. The Parties agree to maintain throughout the Term of this Agreement, at their own expense, a workers' compensation policy as required by the State of California, with Statutory Limits and Employer's Liability Insurance of no less than \$1,000,000 per occurrence for bodily injury or disease.
- d. Upon request, either Party shall provide the other evidence of such coverage naming the other Party as an additional insured including an additional insured

endorsement issued by the insurance company or program of self-insurance.

- e. CPA may waive or change any of the requirements in this Section 6 at its discretion, upon mutual agreement with the Participant.
 - f. Nothing herein waives or reduces a Party's indemnification obligations pursuant to Section 5.
7. **Publicity.** Participant acknowledges and agrees that implementation of the Program may be publicized and included in marketing materials by CPA and Contractor. Each Party shall make best efforts to display or utilize the words "Clean Power Alliance" and "City of Hermosa Beach" in all marketing materials, including flyers, press releases, posters, brochures, public service announcements, interviews, and newspaper articles (to the extent possible); *provided*, that CPA may omit "City of Hermosa Beach" from CPA marketing materials when publicizing the Building Electrification Assistance offering generally and not specifically with respect to (a) this Agreement or (b) Participant's participation in the Program. Any publicity or marketing materials, including those mentioned above, that include CPA or Participant logos must be reviewed and approved by both Parties before issuance, subject to the proviso in the preceding sentence. Each Party agrees to provide the other Party with reasonable time for review before such issuance.

Where CPA and Participant logos are used on any signage or documentation arising from this partnership, the logos of each Party will be of equal size.

8. General Provisions.

- a. Entire Agreement. This Agreement represents the full and complete understanding between the Parties as to the subject matter of this Agreement and supersedes any other agreement(s) and understanding(s), either oral or written, between the Parties related to the subject matter of this Agreement.
- b. Amendment. Any amendment to or modification of this Agreement will be effective only if in writing and signed by each Party's authorized representative. No verbal agreement or implied covenant will be valid to amend or abridge this Agreement.
- c. Governing Law and Venue. This Agreement is governed by the laws of the State of California. Any lawsuit filed in relation to this Agreement must be filed with the Superior Court for the County of Los Angeles, State of California.
- d. Third Party Beneficiaries. There are no intended third-party beneficiaries of this Agreement.
- e. Independent Parties. Each Party shall perform its responsibilities and activities

described herein separately and not as an officer, agent, employee, or volunteer of the other Party hereto. Each Party shall be solely responsible for the acts and omissions of its officers, agents, and employees. Nothing herein shall be considered as creating a partnership or joint venture between the parties.

- f. Headings. The headings in this Agreement are for convenience only, are not a part of the Agreement, and in no way affect, limit, or amplify the terms or provisions of this Agreement.
- g. Severability / Partial Invalidity. If any term or provision of this Agreement, or its application to a particular situation, is found by the court to be void, invalid, illegal, or unenforceable, such term or provision shall remain in force and effect to the extent allowed by such ruling. All other terms and provisions of this Agreement or their application to specific situations shall remain in full force and effect. The Parties agree to work in good faith to amend this Agreement to carry out its intent.
- h. Survival. All provisions which by their nature must continue after the Agreement expires or is terminated shall survive the Agreement and remain in full force and effect, including but not limited to the indemnification requirement in Section 5.
- i. Notices. All notices, requests, and approvals must be sent in writing to the persons below, which will be considered effective on the date of personal delivery; or the date confirmed by the reputable overnight delivery service; or on the fifth calendar day after deposit in the United States Mail, postage prepaid; or the next business day following submission by electronic mail:

To CPA:
Joanne O'Neill
Director, Customer Programs
801 S. Grand Ave., Suite 400
Los Angeles, CA 90017
joneill@cleanpoweralliance.org

With a copy, which shall not serve as notice as required or specified herein, to:

EnergizedCommunities@cleanpoweralliance.org

To Participant:
[Name]
[Title]
[Participant]
[Contact Address]
[Email Address]

- j. Electronic Signatures. This Agreement may be executed by electronic signature(s) and transmitted either by facsimile or in a portable document format (“pdf”) version by email and such electronic signature(s) shall be deemed as original for purposes of this Agreement and shall have the same force and effect as a manually executed original.

- k. Execution in Counterparts. This Agreement may be executed in two or more counterpart copies, each of which shall be deemed as an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the latest date of execution set forth below.

Ted Bardacke
Chief Executive Officer
Clean Power Alliance of Southern California
Date:

[Name]
[Title]
City of Hermosa Beach
Date:

Exhibit A

Building Electrification Assistance - Program Terms and Conditions

1. CPA Obligations

- a. CPA will make commercially reasonable efforts to ensure the availability of Contractor to provide the Technical Services (as defined below). CPA does not guarantee (a) that Contractor will be able to perform all duties that Participant staff would otherwise perform, or (b) that participation in the Program ensures implementation of building electrification measures.
- b. CPA will provide financial support to Participant in an amount (i) no greater than \$250,000 (two hundred fifty thousand dollars) and (ii) to be specified in the Project Scope and Budget, as defined below.
- c. CPA will monitor the technical support provided by Contractor and help coordinate building electrification efforts with regional stakeholders.

2. Participant Obligations

- a. Data, Point of Contact, and Access. Within twelve (12) months of Effective Date, Participant agrees to provide requested data and a dedicated point of contact to CPA and Contractor for coordination purposes throughout the Program. Participant agrees to coordinate visits to its facilities with CPA and Contractor, as needed, to collect information to prepare building electrification plans and site designs.
- b. Scope and Budget. Participant shall commit to a project scope and budget (“Project Scope and Budget”) that plans to transition gas-fired equipment to electric alternatives at selected Participant sites within three years from the initial project launch meeting with CPA and Contractor, substantially in the form of Exhibit B, Form of Project Scope and Budget, attached to the Agreement. Participant acknowledges and agrees that it shall not be eligible to receive Technical Services or Project Funding (as such terms are defined below) until CPA and Participant mutually agree upon the Project Scope and Budget.
- c. Technical Services. Within twelve (12) months of Effective Date, Participant shall specify which of the following services (“Technical Services”) will be requested from the Contractor in the Project Scope and Budget:
 - i. Develop electrification plan to review electrical capacity and layout a viable pathway for electrification of selected facilities.
 - ii. Draft electrical plans and site design, or review existing plans, to support equipment installation.

- iii. Provide commissioning support to ensure proper installation of equipment and advise on proper operation of equipment.
 - iv. Prepare funding package to summarize rebate and funding opportunities appropriate for the project, including a summary of the CPA funds available to implement the project recommendations (“Funding Memo”).
- d. Project Funding. Participant is eligible to receive funds remaining from the Project Scope and Budget after completion of Technical Services for the purpose of project implementation (“Project Funding”). Participant shall specify expected use of funding in the Project Scope and Budget.
- i. The following expenses are eligible for Project Funding from CPA:
 - A. Purchase of electric equipment and appliances to replace fossil fuel-fired equipment, including, but not limited to, replacement of furnaces, water heaters, pool heating, water pumps, wastewater treatment, and kitchen appliances.
 - B. Purchase of electrical equipment to install in major renovations or new construction projects when it is replacing existing or planned fossil fuel-fired equipment.
 - C. Purchase of energy management devices.
 - D. Warranties, service contracts, and/or subscription fees for energy management software to monitor energy use and optimize consumption, subject to CPA approval of the service terms.
 - E. Installation costs for electric equipment and energy management devices, including costs to remove and dispose of existing equipment.
 - F. Construction costs for electrical panel or energy infrastructure upgrade, including costs to cap or demolish existing natural gas supply lines.
 - G. Additional expenses to be determined and approved by CPA in its sole discretion.
 - ii. Participant acknowledges and agrees that any costs for construction and installation of building electrification measures that are not agreed upon under the Project Scope and Budget shall be borne by Participant.
 - iii. If Participant elects to receive Project Funding for the purchase of building electrification equipment, Participant must meet the following requirements:
 - 1. Participant must manage the energy use of purchased equipment for at least one-year through an energy management system or an alternative method to manage load-shift of energy use when possible. CPA may determine acceptable alternative methods to the foregoing at its own discretion.
 - 2. Participant must align usage of the purchased equipment to avoid peak periods where feasible, and shift electricity use as needed in order to support load flexibility.

- iv. Participant can combine Project Funding from CPA with funding from other organizations and sources, including investor-owned utilities, rebates, and state and federal grants. Participant shall inform CPA if grants and other funding related to the project scope are received. Participant agrees and acknowledges that in no event shall the combined funding from CPA and third parties exceed 100% of total project costs, as specified in the Funding Memo. Should such a situation arise, the Parties will review the Project Scope and Budget to consider amendments and/or a reduction in Project Funding.
 - v. Reimbursement. Participant shall submit appropriate documentation to request reimbursement for measures as specified in the agreed upon Project Scope and Budget substantially in the form of Exhibit C, Form of Reimbursement Request, attached to the Agreement.
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- e. Intellectual Property. Participant agrees and acknowledges that all tools, templates, and other resources generated by the Contractor during the implementation of the Program will be the intellectual property of CPA.
 - f. CPA Customer. As of the Effective Date, Participant represents and warrants that Participant is a CPA public agency customer and acknowledges and agrees that Participant is required to continue to be a CPA public agency customer in order to be eligible to receive services and financial reimbursement under this Agreement.
 - g. Notice to Proceed. Participant shall provide to CPA a written notice to proceed (“Notice to Proceed”) prior to Contractor commencing work on the Technical Services specified in Section 2.c.ii. The Notice to Proceed shall indicate that the Participant intends to move forward with building electrification measures at the selected sites.
 - h. Facilities Information and Energy Data. Participant agrees to share information with CPA and Contractor regarding building characteristics and energy usage, including square footage, year built, equipment information, summary of daily activities on-site, previous audit reports, and three years of historical utility data.
 - i. Ongoing Data. Participant agrees to provide CPA access to energy data through the energy management system’s portal, or other system to be determined, and share energy consumption data with CPA during the Term of this Agreement.

Exhibit B

Form of Project Scope and Budget

Following the terms provided in the Participation Agreement, the specific Project Scope and Budget will be submitted to CPA substantially in the form illustrated below.

Table: Project Scope and Budget

Contractor Services Provided	Services Selected by Participant	Authorized Fees for Services¹
Feasibility Analysis for Electrification		[\$2,316 per facility]
Site Visits		[\$4,525 per facility]
Electrification Plan with equipment inventory, alternatives, load analysis, cost assessment, infrastructure needs, demand response improvements, and estimated emissions impact		[\$7,864]
Final Electrical Plans for selected electrification measures		[\$3,491]
Electrical site design and stamped drawings		[\$9,732]
Other site design documents		[Not to exceed \$5,000]
Technical assistance to review existing plans, prepare/review construction bids		[Not to exceed \$3,677 per review]
Technical assistance to manage equipment installation and provide commissioning support		[Not to exceed \$5,000]
Funding package to summarize rebate and funding opportunities		[Not to exceed \$2,313]
Subtotal for Technical Services		
Summarize how Participant intends to use Project Funding to implement recommendations (refer to eligible expenses in Exhibit A).		
Subtotal for Project Funding		
Indicate if Participant elects to receive Project Funding only for equipment purchase and not for Technical Services. Summarize how the funds will be used here. Participant will follow requirements in Exhibits A and C.		
Total Budget Requested		

¹ Preset costs for services are provided. Participants may not necessarily select all services.

Exhibit C

Form of Reimbursement Request

Participant will submit a W-9, and any invoices, receipts, or other appropriate documentation to show paid expenditure of funds, along with the reimbursement request for measures, as specified in the agreed upon Project Scope and Budget. A reimbursement request with the information noted in the table below will be submitted to CPA for approval. CPA will notify the Participant of approval and forthcoming repayment.

Reimbursement Request Form

Building Electrification Measure	Reimbursement Amount Requested	Documentation Provided (Invoice, Purchase Receipt, etc.)	Total Project Funding Budget Assigned*	Remaining Budget
Electric equipment and/or appliances (list type of equipment purchased)				
Purchase of energy management systems/devices				
Warranties, service contracts, and/or subscription fees for energy management software				
Installation costs for electric equipment and energy management systems/devices				
Construction costs for electrical panel or energy infrastructure upgrade				
Additional expenses to be determined and approved by CPA				
Total Amounts				

*Project Funding budget refers to the budget amount remaining following the completion of Technical Services, as outlined in Exhibit A and Exhibit B.