



On-Bill Financing Program Description

On-Bill Financing (OBF) program is offered by Sonoma Clean Power (SCP) to qualified SCP residential service customers (Customer) to offset the cost of purchasing and installing eligible equipment (Improvements). Through OBF, qualified Customers will receive zero percent (0%) interest, no-fee, unsecured financing for Improvements for which incentives and rebates are approved under an eligible SCP energy efficiency or fuel switching program (Program).

Financing is available to qualified Customers for up to one hundred percent (100%) of the actual installed cost (up to the amount approved by SCP) of approved Improvements, less rebates or incentives received by Customer under eligible Program(s). The maximum loan amount available per service account is ten thousand dollars (\$10,000). The maximum loan term is up to five (5) years if amount of the loan is less than five thousand (\$5,000) or up to ten (10) years if amount of the loan is greater than five thousand dollars (\$5,000). Upon SCP-approval of completed projects, SCP will pay the approved loan amount in full directly to the SCP-approved Contractor that installed the project. Customers working with contractors that require a deposit to begin work or progress payments during the project will be responsible for such payments.

Customer may request to receive a payment from SCP for any deposit or progress payment for Approved Improvements as verified in project close out documentation as received by their Contractor by initialing below. If Customer makes this request, SCP will adjust the final Loan Amount to include verified deposits or progress payments made by the Customer and issue a payment to return these costs to the Customer.

_____ Initial

Customer requests that SCP include verified deposits or progress payments made by the Customer and received by the Contractor in the final Loan Amount. SCP will issue a payment to return verified deposits or progress payment costs to the Customer. Customer acknowledges and accepts that SCP repayment of verified deposits or progress payment costs to the Customer will result in a larger final Loan Amount and a larger Monthly Payment paid by the Customer.

Customer must work with their Contractor to apply for any available rebates, discounts, or other incentives for equipment eligible from other organizations including but not limited to BayREN, local Air Quality Districts, and PG&E. Where permissible, customer must sign the rebate over to the installing contractor to lower the customer's OBF loan amount. Total rebate and discount value cannot exceed equipment cost, inclusive of sales tax and equipment-specific permit costs.

The fixed monthly loan repayment (Improvement Repayment) amount will be billed as a line item on Customer's PG&E electric utility bill.

In no event will Customer be entitled to receive a loan amount in excess of one hundred percent (100%) of the actual installed cost (up to the amount approved by SCP) of approved Improvements, less rebates or incentives received for eligible equipment. Customers may qualify for up to two (2) loans under OBF provided the aggregate dollar amount of the loans does not exceed the maximum loan amount per service account stated above.

The program has a limited budget. SCP will accept this Application from qualified SCP Customers and, upon receipt of a completed bid from a SCP-approved Contractor, will reserve funds on a first-approved, first-served basis until Participation Agreement expires, funds are depleted, or the program is terminated, whichever occurs first.

This Application is for approval of eligibility for loan funds only. Issuance of loan funds is conditioned on Customer signing and submitting a Participant Agreement for Improvements that is also approved and executed by SCP prior to installation, the Customer's installation of approved Improvements in accordance with the selected Eligible Program(s), and satisfaction of all Eligible Program requirements.



On-Bill Financing Program Eligibility

To qualify for the program, Customer must receive an incentive and/or rebate from SCP on qualified Improvements. Customer must satisfy all requirements of each selected Improvement, including but not limited to, execution of this Application and a Participant Agreement (see Application Process below). If there is any conflict between this Application and the Participant Agreement, the Participant Agreement shall control.

To qualify for the program, Customer must also satisfy each of the following conditions:

- 1) Customer must be the owner (Owner) of the property and have lawful authority to initiate and install Improvements.
- 2) Customer is an active SCP customer on a residential rate (e.g. E-1, E-6, EV, E-TOU-C) with at least one (1) account at the Property.
- 3) Customer must be in good credit standing at the time of program application through the funding of the loan. A Customer's credit standing will be determined by the payment history of their PG&E electric utility bill.

Application Process

Customers must follow these steps to apply for the program:

- 1) SCP will use this application to determine if Customer is eligible to participate in the OBF program based on Customer's SCP utility bill payment history and the incentive eligibility of selected Improvements. Incomplete or incorrect applications cannot be processed. Electronic, scanned, or facsimile signatures may be used for the purposes of enforcing the terms of any SCP application or agreement as though they were originals. Customer may withdraw this OBF Application for any reason by providing SCP with a written notice of such withdrawal. You may contact SCP in writing via email at advancedenergycenter@sonomacleanpower.org or mail to 50 Santa Rosa Ave. 5th Floor, Santa Rosa, CA 95404.
- 2) SCP staff and/or administrator, Frontier Energy, INC. ("Program Administrator") on behalf of SCP, will review the Application in accordance with OBF eligibility requirements, including an inspection of Customer's Property, if applicable.
- 3) If Customer's Application is approved, Customer submits any associated Eligible Program incentive applications, and Customer communicates to SCP that they accept a completed bid from an SCP-approved Contractor, then SCP will reserve loan funds up to ten thousand dollars for eligible Improvements proposed in the accepted bid less any available rebates and/or incentives. A reservation of funding does not guarantee loan funding. Funding shall occur only upon satisfaction of all requirements set forth in this Application and subsequent Participant Agreement. If the Application is denied, SCP will provide Customer with a written statement of the specific reasons for the denial within 30 days of the denial.
- 4) SCP will issue Customer an unexecuted Participant Agreement, including notice of approved Improvements for installation and OBF loan terms as detailed in Exhibit B of the Participant Agreement. The Participant Agreement will expire thirty (30) days after issuance of the Participant Agreement if the Customer has not signed and returned the Participant Agreement to SCP. If Customer still wishes to obtain a loan after expiration of the initial Participant Agreement, Customer may notify Program Administrator in writing, and SCP, at its sole discretion, may provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all of the program requirements.



- 5) Upon receipt of the Participation Agreement, SCP will reach out via phone to collect the Customer's Social Security Number prior to executing the Agreement.
- 6) Once the Participation Agreement is executed, Customer Is approved to purchase, schedule and install the SCP-approved Improvement(s) (Approved Improvements) using an SCP Approved Contractor (Contractor). Customer has one hundred twenty (120) days from date Customer submitted any associated Eligible Program incentive applications to complete the installation. SCP approval of Improvements and installation is contingent upon the following:
 - a) Customer will work with Contractor to install Approved Improvements identified in Exhibit B of the executed Participant Agreement. Customer installation of Approved Improvements prior to issuance of the executed Participant Agreement may void the Participant Agreement.
 - b) Customer secures Program Administrator approval of any changes to the Approved Improvements identified in Exhibit B of the executed Participant Agreement prior to Contractor's installation of the Improvements. Customer is solely responsible for negotiating changes to Approved Improvements with Contractor.
 - c) Contractor provides SCP's Program Administrator required documents for project closeout. SCP's Program Administrator will review project closeout documents for approval per program requirements. As necessary, the final loan amount will be re-calculated by Program Administrator at completion and final approval of installation to reflect any changes in the actual installed costs and incentive amount for the Approved Improvements. In these cases, SCP may require Customer to sign a final Exhibit B and other documentation as necessary to finalize the terms of the approved loan.
- 7) Upon completion of Approved Improvement(s) Installation, and satisfaction of all remaining program requirements and the selected Eligible Program requirements, SCP will process payment of Customer's loan funds and issue a loan check payable to Contractor to be sent by mail.

Customer understands that if Contractor installs SCP Approved Improvements according to the terms of an executed Participant Agreement and in accordance with all other program requirements, the initial monthly loan installment will appear on Customer's PG&E electric utility bill within one to three (1 to 3) billing cycles following the effective date of the project close out and will continue for the term of the loan or until the loan balance is paid off, or as may otherwise be provided in the Participant Agreement.

Key Loan Terms

This section provides a non-exhaustive list of some of the key loan terms contained in the Participant Agreement, for information purposes only. THIS IS NOT THE PARTICIPANT AGREEMENT, WHICH MAY BE EXECUTED BY THE PARTIES ONLY AFTER THE APPLICATION IS APPROVED, IN ACCORDANCE WITH PROGRAM RULES. IN THE CASE OF ANY CONFLICT BETWEEN THESE PROVISIONS AND THE PARTICIPANT AGREEMENT, THE TERMS AND CONDITIONS OF THE PARTICIPANT AGREEMENT SHALL CONTROL.

- 1) **Amount Financed and Loan Terms.** The Participant Agreement shall set forth the amount financed, the loan term, payment amounts, and service account(s) to be billed.
- 2) **Prepayment and Partial Payments.** Customer may pay the Loan in monthly installments or pre-pay the entire Loan in one lump sum without penalty, but pre-payments for less than the remaining balance is not allowed. Partial payments will be applied per PG&E Electric Rule 23. Customers that become delinquent with SCP, may be dropped from SCP service for non-payment per SCP's Terms & Conditions and the Participant Agreement. Customers that have been dropped from SCP's service for non-payment may be referred to SCP's collection agency.
- 3) **Discontinuance of Service.** Amounts due under the Participant Agreement will be amounts deemed due under each PG&E electric utility bill to the Customer's Service Account(s), and a default under the Participant



Agreement will be treated as a default under the Customer's Service Account(s). Customer's Amount Financed (as defined in the Participant Agreement) is subject to the discontinuance provisions of SCP's Terms and Conditions. Customers that become delinquent with SCP may be dropped from SCP service for non-payment per SCP's Terms & Conditions and the Participant Agreement.

- 4) **Breach and Acceleration.** Any breach by Customer under the Participant Agreement will constitute a breach under all of the above referenced agreements. SCP may determine the Participant Agreement to be breached and Customer to be in default if Customer: (1) sells, assigns, or otherwise transfers ownership, possession, or title of the Property or the Equipment, (2) fails to pay the Monthly Payment amount when due, (3) closes, discontinues, or otherwise causes the termination of the Service Account(s), or (4) otherwise breaches the Participant Agreement, and the breach is not cured as specified therein. Following a breach as set forth in this section, SCP shall have the right to declare the entire unpaid balance of the Amount Financed immediately due and payable. Upon Customer's breach of the Participant Agreement and failure to cure such breach after thirty (30) days' written notice to Customer, SCP may pursue any of the of the following remedies: (a) Drop customer from SCP electric service and return customer to PG&E bundled service (b) remove the Improvements from the Property, (c) refer the Customer to SCP's collection agency, or (d) any and all other remedies provided to SCP under law or equity.
- 5) **Description of Additional Participant Agreement Provisions.** (1) the Participant Agreement shall continue in effect until the Amount Financed is paid in full; (2) Customer may not assign its rights or delegate its duties under the Participant Agreement without SCP's express written consent; and (3) the Participant Agreement can only be modified or amended through a signed writing by both Customer and SCP.