Silicon Valley Clean Energy Authority
Executive Committee Meeting
Wednesday, October 26, 2016
2:00 pm

Sunnyvale Community Center | Recreation Center
Conference Room
550 E Remington Drive
Sunnyvale, CA

AGENDA

Call to Order

Roll Call

Public Comment on Closed Session

The public may provide comments regarding the Closed Session item(s) just prior to the Board beginning the Closed Session. Closed Sessions are not open to the public.

Convene to Closed Session

Public Employee Performance Evaluation (Govt. Code Section 54957)
Title: Chief Executive Officer

Report from Closed Session

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

1a) Approve Minutes of the September 28, 2016, Executive Committee Meeting

Regular Calendar

2) Approve Agreement with Noble Americas Energy Solutions LLC (Action)
3) Review Self-directed Tax Advantaged Retirement System Program (Discussion)
Information Only

1) Letter to the County of Santa Clara requesting a Board of Supervisors Public Hearing and Finding of Significant Public Benefit, sent October 14, 2016

Board Member Announcements

Adjourn

svcleanenergy.org
505 W Olive Avenue
Suite 130
Sunnyvale, CA, 94086
Silicon Valley Clean Energy Authority
Executive Committee Meeting
Wednesday, September 28, 2016
2:00 pm

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550 E Remington Drive
Sunnyvale, CA

DRAFT MINUTES

Call to Order
Chair Sinks called the meeting to order at 2:23 p.m.

Roll Call
Present:
Chair Rod Sinks, City of Cupertino
Director Liz Gibbons, City of Campbell
Vice Chair Rob Rennie, Town of Los Gatos
Director Howard Miller, City of Saratoga

Absent:
Director Daniel Harney, City of Gilroy
Director John McAlister, City of Mountain View

Public Comment on Matters Not Listed on the Agenda
James Tuleya, Sunnyvale resident, stated that Peninsula Clean Energy is having its first enrollment phase and discussed opt out rates.

Consent Calendar
1a) Approve Minutes for the Aug. 24, 2016, Executive Committee Meeting

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the Minutes of the Aug. 24, 2016 Executive Committee Meeting as submitted.

The motion carried unanimously with Director Harney and Director McAlister absent.

Regular Calendar
2) SVCE Retirement Plan (Discussion)

CEO Tom Habashi introduced Jennifer Meza, CEBS Senior Client Services Coordinator, to present the retirement plan for Public Agency Retirement Services (PARS). Meza responded to Staff and Executive Committee questions.
The Executive Committee requested that PARS provide additional information on options for different companies, specifically Charles Schwab, and a two year comparison example of fees.

CEO Habashi and the Executive Committee discussed options for retirement benefits for SVCE employees which included social security.

Director Miller and Chair Sinks agreed that the topic of selecting to opt out of social security and instead direct the investment, as well as a percentage of matching funds, to an IRA account be brought to the next Board meeting.

Chair Sinks opened public comment.

James Tuleya spoke of his experience regarding retirement plans at previous employers.

Chair Sinks closed public comment.

3) Budget Update (Discussion)

CEO Habashi presented the budget and responded to Board questions. CEO Habashi commented that the data management costs were not included in the document as well as staff costs for partnering cities.

Director Gibbons suggested that the formatting of the document be more clear prior to presenting it to the Board; Staff will make necessary formatting changes before the next Board meeting.

CEO Habashi gave an update on SVCE’s status with the California Public Utilities Commission and a brief update on large commercial customers. Staff will ask Don Bray, SVCE Business Programs Liaison, to speak at the next Board meeting.

Chair Sinks opened public comment. No speakers. Chair Sinks closed public comment.

4) Logo Update (Discussion)

Misty Merisch, Communications Manager, presented the updated SVCE logo which incorporated the lengthening of the leaf and a change of the white vein within the leaf to differentiate it from a gas flame.

Chair Sinks suggested that the new stem be replaced with the stem of the old logo, but stated that changing the stem is not necessary if it would alter the optimization of the logo. Staff will look into changing the stem.

Communications Manager Mersich spoke about the CMYK builds of the colors to ensure that they reproduce well and the revision to the teal color. Executive Committee members provided feedback regarding pantone colors and its effect on printing costs.

Chair Sinks opened public comment. No speakers.
Chair Sinks closed public comment.

5) Approve the Cancellation of the Regularly Scheduled November and December Executive Committee Meetings and Approve the Scheduling of a Special Meeting on Wednesday, December 7, 2016 (Action)

MOTION: Chair Sinks moved and Director Miller seconded the motion to approve the cancellation of the regularly scheduled November and December Executive Committee meeting and approve the scheduling of a special meeting on Wednesday, December 7, 2016.

The motion carried unanimously with Director Harney and Director McAlister absent.

Director Miller noted that at the Executive Committee level this meeting would not be considered a special meeting.

Information Only


Director Gibbons suggested that the City Association be asked to send a letter to the CPUC and every city council/mayor sign to show support for the JPA. Executive Committee members agreed on the importance to keep people informed of SVCEA’s efforts.

CEO Habashi stated the plan for SVCEA to join the California CCA association.

Chair Sinks opened public comment.

James Tuleya agreed that a letter to the CPUC from other government agencies would be a good idea.

Chair Sinks closed public comment.

Committee/Staff Remarks

Director Howard Miller, City of Saratoga, apologized for being tardy.

Director Liz Gibbons, City of Campbell, inquired if there would be a Board meeting on December 14. CEO Habashi stated that if SVCEA agreements with the cities and bank are in place by November, the December meeting can be canceled.

Director Gibbons requested an agenda look ahead for the Board; Staff will present a document at the next Board meeting.

Adjournment

Chair Sinks adjourned the meeting at 4:11 p.m.
Staff Report – Item 2

To: Silicon Valley Clean Energy Authority Executive Committee
From: Tom Habashi, CEO

Item 2: Approve Agreement with Noble Americas Energy Solutions
Date: 10/26/2016

RECOMMENDATION

Authorize the CEO to execute an agreement with Noble Americas Energy Solutions LLC in substantially the same form as attached, to provide Data Management and Customer Call Center Services, for a term of November 1, 2016 through March 31, 2020, and renewable each year thereafter, at a cost of $1.15 per month per enrolled account for the first year and $1.10 thereafter.

BACKGROUND

As reported to the Board of Directors at their October 12, 2016, meeting staff conducted a competitive solicitation process and recommended Noble Americas Energy Solutions LLC (Noble) to provide data management and customer call center services. The Board of Directors authorized the Executive Committee to review and approve the agreement with Noble. At the meeting, the Board expressed strong interest in various prospective elements of service and the agreement and requested that staff address those elements when presenting the agreement to the Executive Committee.

ANALYSIS & DISCUSSION

Noble is providing the same services to the five operating CCA programs in California, including Peninsula Clean Energy (PCE) in San Mateo. Staff used that most recent agreement as a basis for developing SVCE’s agreement.

Key Terms

The cost of the services is a flat fee billed per month per enrolled account. The agreement has an explicit three-year term and includes a service rate of $1.15 per month per account for the first year and $1.10 for the other two. This rate of $1.15 matches the rate in PCE’s agreement. The lower rate in subsequent years was negotiated in anticipation of additional savings based on program scale. The service rate has two additional cost provisions: 1) SVCE will receive a lower rate to match any other agreement Noble executes in the future and 2) the rate after year 3 will be adjust upward based on the consumer price index to reflect cost of living.

In addition to the three-year explicit term, the agreement provides for subsequent automatic annual renewal unless notice of 180 days is provided of intent to not renew. This is often called an “evergreen” provision. This provision coupled with the 180-notification clause and the rate matching and adjustment clauses described above facilitate an ongoing, cost-efficient relationship between Noble and SVCE.

Board Items of Interest
Staff developed the agreement with careful attention to the elements discussed at the October Board Meeting as follows:

1. **Protection of the customer interface with Noble including privacy, data security, and confidentiality.**
   Section 18 of the Agreement addresses this item robustly. Customer data privacy and security are essential functions, guided by CPUC requirements, and Noble has experience with the existing programs.

   Provision 18(p) requires Noble to maintain a Security Breach Policy. This policy is attached as Exhibit C to the agreement.

   In addition, Section 12 includes the following broader provision: “Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.”

2. **Authority ownership of all data.**
   Per Section 18(i) of the agreement, the data remains the property of SVCEA.

3. **Fixed term to agreement rather than an evergreen term.**
   The Agreement provides for automatic renewal, referred to as an “evergreen” term, after the initial three-year term. Staff has negotiated the cost provisions to match lower rates that may be negotiated for other clients of Noble to ensure that SVCE’s services remain cost competitive. The agreement also allows for a noticing of 180 days of intent to not renew to preserve SVCE’s opportunity to conduct a future solicitation or work with an alternate provider. Staff recommends this complement of provisions as protective of SVCE’s interests while also facilitating a strong business relationship with Noble.

4. **Protectations against comingling of data with other clients. Noble has contracts with four other CCA’s.**
   Section 18(m) has been added to more specifically address this item: “(m) Data Segregation. Contractor agrees to store and maintain all SVCEA data in a manner that preserves its integrity and separation from any data that Contractor may obtain and store for its other clients. Contractor shall not commingle SVCEA data with data obtained from other sources.”

5. **Ability to perform audits of Noble’s performance.**
   This is addressed in Section 14, entitled “Retention of Records; Right to Monitor and Audit.”

6. **Metrics for measuring call center performance such as length of time to answer customer calls.**
   This is addressed in Exhibit A, Sections 4(g)-(h) and 4(m). Section 4(i) of Exhibit A requires Noble to submit monthly reports demonstrating compliance with these performance standards. That subsection also includes the liquidated damages provision, which we may want to delete. Perhaps we should delete the LD and insert a provision stating that failure to meet the performance standards for more than ___ months in a row constitutes a material breach and SVCEA may immediately terminate the Agreement, notwithstanding any other provision of the Agreement.

7. **Methods for addressing customer complaints.**
   This is addressed in Exhibit A, Section 4(bb). Complaints and their resolution are entered into the CRM system and can be reviewed by SVCE staff. Noble employs a protocol of tiered call handling, with escalation based on the complexity of needs and on customer satisfaction.

8. **Anticipated Calpine acquisition of Noble before the end of 2016.**
   Noble has confirmed the prospective sale of Nobel Americas Energy Solutions to Calpine from the current parent company, Noble Group. They have notified the CPUC of the pending acquisition stating
their expectation that the sale will be a change in control only resulting in no change to the operating business or contract obligations.

In addition, Section 9 of the agreement acknowledges the prospective sale and also provides for SVCEA’s right to approve any assignment of the agreement should the sale result in such assignment.

The Draft Agreement is attached. There are a small number of items under final review or discussion with Noble, including:

- Section 3. Payments when Contractor does not meet performance standards
- Section 9. Acknowledgement of sale to Calpine
- Section 11. Liability Insurance
- Section 13. Definition of violation under this provision
- Exhibit A: Refinements to the provisions and additional performance standards for selected services

Staff will provide an update on review and resolution of these items to the Executive Committee meeting.

**ATTACHMENTS**

1. Agreement between the Silicon Valley Clean Energy Authority and Noble Americas Energy Solutions LLC
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND NOBLE AMERICAS ENERGY SOLUTIONS LLC

This Agreement is entered into this ______ day of ___________, 2016, by and between the Silicon Valley Clean Energy Authority, a joint powers authority, hereinafter called “SVCEA” and Noble America Energy Solutions LLC, hereinafter called “Contractor.” SVCEA and Contractor may be referred to hereinafter individually as “Party” and collectively as “Parties”.

* * *

Whereas, SVCEA may contract with independent contractors for the furnishing of such services to or for SVCEA; and

Whereas, it is necessary and desirable that a Contractor be retained for the purpose of providing data management and establishing a customer call center for SVCEA, as further described in Exhibit A hereto;

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. **Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A – Services
- Exhibit B – Payments and Rates
- Exhibit C – NES Security Breach Policy

2. **Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for SVCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A. As provided by Exhibit B, Contractor will perform the services described in Exhibit A but will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner than sixty (60) calendar days following the date on which the first SVCEA customer meter becomes active.

3. **Payments**

   a) In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, SVCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. In the event that the SVCEA, in its sole discretion, makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the SVCEA at the time of contract termination or expiration. Contractor will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner than sixty (60) calendar days following the date on which the first SVCEA customer meter becomes active.

   b) Unless otherwise indicated in Exhibit B, Contractor shall invoice SVCEA monthly for all payments related to service performed during the previous month, or two months in the case of the first and second months' invoices. Payments shall be due within thirty (30) calendar days after the date of invoice. All payments must be made in U.S. dollars.

   c) For any month in which SVCEA believes Contractor has failed to meet the performance standards described in Exhibit A, SVCEA shall have the right to reduce payment of any invoice by $10,000.
Prior to exercising this right, SVCEA shall provide written notice to Contractor that identifies the performance standard(s) that have not been met and states SCVEA's intent to invoke this subsection if the defects are not remedied within thirty (30) calendar days. The Parties shall then confer to establish a plan to remedy such failure, which plan may provide a different deadline forremedying of the defect at the mutual agreement of the Parties. In the event that Contractor is unable to achieve such remedy within the 30 calendar days of notification, or within the deadline established by the Parties, SCVEA may exercise its rights under this subsection to reduce payment of each subsequent invoice by $10,000 until the defect is remedied. This subsection does not limit the remedies otherwise available to the Parties under this Agreement, including but not limited to the right to terminate this Agreement as otherwise provided herein.

4. **Term**

Subject to compliance with all terms and conditions of this Agreement, the term of this Agreement shall be from November 1, 2016 through March 1, 2020. Thereafter, the term of this Agreement shall automatically renew for successive one (1) year terms unless one party provides written notice to the other party at least one hundred eighty (180) calendar days in advance of the end of the then existing term that it does not wish to renew the term of this Agreement.

5. **Termination**

a) Early Termination Due to Cancellation of Community Choice Aggregation (CCA) program. If SVCEA determines on or before January 15, 2017, in its sole and absolute discretion, not to proceed with the CCA program, SVCEA may terminate this Agreement by giving written notice to Contractor as provided in Section 19 of this Agreement. In that event, no payments will be owed or paid.

b) Termination for Default. Either SVCEA or Contractor may terminate this Agreement if any one of the following events (each a “Default”) occurs with respect to the other Party: (i) with respect to SVCEA, SVCEA fails to pay amounts due hereunder and such failure continues for twenty-one (21) business days after written notice from Contractor; in accordance with Section 3 of Agreement, (ii) a Party defaults in the observance or performance by a Party of any such Party’s material covenants or agreements in this Agreement (other than a default in a payment obligation) and such default continues uncured for thirty (30) Business Days after written notice is given to such Party failing to perform its covenants or agreements under this Agreement, PROVIDED, HOWEVER, that for such events which require more than thirty (30) business days, to cure, then the defaulting Party shall have such additional time as may reasonably be required to effect such cure PROVIDED, that the defaulting Party diligently and continuously pursues such cure; or; (iii) either Party makes an assignment or any general arrangement for the benefit of creditors or files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or has such a petition filed against it or otherwise becomes bankrupt or insolvent (however evidenced) or is unable to pay its debts as they fall due.

c) Effect of Termination. Upon the effective date of expiration or termination of this Agreement: (i) Contractor may immediately cease providing services hereunder; and (b) any and all payment obligations of SVCEA under this agreement will become due immediately. Upon such expiration of termination, and upon request of SVCEA, Contractor shall reasonably cooperate with SVCEA to ensure a prompt and efficient transfer of all data, documents and other materials to SVCEA or a new service provider in a manner such as to minimize the impact of expiration or termination on
SVCEA’s customers. SVCEA agrees to pay Contractor compensation for services performed in connection of such transfer, to the extent not contemplated in the Agreement.

d) SVCEA reserves the right to transition all call center duties from Contractor to SVCEA, with at least ninety (90) calendar days’ notice to Contractor. SVCEA shall be responsible for any additional actual infrastructural or actual programming costs incurred by Contractor to facilitate this transition in accordance with the rates identified in Exhibit B. Contractor will invoice the actual costs to SVCEA without any added charges.

e) Notwithstanding any other provision of this Agreement, SVCEA reserves the right to transition call center duties from Contractor to SVCEA in phases, according to all needs and demands related to all tiers, overflow call center options, and third-party translation services. SVCEA shall be responsible for any additional actual infrastructural or actual programming costs incurred by Contractor to facilitate this transition. Contractor will invoice the actual costs to SVCEA in accordance with the rates identified in Exhibit B and without any added charges.

5.5 Transition At Time Of Termination Or Expiry

a) In the event of termination or expiry of this Agreement, in whole or in part, Contractor and SVCEA shall take commercially reasonable steps sufficient to ensure the orderly and effective transition of the services to SVCEA and/or a successor contractor (“Transition Assistance”).

b) All references in this Section to termination or expiry shall include partial and complete termination or expiry, cancellation or cessation unless the context otherwise requires.

c) In relation to any partial termination or expiry the provisions of this Section shall apply only to those parts of the services subject to such partial termination or expiry.

d) Each reference to an obligation of Contractor under this Section shall be deemed to include an obligation on Contractor to require all relevant sub-contractors to comply with such obligation.

5.5.1 Transition Assistance Period

The Transition Assistance Period means a period of such duration as is determined by SVCEA but in no event longer than one hundred eighty (180) calendar days commencing on the earlier of:

a) service of notice to terminate this Agreement;

b) in case of a repudiatory breach of this Agreement, the date on which the non-defaulting party accepts such repudiatory breach as terminating this Agreement; or

c) the expiry of the initial term or any extended term (as the case may be).

5.5.2 Transition Assistance Election

During the Transition Assistance Period, the services will be discontinued or transitioned to a Successor Contractor at SVCEA’s discretion and such transition shall then be performed in accordance with the Transition Plan required by subsection 5.5.3 below and with this Section. All the terms and conditions of this Agreement will remain unchanged during the Transition Assistance Period (including but not limited to rates and charges, discounts, credits, waivers, service levels and key personnel).

5.5.3 Transition Assistance Planning

Promptly following the commencement of the Transition Assistance Period (and in any event within fourteen (14) calendar days of notice by either Party), or earlier at the request of SVCEA, Contractor shall...
develop, with reasonable assistance from SVCEA, a written transition assistance plan specifying in detail all activities, and the corresponding timing of such activities, necessary to facilitate an orderly and effective transition of the Services ("Transition Plan"). The Transition Plan shall include sections setting out in detail how Contractor will satisfy the specific obligations described in paragraph 5.5.4 below.

5.5.4 Transition Assistance Obligations for Call Center Services (Exhibit A, Section 4)

The Transition Assistance provided by Contractor during the Transition Assistance Period shall include the following services at no additional charge to SVCEA:

a) providing SVCEA or its designees with documentation relating to the services that are necessary or useful to enable the orderly and effective transition of the services to SVCEA and/or a successor contractor;

b) allowing SVCEA to observe Contractor’s provision of the services;

c) providing SVCEA and/or a successor contractor with reasonable access to relevant Contractor staff in order to facilitate knowledge transfer, which shall include explanations from such staff of the services, the manner of their provision and reasonably related documentation and providing answers to reasonable questions from SVCEA on the same, provided that Contractor shall not be required to disclose any of commercially sensitive information as part of this process unless such information is necessary for performance of the services by SVCEA or a successor contractor following the expiry of the Transition Assistance Period;

d) Contractor shall provide Transition Assistance in such a manner as to ensure the uninterrupted performance of the services, with no degradation in quality, and avoid disruption in the operation until the successor begins providing services.

5.5.5 Transition Assistance Obligations for Data Manager Services (Exhibit A, Sections 1, 2, 3, 5, 6 and 7)

a) Contractor shall provide to SVCEA data and documentation, in a format or formats acceptable to SVCEA, and other information reasonably requested by SVCEA in connection with the transition that is sufficient to enable successor contractor to fully assume the provision of the transitioning services.

b) The processes, systems, and people related to the Data Manager Services within this agreement that are unique to Contractor, will not be included in the Transition Assistance Planning.

6. Contract Materials

Upon the expiration of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as “contract materials”) provided by SVCEA to Contractor under this Agreement shall remain the property of SVCEA and shall be promptly returned to SVCEA. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

7. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of SVCEA and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of SVCEA employees. Contractor understands that SVCEA is a Joint Powers Authority made up of the County of Santa Clara and eleven towns and cities within the County. Contractor further understands that this Agreement is made solely with
SVCEA and not with any member jurisdiction of the JPA. Contractor further understands and agrees that, pursuant to the Joint Powers Authority Agreement and California law, the debts, liabilities and obligations of SVCEA are its sole responsibility and not the responsibility of its constituent member jurisdictions. Contractor further agrees that it will not seek to recover, or cooperate with any other person or entity to seek to recover, any debt, liability or obligation related to this Agreement from any constituent member jurisdiction of SVCEA. Each Party represents and warrants to the other that: (i) it is validly existing and in good standing in the jurisdiction of its formation; (ii) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents or any agreements to which it is a party or any law applicable to it; (iii) it has not filed, does not plan to file, nor has it had filed against it, any bankruptcy proceeding; (iv) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms (subject to any equitable defenses); and (v) it is not a party to or subject to any commitment that may restrict or interfere with this Agreement.

8. **Hold Harmless**

   a. **General Hold Harmless**

   To the extent permitted by law, Contractor shall indemnify and save harmless SVCEA and its board members, officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from or arising out of this Agreement, the performance of any work or services or actions taken under this Agreement, or payments made pursuant to this Agreement, including any claim, suit, or action brought for, or on account of, any of the following, provided that they arise out of acts or omission of the Contractor, Contractor’s employees or subcontractors:

   (A) Injuries to or death of any person, including Contractor or its employees/officers/agents;

   (B) Damage to any property of any kind whatsoever and to whomsoever belonging;

   (C) Any sanctions, penalties, or claims of damages resulting from Contractor’s failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

   (D) Any other loss or cost. However, Contractor’s duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which SVCEA has been found in a court of competent jurisdiction to be liable by reason of its own negligence or willful misconduct, or under a strict liability theory.

   The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

   This provision shall apply only to the extent of the Contractor’s acts and omissions, which shall be deemed to include any contractor, subcontractor, and/or employee of the Contractor, including any person or entity under Contractor’s direction and control.

   b. **Intellectual Property Indemnification**

   Contractor hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications
therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as “IP Rights”) except as otherwise expressly provided by this Agreement. Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless SVCEA from and against all claims, actions, liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party’s IP Rights provided any such right is enforceable in the United States. Contractor’s duty to defend, indemnify, and hold harmless under this subsection applies only provided that: (a) SVCEA notifies Contractor promptly in writing of any notice of any such third-party claim; (b) SVCEA cooperates with Contractor, at Contractor’s expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without SVCEA’s prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on SVCEA, impair any right of SVCEA, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of SVCEA without SVCEA's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Contractor’s opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes SVCEA’s reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's expense, either: (i) procure for SVCEA the right to continue using the services without infringement or (ii) replace or modify, subject to SVCEA’s prior approval which shall not be unreasonably withheld, conditioned or delayed, the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to SVCEA under this subsection to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for SVCEA (other than modification performed by, or at the direction of, Contractor or performed without the prior, express notification to SVCEA) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by SVCEA in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this subsection shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. **Assignability and Subcontracting**

   a) Except as otherwise provided in subsection (b), below Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of SVCEA, which shall not be unreasonably be withheld, conditioned or delayed. Any such assignment or subcontract without SVCEA’s prior written consent shall give SVCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

   b) SVCEA consents to Contractor subcontracting with AnswerNet for the purposes of providing the services described in Exhibit A to this Agreement.

   c) SVCEA acknowledges that Contractor’s holding company, Noble Group, Ltd., has entered into an agreement to sell a controlling interest in Contractor to Calpine Corporation, a Delaware Corporation (Calpine), and that said transfer of ownership will occur following execution of this Agreement. SCVEA has entered into this Agreement based upon Contractor’s express
representation that said transfer of ownership to Calpine will not adversely affect Contractor’s performance under this Agreement.

10. **Payment of Permits/Licenses**

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor’s own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

11. **Insurance**

   a. **General Requirements**

   Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by SVCEA’s Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish SVCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor’s coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Contractor shall provide notice in writing, to SVCEA of any pending material change in the limits of liability or of any cancellation or material modification of the policy. Such notice shall be provided to SVCEA within thirty (30) calendar days of Contractor receiving such notice. Such insurance and certificates, which do not limit Contractor’s indemnification obligations under this Agreement, shall also contain substantially the following statement: “Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) calendar days’ advance written notice to Silicon Valley Clean Energy Authority, Attention: Chief Executive Officer.”

   b. **Workers’ Compensation and Employer’s Liability Insurance**

   Contractor shall have in effect during the entire term of this Agreement workers’ compensation and employer’s liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

   c. **Liability Insurance**

   Contractor shall take out and maintain during the term of this Agreement such personal injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for personal injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor’s operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall include, at a minimum, the following:

   ☒ Commercial General Liability
Commercial General Liability Insurance Policy ("CGL"). Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein "ISO") Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

- $1,000,000 each occurrence (combined single limit);
- $2,000,000 general aggregate.

Professional Liability

Professional Liability Insurance Policy ("PL"). This policy shall cover damages, liabilities, and costs incurred as a result of Contractor’s professional errors and omissions or malpractice. This policy shall include a coverage limit of at least One Million Dollars ($1,000,000) per claim and Two Million Dollars ($2,000,000) annual aggregate for all claims.

SVCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to SVCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the SVCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, SVCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

d. Subrogation Waiver. Contractor agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Contractor shall look solely to its insurance for recovery. Contractor hereby grants to SVCEA, on behalf of any insurer providing comprehensive general or automotive liability insurance to either Contractor or SVCEA with respect to the services of Contractor herein, a waiver of any right to subrogation which any such insurer of Contractor may acquire against SVCEA by virtue of the payment of any loss under such insurance.

12. Compliance With Laws

All services to be performed by Contractor pursuant to this Agreement shall, to the extent applicable to Contractor or Contractor’s performance, be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or other governmental financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.
Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

13. **Non-Discrimination**

Contractor agrees that it shall not harass or discriminate against a job applicant, a SVCEA employee, Contractor’s employee or subcontractor, or any customers or potential customers of SVCEA on the basis of race, religious creed, color, national origin, ancestry, disability, marital status, pregnancy, sex, age, sexual orientation, or any other protected class. Contractor agrees that any Violation of this provision shall constitute a material breach of this Agreement. “Violation” shall mean a finding of such discrimination by SCVEA after an investigation or by a final determination by a court or other governmental body.

14. **Retention of Records; Right to Monitor and Audit**

   a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after SVCEA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by SVCEA, a Federal grantor agency, and the State of California.

   b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by SVCEA.

   c) Contractor agrees upon reasonable notice to provide to SVCEA, to any Federal or State department having monitoring or review authority, to SVCEA’s authorized representative, and/or to any of their respective audit agencies access to and the right to examine and make and retain copies of all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

   d) Contractor agrees to maintain and make available to SVCEA, during regular business hours, accurate books and accounting records relating to its work under this Agreement. SVCEA and Contractor agree that, insofar as Contractor maintains an active trading floor, any such audit, examination, or review, will be conducted off-site at a location mutually acceptable to the Parties, off of Contractor’s premises. SVCEA and Contractor agree to work to minimize the impact of any such audit on Contractor’s operations. Contractor will, upon request, provide SVCEA with copies to audit, examine and make excerpts and transcripts from such books and records, and to make audits thereof of data related to all other matters covered by this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon SVCEA by this Section.

15. **Entire Agreement; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document’s date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or
Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. **Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Santa Clara County Superior Court.

17. **Mediation Prior to Filing a Lawsuit**

Except as provided in this Section, the Parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, or any other mutually agreed mediator for mediation prior to the filing of a lawsuit.

Either Party may commence such mediation by providing the other Party a written request for mediation-setting forth the subject of the dispute and the relief requested. Such mediation will conclude no later than forty-five (45) calendar days from the date that such written request was received by the other Party, unless such date should fall on a Saturday, Sunday or recognized holiday, in which case the mediation will conclude by 6 PM, Pacific Prevailing Time on the next business day.

The Parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The Parties agree that they will participate in the mediation in good faith and that they will share equally in its costs, provided, however, that each Party will bear the cost of its own attorneys.

All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator or any of the mediators employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

Either Party to this Agreement may: (1) seek judicial equitable relief, or other equitable relief available to it under applicable statutory and/or case law including but not limited to injunctive relief; (2) exercise any self-help rights; and/or (3) any other rights or remedies available to it by contract or applicable statutory or case law, whether such occurs before, during or after the pendency of any negotiation or mediation, provided, however, in the case of (3) that (i) the Party availing itself of its rights and remedies so described will take only such actions as are necessary to preserve it rights during the pendency of the mediation, and (ii) all applicable statutes of limitation and defenses based upon the passage of time shall be tolled during the pendency of the mediation. The Parties will take such action, if any, required to effectuate such tolling.

The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary rights or remedies or exercise of self-help remedies, all as provided herein, and the pursuit of any such rights or remedies, shall not constitute a waiver of the right or obligation of any Party, including the plaintiff seeking judicial relief or remedies, to engage in the mediation pursuant to this Article.
18. **Information Security**

a) General Information Security. All facilities, devices, and methods used by Contractor to store and process SVCEA data will adhere to industry standard best practices, including appropriate administrative, technical, and physical security measures, to protect against threats or hazards to the security or integrity of SVCEA data and to protect against the unauthorized access, disclosure, alteration, use, encryption, corruption, destruction, and loss of SVCEA data. Such measures will include industry standard and up-to-date security tools and technologies such as antivirus protections and intrusion detection methods designed to prevent all manner of breach including but not limited to hacking, phishing, and ransomware. SVCEA data includes customer information, including that provided to Contractor by PG&E.

b) Network Security. Contractor agrees at all times to maintain network security that (at a minimum) includes network firewall provisioning, intrusion detection, and regular vulnerability assessments. Contractor agrees to maintain network security that conforms to generally recognized industry standards and best practices.

c) Application Security. Contractor agrees at all times to provide, maintain, and support its software and subsequent updates, upgrades, and bug fixes according to generally recognized industry standards and best practices such that the software is, and remains secure from known and reasonably anticipated vulnerabilities.

d) Data Security. Contractor agrees to preserve the confidentiality, integrity, and accessibility of SVCEA data with administrative, technical, and physical measures that conform to generally recognized industry standards and best practices. Maintenance of a data security includes but is not limited to the timely application of patches, fixes, and updates to operating systems and applications as provided by vendor or open source support. Data backups should be stored on a separate server and network to insure if a data breach occurs, data can be easily restored. If possible, data backups should be stored in a separate location.

e) Data Storage. Contractor agrees that any and all SVCEA data will be stored, processed, and maintained according to generally recognized industry standards and best practices.

f) Data Transmission. Contractor agrees that any and all electronic transmission or exchange of system and application data with SVCEA and/or any other parties expressly designated by SVCEA shall take place via industry standard secure means.

g) Data Encryption. Contractor agrees to store all SVCEA backup data as part of its designated backup and recovery process in encrypted form, using a commercially supported encryption solution.

h) Data Re-Use. Unless otherwise specifically authorized by SVCEA by writing and in advance of such use, Contractor shall not use any SVCEA data for any purpose other than those required or specifically permitted by the Agreement.

i) Data Ownership. All SVCEA data shall continue to be the property of and under the control of SVCEA.
j) End of Agreement Data Handling. Contractor certifies that SVCEA data shall not be retained or available to Contractor upon completion of the term of the Agreement. Within ninety (90) calendar days of completion of the term of the Agreement, unless this timeline is extended by mutual written agreement, SVCEA data in the possession of Contractor shall be returned and/or destroyed. Where reasonably feasible, Contractor shall, upon request of SVCEA, return all SVCEA data to SVCEA in a format acceptable to SVCEA or if return is not feasible as determined by SVCEA in advance written notice to Contractor, destroy any and all SVCEA data within the timelines specified within this section.

k) Security Breach Notification to SVCEA. Contractor shall report, orally and in writing, to SVCEA any use, disclosure, and/or breach of SVCEA data not authorized by this Agreement or otherwise authorized in writing by SVCEA, including any reasonable belief that an unauthorized individual has accessed SVCEA data and any episode within which SVCEA data has been breached or subjected to a cyber-extortion threat. Contractor shall make the report to SVCEA immediately upon discovery of the event, but in no case more than one (1) business day after Contractor reasonably believes there has been such unauthorized use or disclosure. Contractor’s notice shall identify the nature of the unauthorized use or disclosure, the data used, disclosed, or held for ransom, who made the unauthorized use or received the data if known, what Contractor has done to or shall do to mitigate any effect of the unauthorized use and/or breach, and what corrective action Contractor will take to prevent future similar unauthorized uses, disclosures, or breaches. Contractor shall provide such other information, including a written report, as reasonably requested by SVCEA.

l) Security Breach Notification to Impacted Persons. Contractor agrees to comply with all applicable laws that require the notification of individuals, businesses, and entities, in the event of the unauthorized release, acquisition, or other event requiring notification. Contractor further agrees to assume full responsibility of informing such individuals, businesses, and/or entities of such events in accordance with applicable law.

m) Data Segregation. Contractor agrees to store and maintain all SVCEA data in a manner that preserves its integrity and separation from any data that Contractor may obtain and store for its other clients. Contractor shall not commingle SVCEA data with data obtained from other sources.

n) Contractor and its employees, contractors, officers, agents or successors shall comply with all applicable data security laws and regulations.

o) Contractor shall maintain customer data in compliance with CPUC Decision D.12-08-045, the PG&E Non-Disclosure Agreement, and any customer privacy policy adopted by SVCEA, including a daily backup.

p) Contractor shall maintain NES Security Breach Policy attached hereto as Exhibit C and provide any updates to the Policy within 7 calendar days, excluding changes to the Covered Information Users Lists.

19. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below
by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of SVCEA, to:

Name/Title: Tom Habashi, Chief Executive Officer  
Address: 333 W. El Camino Real, Suite 290, Sunnyvale, CA 94087  
Telephone: 408-730-7742  
Email: tomh@svcleanenergy.org

In the case of Contractor, to:

Name/Title: Drake Welch – Vice President – Customer Care  
Address: 401 West A Street, Suite 500, San Diego, CA 92101  
Telephone: 619-684-8039  
Email: dwelch@noblesolutions.com

21. **Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities on whose behalf they are signing.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

Silicon Valley Clean Energy Authority  
By:  
______________________________________________  
Chief Executive Officer  
Date:  
______________________________________________

Noble Americas Energy Solutions LLC.  
By:  
______________________________________________  
Name:  
Date:  
______________________________________________

ATTEST:

By:  
______________________________________________

Secretary of the Board
Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

1. Electronic Data Exchange Services:
   a. Process Community Choice Aggregation Service Requests (CCASRs) from/to PG&E which specify the changes to a customer’s choice of services such as enrollment in Community Choice Aggregation (CCA) programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (814 Electronic Data Interchange Files).
   b. Obtain all customer usage data from PG&E’s Metered Data Management Agent (MDMA) server to allow for timely billing (according to PG&E requirements) of each customer (867 Electronic Data Interchange Files).
   c. Maintain and communicate the amount to be billed by PG&E for services provided by SVCEA (810 Electronic Data Interchange Files).
   d. Receive and maintain all data related to payment transactions toward CCA charges from PG&E after payment is received by PG&E from customers (820 Electronic Data Interchange Files).
   e. Process CCASRs with PG&E when customer status changes.
   f. Participate in the Customer Data Acquisition Program (CDA) beta testing for SmartMeter data sharing as SVCEA’s Data Manager.
   g. Obtain customer usage data that would allow SVCEA to bill customers using generation rate structures (e.g., time-of-use periods) that are different from those reflected in the applicable PG&E rate schedule, or provide a comparable solution within 18 months of execution of this agreement.

2. Qualified Reporting Entity (QRE) Services:
   a. Consistent with terms and conditions included in the Qualified Reporting Entity Services Agreement(s) between SVCEA and Contractor, serve as QRE for up to twenty locally situated, small-scale renewable generators supplying electric energy to SVCEA through its feed-in tariff (FIT). In addition to the above, Contractor will perform QRE Services for an additional ten renewable generators under a one-time upfront charge of $2,000 per generator to SVCEA, payable the month after the first month of QRE Service.
   b. Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on SVCEA’s behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.
   c. Receive applicable electric meter data from PG&E for SVCEA FIT projects, consistent with PG&E’s applicable meter servicing agreement, and provide such data to SVCEA for purposes of performance tracking and invoice creation.

3. Customer Information System:
   a. Establish an operational Customer Relationship Management System (“CRM”) within sixty (60) calendar days of contract execution. Establish an operational Customer Information System within sixty (60) calendar days of contract execution.
   b. Maintain an accurate database of all eligible accounts that are located in the SVCEA service area and identify each account’s enrollment status (opt out, program enrollment), rate tariff election(s), payment history, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer SVCEA as mutually agreed to by parties from time to time.
   c. Allow SVCEA to have functional access to the online database to add customer interactions and other account notes.
   d. Allow SVCEA to view customer email or written letter correspondence within CRM.
   e. Maintain and provide as-needed historical usage data on all customers for a time period equal to the lesser of either (a) the start of customer service to present or (b) five (5) years.
f. Until a cloud-based storage solutions for SmartMeter historical usage data is implemented, store SmartMeter historical usage data, as received by the MDMA, for a 48 hour window.

g. Maintain viewing access, available to appropriate SVCEA staff, to view PG&E bills for SVCEA customers, including supporting the intuitive parsing and labeling of PG&E provided files. Maintain accessible archive of billing records for all SVCEA customers from the start of SVCEA service or a period of no less than five (5) years.

h. Maintain and communicate as needed records of customers who have been offered service with SVCEA but have elected to opt out, either before or after starting service with SVCEA.

i. When requested by SVCEA, place program charges on the relevant customer account, identified by Service Agreement ID (SAID).

j. Identify customers participating in various SVCEA programs in database.

k. Perform quarterly SVCEA program reviews to assess appropriate customer charge level.

l. Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled annually.

m. When requested by SVCEA, place program charges on the relevant customer account, identified by Service Agreement ID (SAID).


4. Customer Call Center:

   a. Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.

   b. Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.

   c. Staff a call center, during any CCA Statutory Enrollment Period, 24 hours a day 7 days a week to process opt out requests.

   d. Staff a call center during Non-Enrollment Period between the hours of 8 AM and 5 PM PST Monday through Friday, excluding SVCEA and PG&E holidays.

   e. Provide sufficient call center staffing to meet the requirements set forth herein, including designating SVCEA specific agents to the extent needed to provide for full functionality and a customer call center supervisor that will serve as the main point of contact between SVCEA and customer call center staff.

   f. Provide sufficient number of Data Manager Experts available to manage escalated calls between the hours of 8 AM and 5 PM PST Monday through Friday, excluding SVCEA and PG&E holidays ("Regular Business Hours"). For the purpose of Exhibit A, Data Manager Experts are designated analyst trained to resolve escalated CCA customer-specific questions related to metered usage, CCA rates including NEM, account status, payments, and program participation.

   g. Contractor will adhere to the following performance standards during Non-Enrollment Periods:

      i. A minimum of 80% of all calls will be answered within 45 seconds. For the purpose of Exhibit A, the time to answer begins one the IVR system transfers the call to call queue and ends once a live agent takes the call.

      ii. A minimum of 98% of calls will be answered within 3 minutes.

      iii. 100% of voicemail messages answered within one (1) business day.

      iv. 100% of emails receive an immediate automated acknowledgement.

      v. 95% of emails receive a customized response within one (1) business day.

      vi. 100% of emails receive a customized response within three (3) business days.

      vii. Achieve a no greater than 5% abandon rate for all calls.

   h. Contractor will adhere to the following performance standards during Enrollment Periods:

      i. A minimum of 75% of all calls will be answered within 60 seconds.

      ii. A minimum of 95% of calls will be answered within 3 minutes.

      iii. 100% of voicemail messages answered within one (1) business day.

      iv. 100% of emails receive an immediate automated acknowledgement.

      v. 95% of emails receive a customized response within one (1) business day.

      vi. 100% of emails receive a customized response within three (3) business days.
vii. Achieve a no greater than 10% abandon rate for all calls.

i. Contractor shall provide monthly reports, which will demonstrate whether these performance standards have been met.

j. Provide callers with the estimated hold time, if applicable. Provide an automated ‘call back’ option for callers who will be put on hold for an estimated five minutes or longer.

k. Record all inbound calls and make recordings available to SVCEA staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.

l. Track call center contact quality with criteria including:
   i. Use of appropriate greetings and other call center scripts
   ii. Courtesy and professionalism
   iii. Capturing key customer data
   iv. Providing customers with correct and relevant information
   v. First-contact resolution
   vi. Accuracy in data entry and call coding
   vii. Grammar and spelling in text communication (email and chat)

m. Evaluate customer satisfaction through randomized voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

n. Receive calls from SVCEA customers referred to Contractor by PG&E and receive calls from SVCEA customers choosing to contact Contractor directly without referral from PG&E.

o. Provide the call center number on PG&E invoice allowing SVCEA customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

p. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

q. Respond to telephone inquiries from SVCEA customers using a script developed and updated quarterly by SVCEA. For questions not addressed within the script, refer inquiries either back to PG&E or to SVCEA.

r. Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, fax or web-portal.

s. Offer bi-annual cross training to PG&E call center in coordination with SVCEA.

t. Participate in coordinative meetings, at SVCEA’s request, to promote the resolution of any customer service issues. Such meetings may include SVCEA’s management/staff and may require on-site participation by contractor’s management/staff.

u. Provide monthly status reports during the first week of each month.

v. Provide weekly status reports during Statutory Enrollment Periods.

w. Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during Regular Business Hours.

x. Provide translation services for inbound calls for the following languages: Spanish, Cantonese, Mandarin, Tagalog, and Vietnamese.

y. Create and maintain online forms for the SVCEA website so that customers may perform program related tasks including, but not limited to, opt-up, opt-down, or opt-out from the Silicon Valley Clean Energy website. These program changes will be integrated into the Customer Relationship Management system on a daily or more frequent basis.

z. At SVCEA’s request, host SVCEA meetings with call center management and representatives on a bi-monthly basis.

aa. Forward inbound calls regarding matters under the control of SVCEA, to SVCEA. Forward inbound calls regarding matters under the control of PG&E, to PG&E.

bb. Capture customer communication in CRM in accordance with a protocol for receiving and responding to customer complaints, including a tracking and reporting program. Contractor shall provide said protocol to SVCEA for its review within sixty (60) calendar days of execution of this Agreement.

5. Billing Administration:
   a. Maintain a table of rate schedules offered by SVCEA to its customers.
b. Send certain SVCEA program charges for non-SVCEA customers, when supported by PG&E, based on information provided to Contractor by SVCEA.

c. Send certain SVCEA program charges as a separate line item to PG&E for placement on monthly bill during term of repayment.

d. Apply PG&E account usage for all SVCEA customers against applicable rate to allow for customer billing.

e. Review application of SVCEA rates to PG&E accounts to ensure that the proper rates are applied to the accounts.

f. Timely submit billing information for each customer to PG&E to meet PG&E’s billing window.

g. Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, no more than two billing cycles.

h. Assist with annual settlement process for Net Energy Metering customers by identifying eligible customers, providing accrued charges and credits, and providing mailing list to CCA designated printer.

i. Provide customer mailing list to SVCEA designated printer for new move-in customer notices and opt out confirmation letters routinely within 7 calendar days of enrollment or opt out.

j. Send a SVCEA provided letter to customers that are overdue. If no payment is received from the customer after a certain amount of time, issue a CCASR to return customer to PG&E.

6. Settlement Quality Meter Data (SQMD):

   a. For each meter, receive either interval meter reads (usage per fifteen minutes) or a monthly read for scalar meters and SmartMeters. If a scalar meter or SmartMeter, apply the appropriate PG&E dynamic profiles to shape the usage, quantifying usage for each hourly interval.

   b. After hourly reads (fifteen minute interval reads are summed to the hourly interval) for each meter are quantified, loss adjust the usage, per meter and interval, with the appropriate PG&E dynamic loss factor based on voltage level of the account. If after performing quality control and working with PG&E to remedy missing or incorrect usage, there remains any missing reads or reads deemed inaccurate, estimate usage for the respective meter based on historical usage.

   c. Aggregate usage for all meters by hour and trade date and provide to Silicon Valley Clean Energy’s designated Scheduling Coordinator or directly to CAISO for T+8 and T+48 submissions.

   d. Submissions for T+172B (Resettlement) are performed as needed per an agreed upon threshold and process between SVCEA, designated Scheduling Coordinator, and contractor.

   e. SVCEA agrees that Contractor shall have no responsibility for any charges or penalties assessed by the CAISO associated with the SQMD under an Indemnity or otherwise.

   f. Contractor shall prepare the SQMD using the same level of care that Contractor would use if preparing the SQMD for its own account as a Load Serving Entity (LSE) however, Contractor hereby disclaims in advance that any representation is made or intended that the SQMD is necessarily complete, or free from error.

7. Reporting

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</tbody>
</table>

i. Ensure monthly status reports are provided during the first week of each month.

ii. Ensure weekly status reports are provided during all other enrollment periods.

8. Call Center Location
Contractor will ensure that the majority of baseload calls will be answered by personnel physically located within the nine county San Francisco Bay Area. Complex calls and call escalations may be routed to Data Manager experts located in San Diego. Overflow and after-hour support will be located in Northern California. In no event, will any other services required by this Agreement be performed by employees or agents located outside of the United States.

9. Deliverables
Contractor understands that SVCEA has a strict timeline for launch of its program. Attached as Attachment 1 to Exhibit A is a flow chart version of that timeline. Contractor is ready and able and agrees to perform the services under this Agreement in a manner that will allow SVCEA to meet its timeline, which includes program launch (delivery of power to customers) in April 2017. As the parties agree that time is of the essence, both Contractor and SVCEA understand that each has deliverables and dependencies on each other to meet the program launch date. Contractor agrees that a failure to perform services in a manner that allows SVCEA to meet its timeline, unless such delay is caused by SVCEA, shall constitute a material breach of this agreement.

10. Definitions
   a. Enrollment Period shall be defined as the three months prior to an automatic mass enrollment of customers into the SVCEA program, the month in which the mass enrollment occurs, and the two months following the mass enrollment. The Enrollment Period takes place over a six month period, beginning with the first Opt-out notice and ending with the completion of the 60-day follow-up notification period.

   b. Non-Enrollment Period shall be defined as any period outside of an Enrollment Period.
c. Exhibit A - Attachment 1
Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, SVCEA shall pay Contractor based on the following fee schedule and terms:

Contractor’s payment for the services listed in Exhibit A shall be $1.15 per active meter per month for a period of one year following the date on which the first SVCEA customer meter becomes active, and, thereafter, shall be $1.10 per active meter per month. Travel and all start-up costs are included in this price. Contractor will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner than sixty (60) calendar days following the date on which the first SVCEA customer meter becomes active.

Contractor’s payment in effect for the services listed in Exhibit A shall escalate annually beginning on April 1, 2020 by the Consumer Price Index for the San Francisco-Oakland-San Jose Area

Notwithstanding any other provision contained in this Agreement, in the event that Contractor enters into an agreement with any other party to provide substantially all of the services listed in Exhibit A at a lower active meter month than provided herein, Contractor’s active meter per month rate provided under this Agreement shall be reduced to match said lower rate. Contractor shall notify SVCEA within five business days of execution of any such agreement and the same reduced rate shall be applicable to SVCEA under this Agreement within one month of such rate being charged to the other party. The matched rate shall take precedence over the rate escalation described above.

In the event that SVCEA elects to remove full call center services, the fee shall be reduced by $0.15 per active meter per month.

The Fees defined herein include only those service and items expressly set forth in Exhibit A of this Agreement. Unless otherwise agreed to by SVCEA and the Contractor, any additional deliverable provided by Contractor to SVCEA, at SVCEA’s express written request, shall be billed at a labor rate of $150.00 per hour plus any out-of-pocket costs incurred by Contractor without mark-up.
Exhibit C

NES Security Breach Policy

Noble Americas Energy Solutions

Covered Information Security Breach Policy and Procedure as Agent for Community Choice Aggregators

Updated September 29, 2016
Staff Report – Item 3

To: Silicon Valley Clean Energy Authority Executive Committee

From: Tom Habashi, CEO

Item 3: Review Self-directed Tax Advantaged Retirement System Program

Date: 10/26/2016

BACKGROUND

Staff has been examining various retirement plans that offer a wide variety of investments options while keeping administrative costs to a minimum. At the last Executive Committee meeting, Staff shared the PARS retirement plan. Today Staff will share information about the STARS program and compare and contrast with the PARS program.

ANALYSIS & DISCUSSION

Like the PARS or any other managed retirement account program, the STARS program has a manager, an advisor and an administrator. Each of these entities charges either a flat fee or a percent of the asset. In most cases, the charges on a percentage basis decline as the plan grows in size.

The STARS program doesn’t charge any fixed fees, and opts instead to offer their services as an expense ratio. The fee charged for program management is 0.67%. In addition, the program administrator (Mass Mutual Financial group, effective January 1, 2017) has an annual service expense ratio of 0.38%.

Unlike the PARS program, the STARS program doesn’t allow participants the ability to invest through a low cost brokerage service such as TD Ameritrade.

Staff has evaluated a number of other less known retirement programs and found them to be more costly.

After reviewing several offers, it’s becoming increasingly clear that as long as the funds being invested are low, the program expenses as a percent of assets will be high. The best two programs that are available today are the PARS and the STARS program. The PARS program has a higher expense ratio (roughly 0.2%) than the STARS until the assets in the plan reach $2.5 million, which may take up to 4 years, after which the plans are at par. The PARS program also allows for the use of discount brokerage which should reduce the program expenses by roughly 1/3 for the savvy investors who are willing to invest their own funds.

ATTACHMENTS

1. STARS Program Cost and Disclosure
Cost and disclosure

STARS - Self-directed Tax Advantaged Retirement System for CA - Plan Pricing

Sub-Total Administrative Services Revenue\(^1\) 0.23\%* 

**Additional Plan Specific Revenue Requested**
- Payment to Your Financial Advisor\(^2\) + 0.00\%
- Plan Expense Reimbursement Account\(^3\) + 0.35\%

**Sub-Total Administrative Services Revenue plus Additional Revenue Requested**\(^4\) 0.58\%

---

**Assumptions About Your Plan**

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>401(a) / 457(b) Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Model</td>
<td>Bundled</td>
</tr>
<tr>
<td>Platform</td>
<td>Mutual Fund</td>
</tr>
<tr>
<td>Total Number of Retirement Plans</td>
<td>2</td>
</tr>
<tr>
<td>Total Plan Assets</td>
<td>$16,243,581</td>
</tr>
<tr>
<td>Total Annual Gross Contributions</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Total Participants with Balances</td>
<td>500</td>
</tr>
</tbody>
</table>

*Please refer to the 408(b)(2) disclosure section of the Endnotes for more details related to additional revenue generated from the MassMutual SAGIC investment option.

*The Total Annual Target Revenue above is contingent upon receipt of total plan assets. Please see the following page for further detail.
Cost and disclosure

Banded Pricing Schedule

Should MassMutual receive less than the total plan assets listed in the assumptions above, the following asset charge would apply:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Revenue From Investments</th>
<th>Asset Charge</th>
<th>Total Target Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $16,000,000</td>
<td>0.03%</td>
<td>0.64%</td>
<td>0.67%</td>
</tr>
<tr>
<td>$16,000,000 - $24,000,000</td>
<td>0.03%</td>
<td>0.55%</td>
<td>0.58%</td>
</tr>
<tr>
<td>$24,000,000 - $34,000,000</td>
<td>0.03%</td>
<td>0.51%</td>
<td>0.54%</td>
</tr>
<tr>
<td>$34,000,000 - $44,000,000</td>
<td>0.03%</td>
<td>0.49%</td>
<td>0.52%</td>
</tr>
<tr>
<td>$44,000,000 - $54,000,000</td>
<td>0.03%</td>
<td>0.47%</td>
<td>0.50%</td>
</tr>
<tr>
<td>&gt; $54,000,000</td>
<td>0.03%</td>
<td>0.45%</td>
<td>0.48%</td>
</tr>
</tbody>
</table>

The highlighted band indicates the level of assets that is expected to be transferred to MassMutual upon installation. Plan pricing for the first six months assumes plan assets will exceed $16,000,000. If after six months plan assets do not exceed $16,000,000, the above fee schedule will apply. This fee schedule is guaranteed for a three year period.
## Cost and disclosure

### Investment Options

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Plan Assets</th>
<th>Annual Administrative Service Revenue</th>
<th>Annual Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Fixed Investment Options</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFA Interm Govt Fixed-Income Fund Inst (DFIGX)</td>
<td>92,588</td>
<td>0.00%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Metropolitan West Total Rtn Bnd Fd Inst (MWTIX)</td>
<td>2,969,327</td>
<td>0.10%</td>
<td>0.44%</td>
</tr>
<tr>
<td>Vanguard Equity-Income Fund Adm (VEIRX)</td>
<td>225,786</td>
<td>0.00%</td>
<td>0.17%</td>
</tr>
<tr>
<td>Vanguard 500 Index Fund Adm (VFIAX)</td>
<td>2,725,673</td>
<td>0.00%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Vanguard FTSE Social Index Fund Inv (VFTSX)</td>
<td>389,846</td>
<td>0.00%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Pioneer Fundamental Growth Fd K (PFGKX)</td>
<td>916,138</td>
<td>0.00%</td>
<td>0.69%</td>
</tr>
<tr>
<td>JP Morgan Mid Cap Value Fund Inst (FLMVX)</td>
<td>568,525</td>
<td>0.10%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Vanguard Mid Cap Index Fund Adm (VIMAX)</td>
<td>592,891</td>
<td>0.00%</td>
<td>0.08%</td>
</tr>
<tr>
<td>Sel Mid Cap Gr II Fd (TRP/ Frontier)  I (MEFZX)</td>
<td>240,405</td>
<td>0.00%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Victory Sycamore Sm Co Oppty Fund I (VSOIX)</td>
<td>1,258,878</td>
<td>0.15%</td>
<td>0.97%</td>
</tr>
<tr>
<td>Vanguard Small Cap Index Fund Adm (VSMAX)</td>
<td>147,817</td>
<td>0.00%</td>
<td>0.08%</td>
</tr>
<tr>
<td>DFA US Small Cap Growth Fund (DSCGX)</td>
<td>112,081</td>
<td>0.00%</td>
<td>0.40%</td>
</tr>
<tr>
<td>DFA Global Real Estate Secs Fd Other (DFGEX)</td>
<td>436,952</td>
<td>0.00%</td>
<td>0.24%</td>
</tr>
<tr>
<td>Oppenheimer International Gr Fund Inst (OIGIX)</td>
<td>985,985</td>
<td>0.00%</td>
<td>0.70%</td>
</tr>
<tr>
<td>DFA Emerging Markets Cr Eq Prtfl Fd Inst (DFCEN)</td>
<td>165,685</td>
<td>0.00%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Vanguard Wellington Fund Adm (VWENX)</td>
<td>256,649</td>
<td>0.00%</td>
<td>0.18%</td>
</tr>
<tr>
<td>Vanguard Target Retirement Incm Fd Inv (VTINX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2010 Fd Inv (VTENX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2015 Fd Inv (VTXVX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.14%</td>
</tr>
</tbody>
</table>

- options continued next page -
## Cost and disclosure

### Investment Options

<table>
<thead>
<tr>
<th>Investment Option</th>
<th>Plan Assets</th>
<th>Annual Administrative Service Revenue</th>
<th>Annual Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Fixed Investment Options (continued)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Target Retirement 2020 Fd Inv (VTWNX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2025 Fd Inv (VTTVX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2030 Fd Inv (VTHRX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2035 Fd Inv (VTTHX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2040 Fd Inv (VFORX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.16%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2045 Fd Inv (VTIVX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.16%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2050 Fd Inv (VFIFX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.16%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2055 Fd Inv (VFFVX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.16%</td>
</tr>
<tr>
<td>Vanguard Target Retirement 2060 Fd Inv (VTTSX)</td>
<td>-</td>
<td>0.00%</td>
<td>0.16%</td>
</tr>
<tr>
<td><strong>Subtotal from Non-Fixed Investment Options</strong></td>
<td>12,085,224</td>
<td>0.04%</td>
<td>0.42%</td>
</tr>
<tr>
<td><strong>Fixed Investment Option</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAGIC Diversified Bond II - Rate 2.60%</td>
<td>4,158,357</td>
<td>0.00%</td>
<td>0.25%</td>
</tr>
<tr>
<td><strong>Subtotal from Fixed Investment Option</strong></td>
<td>4,158,357</td>
<td>0.00%</td>
<td>0.25%</td>
</tr>
<tr>
<td><strong>Total from All Investment Options</strong></td>
<td>16,243,581</td>
<td>0.03%</td>
<td>0.38%</td>
</tr>
</tbody>
</table>
Cost and disclosure

Proposal Assumptions

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Eligible Employees</td>
<td>684</td>
</tr>
<tr>
<td>Days of First Year Employee Meetings</td>
<td>Unlimited⁹</td>
</tr>
<tr>
<td>Investment Transfer Method⁹</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>MassMutual RetireSMART Target Date Conversion</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>MassMutual SAGIC Crediting Rate</td>
<td>2.60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compensation to Your Financial Advisor</th>
<th>First Year</th>
<th>Subsequent Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Dollar Amount</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Percentage of Plan Deposits</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Percentage of Plan Assets</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan Expense Reimbursement Account (PERA)</th>
<th>First Year</th>
<th>Subsequent Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Dollar Amount</td>
<td>$400</td>
<td>$400</td>
</tr>
<tr>
<td>Percentage of Plan Deposits</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Percentage of Plan Assets</td>
<td>0.35%</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

This proposal may be subject to revision if the assumptions made are inaccurate and after a more detailed review of your plan document and other current records and after you make your investment mapping elections and select the plan administrative services you will receive.
# Cost and disclosure

## Transactional Fees & Optional Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Loan Initiation Fees</td>
<td>$125 per Loan</td>
</tr>
<tr>
<td>Loan Maintenance</td>
<td>$0</td>
</tr>
<tr>
<td>Distributions (591/2, Terms, &amp; Partials)</td>
<td>$40 per Distribution</td>
</tr>
</tbody>
</table>
Cost and disclosure

Endnotes

408(b)(2) Plan Sponsor Fee Disclosure

Administrative Services Revenue

- Investment Revenue 0.03%
- Asset Charge 0.55%
- Per Participant Charge 0.00%
- Flat Charge 0.00%

Sub-Total 0.58%

SAGIC Administrative Services Revenue 0.11%

Total Administrative Services Revenue 0.69%
- Less Payment to Your Financial Advisor 0.00%
- Less Plan Expense Reimbursement Account 0.35%

Net Administrative Services Revenue 0.34%
- Less Cost for Participant Services 0.10%
- Less Cost for Plan Sponsor Services 0.14%

Cost for Recordkeeping Services as defined by 408(b)(2) 0.10%

The Investment Options page lists investments that are available to your plan under our program, the annual expense ratio for each of the investments and the administrative services revenue we receive from each of the investments. If you have provided MassMutual with a preliminary list of the investments you anticipate offering, the Investment Options page lists those investments. If you have not provided MassMutual with a list of the investments you intend to offer, the Investment Options page includes sample investment mapping options (the options to which your current investments might be transferred). These sample mapping options are provided for illustrative purposes only and should not be viewed as recommendations by us. You are responsible for selecting your plan’s investment options from the complete list of available MMRS investment options.

MassMutual offers various plan investment options, including various share classes of certain plan investment options, to retirement plan customers depending on the amount of direct fees Plan Sponsors choose to pay and other factors, that these various plan investment options pay to MassMutual differing amounts of revenue sharing as a percentage of the plan investment options’ assets, that only one share class of each plan investment option is typically offered to a plan consistent with MassMutual’ pricing and product offering and that, as an investment option under a retirement plan, the primary difference between share classes of a plan investment option is the investment option’s expense ratio (i.e., the amount that the plan’s participants pay as a plan investment option expense) and the amount of revenue sharing that MassMutual receives from the plan investment option, which is paid from the revenue derived from the plan investment option’s fees and expenses, and that plan investment options are available to all plans that pay no revenue sharing of any kind resulting in the expenses of a plan being paid for entirely by direct fees assessed to the plan and/or its participants.

Revenue sharing payments are made by certain, but not all, plan investment options and the amount of revenue sharing payments received can be dependent on the share class(es) offered by the plan investment option and the share class(es) chosen by MassMutual.

More detailed information regarding the share classes of the plan investment options available on various investment menus offered by MassMutual, the revenue sharing associated with those share classes, and the revenue sharing received in connection with the plan’s investments, will be provided upon MassMutual’s receipt of written request.

MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliated companies and sales representatives.

This proposal provides estimates of the expenses that would be incurred by your plan and the revenue that MassMutual Retirement Services (MMRS) would receive as compensation for the services it provides to your plan. These estimates are calculated based on information listed above and the assumption that the plan assets, investment allocations and investment expenses remain constant. Because the size of your plan, the plan’s asset allocations and the investment expense ratios will change over time, the actual expenses of the plan and MMRS administrative services revenue will vary.
Cost and disclosure

Endnotes

You may pay all fees to MassMutual through direct charges and, if requested by you or your advisor, MassMutual will offer a selection of investment options for which MassMutual does not receive revenue sharing payments. Please read the endnotes below for additional information about the information presented in this proposal.

1. In addition to the Sub-total Administrative Services Revenue needed for your plan, this proposal assumes 0.45% of additional revenue generated from MassMutual’s SAGIC Diversified Bond II, which nets an initial crediting rate of 2.60%. The entire amount of this additional revenue is used to support administrative services. Assuming the allocation to the SAGIC is 25.60% of total assets, this additional revenue supports 0.11% of target administrative services revenue and equates to 0.11% of additional expense when expressed as a percentage of total plan assets. The actual percentages will vary based on the amount of assets allocated to the SAGIC. Any administrative services revenue derived from the SAGIC’s investment fee is reflected in the Investments category of the 408(b)(2) Plan Sponsor Fee Disclosure.

2. Payment to Your Financial Advisor is based on the compensation schedule on the Proposal Assumptions page, provided that if the first year and subsequent year compensation payments are different, the amount disclosed on the Plan Pricing page will be an estimate of the compensation that will be paid to your advisor over an extended time period, determined by amortizing the first year payment over such extended time period and adding that amount to the subsequent year payment. Hard dollar payments, if any, are converted to a percentage based on the applicable payment schedule and the total plan assets. Basis Point compensation is not paid on non-Smart Architecture investment options (please refer to proposal for a description of Smart Architecture). Please read the section entitled "Forms of Intermediary Compensation" for additional information.

3. Plan Expense Reimbursement is based on the schedule on the Proposal Assumptions page, provided that if the first year and subsequent year payments are different, the amount disclosed on the Plan Pricing page will be an estimate of the payments over an extended time period, determined by amortizing the first year payment over such extended time period and adding that amount to the subsequent year payment. Hard dollar payments, if any, are converted to a percentage based on the applicable payment schedule and the total plan assets. Plan Expense Reimbursement is the amount assumed for purposes of this proposal to be made available to the plan fiduciary to pay reasonable plan administrative expenses that would otherwise be paid with plan assets. Any unused amounts for a prior year will be forfeited. Based on the actual investment options selected, the available Plan Expense Reimbursement amount may be limited in accordance with applicable regulatory requirements.

4. Administrative Services Revenue and Additional Plan specific Revenue Requested is made up of revenue from investments, the asset charge, per participant charge, and flat charge (with dollar cost items, if any, converted to a percentage based on the applicable expense schedule and the total plan assets). This target revenue excludes the Administrative Services Revenue from the SAGIC Asset Based Fee and transaction expenses, such as distribution check charges, and fees for optional services (see list of services in the Plan Administrator’s guide attached to the "Understanding Your Plan’s Services and Related Fees" brochure).

5. The subtotals and totals for the Annual Administrative Services Revenue and Annual Expense Ratio were calculated by taking the weighted average of the revenue and expense for each investment option using the asset allocation.

6. The Annual Administrative Services Revenue (%) for each investment option with an annual expense ratio is the portion of such investment option’s expense ratio that MMRS either receives from investment options other than the Premier and Select Funds in the form of revenue sharing or retains from the Premier and Select Funds and uses to support administrative services. The remainder of the investment option’s annual expense ratio supports investment services. Please keep in mind that the revenue MMRS retains is a part of, and is not additional to, your plan’s total expenses.

7. The Annual Expense Ratio for each investment option (expressed as an annualized percentage of fund assets) refers to the amount paid from the investment’s assets for investment management and other services and expenses (including any 12b-1 fees less any expense reimbursement). It shows what your plan and participants pay, along with all other investors, in connection with their investment.

8. The SAGIC rate quoted is available for new business and will expire after 90 days. Post issue rates are reset periodically.

9. MMRS provides unlimited enrollment meetings provided there is a minimum of 20 attendees per day.

10. If you select the Qualified Default Investment Alternative (“QDIA”) conversion to the MassMutual RetireSMART fund suite for your plan, the MassMutual RetireSMART Target Date Conversion Credit (the “Credit”) would be available as a result of the cost savings and revenue enhancement attributable to this form of conversion. This Credit would be available to offset administrative services expenses and is already reflected in a reduced Cost of Servicing Your Plan. This Credit will not be available if another conversion method is selected and MMRS reserves the right to reduce or eliminate the Credit. If the Credit is reduced or eliminated, an additional amount may need to be collected to make up the difference.

11. The Net Annual revenue for Administrative Services is allocated among up to three categories of Services depending on your service model - Participant Services (30%), Plan Sponsor Services (40%) and Recordkeeping Services (30%). If this allocation process does not result in whole numbers, then the numbers will be rounded based on conventional rounding principles and if rounding results in the total of the applicable categories not equaling the Net Annual Revenue for Administrative Services, then the allocation to the Plan Sponsor Services will be adjusted as necessary. The services within each category are listed in the Understanding Your Plan’s Services and Related Fees brochure. The percentage of the Net Annual Revenue for Administrative Services that is allocated to each of the applicable categories of services is consistent with an independent, third-party market research study of defined contribution plan service providers and MassMutual’s internal expense allocation analysis. The third-party study analyzes the costs associated with administering and providing recordkeeping services to plans and the revenue derived from offering these retirement services in comparison to averages and ranges of organizations of similar size and servicing similar market segments.