



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

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**To:** Honorable Mayor and Town Council                      **Date:** March 13, 2018

**From:** Ralph Wright    **Item No:** 8  
Parks and Recreation Manager  
Parks and Recreation Department

**Subject:** **AUTHORIZE ENTERING INTO FOUR AGREEMENTS FOR LIGHTING PROJECTS IN TOWN FACILITIES THROUGH SOUTHERN CALIFORNIA EDISON'S OBF CUSTOMIZED SOLUTION PROGRAM**

**T.M. Approval:** \_\_\_\_\_                      **Budgeted Item:**  Yes  No  N/A

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### RECOMMENDED ACTION:

That the Town Council approve the Town Manager or his designee to proceed with four On Bill Financing (OBF) projects through Southern California Edison's Customized Solution Program, authorize entering into OBF agreements and signing all necessary documents for each project for the not to exceed total amount of \$330,364.80.

- Project # 1 – 349-16-0500886803 – Police Department & Facilities Building - \$45,984.00
- Project # 2 – 349-16-0500886739 – Development Services Building - \$47,712.00
- Project # 3 – 349-16-0500886776 – Aquatic Center & Civic Center Park - \$89,602.80
- Project # 4 – 349-16-0500886805 – Town Hall - \$147,066.00

### SUMMARY:

Southern California Edison offers an energy efficiency program, the Customized Solution Program that allows the entire cost of energy efficiency projects to be paid for in monthly installments equal to the resulting energy consumption savings on the project. Staff, in coordination with Southern California Edison and their authorized agent, evaluated our public facilities and determined that replacement of existing inefficient lighting fixtures with high efficiency LED fixtures will provide a significant improvement to each facility and can be completed without requiring additional out of pocket costs to the Town.

## **PROGRAM:**

Southern California Edison offers an on-bill financing (OBF) program to fund energy efficiency improvement projects. This program allows for non-residential customers to finance qualifying energy projects through Southern California Edison with no out of pocket costs and allows customers to make monthly installment payments for up to ten years to pay for each project. The program is funded through an energy efficiency program charge that in each billing and customers are required to pay into. Because of this funding, there are no fees or interest associated with the program. After a facility is evaluated for a potential project, Southern California Edison evaluates the potential energy savings and if deemed viable, approves the project. To qualify for approval, the monthly installment payments must be equal to or less than the monthly energy consumption reduction savings provided by the project. This will ensure that there is no added cost to your utility bill.

## **BACKGROUND:**

In November of 2016, the Town Council authorized an OBF project at James Woody community center for the not to exceed amount of \$58,275.60. The project included lighting fixture replacement in the mini-gym, community center, exterior safety lighting and parking lot lights. That project was completed in the spring of 2017 and used to evaluate the success of the program. After six months of consumption data review, the proposed reduction in kilowatt hours usage with the LED replacement has reduced the electric consumption as estimated. Additionally, we have completed a smaller project in the Michael H. Martin gymnasium. Both projects have significantly improved the lighting and safety of the facilities and reduced the consumption as proposed, proving the viability of the OBF projects. For that reason, staff felt it was appropriate to move forward with these four additional projects

## **SPECIFIC PROJECT INFORMATION:**

Project # 1 – 349-16-0500886803 – Police Department & Facilities Building - \$45,984.00  
Included in this project is the replacement of 141 existing non-efficient fixtures with comparable high efficiency LED interior and exterior fixtures throughout the police department, the secure parking lot as well as the facilities maintenance building

Project # 2 – 349-16-0500886739 – Development Services Building - \$47,712.00  
Included in this project is the replacement of 267 existing non-efficient fixtures with comparable high efficiency LED interior and exterior fixtures throughout the development services building and rear parking lot.

Project # 3 – 349-16-0500886776 – Aquatic Center & Civic Center Park - \$89,602.80  
Included in this project is the replacement of 194 existing non-efficient fixtures with comparable high efficiency LED interior and exterior fixtures in the pool restroom building, maintenance building, parking lot and throughout Civic Center Park.

Project # 4 – 349-16-0500886805 – Town Hall - \$147,066.00

Included in this project is the replacement of 321 existing non-efficient fixtures with comparable high efficiency LED interior and exterior fixtures throughout Town Hall and both the front and rear parking lot.

The new LED fixtures have a 10 to 15 year warranty on full replacement. In addition to the reduction in electric consumption with the change to LED lighting, the project will provide a significant savings for replacement bulbs and ballasts, improve the lighting and ensure lights are more consistently operational for each facility as well as significantly reduce the maintenance time for the Facilities staff.

**FISCAL IMPACT:**

The entire cost of each project will be paid for in monthly installments through Southern California Edison's OBF program as part of our existing monthly billing. The monthly installments are at a minimum equal or less than the realized energy savings and therefore, there are no additional out of pocket costs for these improvements. Furthermore, savings on the cost of replacement bulbs and ballasts for the over 920 total fixtures is estimated to be between \$2,000 and \$5,000 per year. Additionally, an estimated staff time of over 200 hours and \$7,750 will be saved each year as staff time will not be needed to replace burnt out bulbs and ballasts.

**ATTACHMENTS:**

1. Southern California Edison's OBF Application Approval and Funding Reservation Letter for each project
2. OBF – Preliminary Loan term Calculation Sheet (LTC 1) for each project



SEND TO: Southern California Edison, Business Incentives  
P.O. Box 800, Rosemead, CA 91770-0800  
E-mail: BusinessIncentives@sce.com | Fax: 626-633-3243  
Questions? 800-736-4777

January 06, 2017

Customer Information:

Marc Puckett  
Town of Apple Valley  
14955 Dale Evans Pkwy.  
Apple Valley, CA 92307

Authorized Agent Information:

Lee Knowles  
Ecogreen Solutions Inc  
27611 La Paz Rd Ste A2  
Laguna Niguel, CA 92677

**RE: NOTICE OF ON-BILL FINANCING (OBF) APPLICATION APPROVAL AND FUNDING RESERVATION  
PROJECT NUMBER: 349-16-0500886803 SA#: 3-020-8181-76**

Dear Marc Puckett and Lee Knowles:

Your On-Bill Financing Application has been reviewed and approved, and funding for your On-Bill Financing Loan has been reserved.

At this point the estimated OBF Loan funding reservation for your project of **\$45,984.00** has been established.

Terms and Conditions of Loan Reservation:

1. The reserved amount has been calculated based on the results of the review and approval of your Energy Efficiency Project Application, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Since the loan reservation amount is based on an approved project proposal, it is an estimate of what the actual loan amount may be.
  - 1a. An OBF Loan Term Calculation [LTC] is attached.
2. The actual loan amount will be calculated based on the results of the review and approval of your Energy Efficiency Project Installation Report, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Therefore, the actual amount of the OBF Loan may differ from the reserved amount presented above.
  - 2a. The actual amount of the OBF loan may be less than the reserved amount presented above.
  - 2b. The actual amount of the OBF loan shall not exceed the reserved amount presented above.
3. The expiration of the loan reservation shall be consistent with that of the project incentive.

Next Steps:

- You submit the completed Installation Report [IR] to SCE, and SCE will review it.
- SCE will calculate the actual final loan amount, based on the results of the IR approval, and the LTC provisions.
- SCE will issue 2 copies of the OBF Loan Agreement to you.
- You will sign, and have notarized, the Agreements and return to SCE.
- SCE will counter-sign the Agreements.
- SCE will provide you with 1 copy of the fully-executed Loan Agreement and will process the loan proceeds.



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Questions? 800-736-4777

If you have any questions, please contact your SCE Account Representative. You may also call us at (800) 736-4777 Monday through Friday, from 8:00 a.m. to 5:00 p.m., or send an e-mail to **[BusinessIncentives@sce.com](mailto:BusinessIncentives@sce.com)**. Please have your Project Number available for reference when you call, or include it in your e-mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Delia Williams".

Delia Williams  
Program Manager - On Bill Financing  
Southern California Edison Company

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning SCE is the Federal Trade Commission, Equal Credit Opportunity, Washington DC 20580.

## On-Bill Financing Program - Preliminary Loan Term Calculation (LTC1)

**Completion Date/Time:** 1/6/2017 9:16 AM  
**Project Number:** 349-16-0500886803  
**Service Account:** 3-020-8181-76  
**Customer Number:** 1-0-000-0756  
**Customer Account Number:** 2-24-022-1739  
**OBF Application Receipt Date:** 8/12/2016

\*\*\* LTC1 \*\*\*

ACTUAL TERMS WILL BE CALCULATED  
BASED ON FINAL REVIEW AND VERIFICATION  
OF THE PROJECT INSTALLATION REPORT

**LTC1 Reserved Amount is \$45,984.00**  
**First month payment is \$383.20**  
**119 subsequent monthly payments \$383.20**

**Project Type(s):** Customized  
**Market Segment:** Government and Institutions  
**Business Name:** APPLE VALLEY, TOWN OF  
**Reference Name:** PENDING ED POLICE DEPARTMENT  
**Address:** 14931 DALE EVANS PKW  
**City, CA Zip:** APPLE VALLEY, CA 92307

PROJECT ECONOMIC SUMMARY	EXPLANATION
<b>A. AVERAGE ELECTRIC BILLING RATE -- past 12 months (Cents/kWh)</b>	Based on Billing History
\$ 0.14049	
<b>B. ENERGY EFFICIENCY PROJECT SAVINGS</b>	
B.1. Estimated Annual Kilowatt Hour Savings (kWh) <u>32,731.5</u>	From Approved Project Application
B.2. Estimated Annual Dollar(\$) Savings <u>\$ 4,598.45</u>	Estimated Annual kWh Savings x Average Rate = \$ savings (B.1 x A)
B.3. Estimated Monthly Dollar(\$) Savings <u>\$ 383.20</u>	Estimated Monthly \$ Savings (B.2 / 12)
<b>C. COSTS</b>	
C.1. Estimated Total Project Cost <u>\$ 143,548.50</u>	From Approved Project Application
C.2. Excess Project Cost <u>\$ -</u>	Based on 20% Basic Lighting Cap Rule
C.3. Estimated Total Rebate/Incentive <u>\$ 5,015.45</u>	From Approved Project Application
C.4. Other <u>\$ -</u>	
C.5. Estimated Potential Loan Amount (Gross Amount) <u>\$ 138,533.05</u>	(C.1) - (C.2) - (C.3) - (C.4)
C.6. LTC1 Reserved Amount	From LTC1 calculation following Approved Project Application
C.7. LTC2 Reserved Amount	LTC2 Loan Amount per policy cannot be greater than LTC1 amount
<b>D. LOAN</b>	
D.1. Gross Amount for Potential Financing <u>\$ 138,533.05</u>	Lesser of (C.5) or (C.6) or (E.1.2) or (E.2.3) or other rules apply
D.2. Monthly Loan Repayment Amount <u>\$383.20</u>	(B.3)
D.3. Actual loan term (Months) <u>362</u>	Time required to repay loan in months (subject to exception analysis below)
D.4. Actual loan term (Years) <u>30.2</u>	Time required to repay loan in years: (D.3) /12
<b>E. LOAN LIMIT TESTS</b>	
<b>E.1. Market Segment Amount of Loan Test (Min/Max Loan Amount)</b>	
E.1.1. Market Segment Minimum Loan Amount <u>\$ 5,000</u>	Minimum Loan Amount per Service Account or Bundle
E.1.2. Market Segment Maximum Loan Amount <u>\$ 250,000</u>	Com, Ind, Ag = \$100,000, G&I = \$250,000
E.1.3. Within Market Segment Limit? <u>Y</u>	Is D.1 within loan amount limits Y/N?
<b>E.2. Customer Loan Limit Test (Previous Loans for this Service Account)</b>	
E.2.1. Service Account Loan Amount Limit <u>\$ 250,000</u>	(E.1.2) or \$1M for G&I Facility
E.2.2. Previous Loans Reserved for this Service Account <u>\$ -</u>	Total of previous OBF loans + reservations
E.2.3. Estimated Amount Eligible for Loans <u>\$ 250,000.00</u>	(E.2.1) - (E.2.2), If < 0, then 0.
E.2.4. Within Available Amount? <u>Y</u>	Is D.1. ≤ E.2.3. Y/N?
<b>E.3. Length of Loan Test</b>	
E.3.1. Loan Length Limit (months) <u>120</u>	CIA (lighting) = 36, CIA (non-lighting) = 60, G&I = 120 months
E.3.2. Within Loan Length Limit? <u>N</u>	Is D.3 within limit Y/N?
<b>E.4. Expected Useful Life (EUL)* Loan Length Limit Test</b>	
E.4.1. Applicable Measure EUL (months) <u>144</u>	EUL in months of measure with greatest kWh contribution
E.4.2. Within EUL Loan Length Limit? <u>Y</u>	Is D.3 within limit Y/N?
<b>E.5. EXCEPTION ANALYSIS (If any E.1 thru E.4. yields a "No")</b>	<b>Exception Analysis Loan Minimum Requirement Test</b>
E.5.1. First Payment Amount <u>\$ 383.20</u>	Does the loan amount from Exception Analysis meet the \$5K loan minimum requirement? <b>YES</b>
E.5.2. Subsequent Monthly Loan Repayment Amount <u>\$ 383.20</u>	
E.5.3. Subsequent Monthly Payments <u>119</u>	
E.5.4. Net Amount for Financing <u>\$ 45,984.00</u>	
	<b>Based on minimum loan requirement of \$5K and supplemental Exception Analysis, this amount qualifies for an estimated OBF loan.</b>

\*Expected Useful Life (EUL): Each measure is expected to perform satisfactorily for a period of time. An EUL for each energy efficiency measure is assigned by the California Energy Commission (CEC).



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January 11, 2017

Customer Information:

Marc Puckett  
Town of Apple Valley  
14955 Dale Evans Pkwy.  
Apple Valley, CA 92307

Authorized Agent Information:

Lee Knowles  
Ecogreen Solutions Inc  
27611 La Paz Rd Ste A2  
Laguna Niguel, CA 92677

**RE: NOTICE OF ON-BILL FINANCING (OBF) APPLICATION APPROVAL AND FUNDING RESERVATION  
PROJECT NUMBER: 349-16-0500886739 SA#: 3-035-4036-40**

Dear Marc Puckett and Lee Knowles:

Your On-Bill Financing Application has been reviewed and approved, and funding for your On-Bill Financing Loan has been reserved.

At this point the estimated OBF Loan funding reservation for your project of **\$47,712.00** has been established.

Terms and Conditions of Loan Reservation:

1. The reserved amount has been calculated based on the results of the review and approval of your Energy Efficiency Project Application, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Since the loan reservation amount is based on an approved project proposal, it is an estimate of what the actual loan amount may be.
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3. The expiration of the loan reservation shall be consistent with that of the project incentive.

Next Steps:

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- SCE will calculate the actual final loan amount, based on the results of the IR approval, and the LTC provisions.
- SCE will issue 2 copies of the OBF Loan Agreement to you.
- You will sign, and have notarized, the Agreements and return to SCE.
- SCE will counter-sign the Agreements.
- SCE will provide you with 1 copy of the fully-executed Loan Agreement and will process the loan proceeds.



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Sincerely,

A handwritten signature in black ink, appearing to read "Delia Williams".

Delia Williams  
Program Manager - On Bill Financing  
Southern California Edison Company

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## On-Bill Financing Program - Preliminary Loan Term Calculation (LTC1)

**Completion Date/Time:** 1/11/2017 6:58 AM  
**Project Number:** 349-16-0500886739  
**Service Account:** 3-035-4036-40  
**Customer Number:** 1-0-000-0756  
**Customer Account Number:** 2-32-669-2258  
**OBF Application Receipt Date:** 8/12/2016

**Project Type(s):** Customized  
**Market Segment:** Government and Institutions  
**Business Name:** APPLE VALLEY, TOWN OF  
**Reference Name:** PENDING ED TOWN OF APPLE VALLEY - DSB  
**Address:** 14975 DALE EVANS PKW  
**City, CA Zip:** APPLE VALLEY, CA 92307

\*\*\* LTC1 \*\*\*

ACTUAL TERMS WILL BE CALCULATED  
BASED ON FINAL REVIEW AND VERIFICATION  
OF THE PROJECT INSTALLATION REPORT

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LTC1 Reserved Amount is \$47,712.00  
First month payment is \$397.60  
119 subsequent monthly payments \$397.60

### PROJECT ECONOMIC SUMMARY

### EXPLANATION

<b>A. AVERAGE ELECTRIC BILLING RATE -- past 12 months (Cents/kWh)</b>	\$ 0.13156	Based on Billing History
<b>B. ENERGY EFFICIENCY PROJECT SAVINGS</b>		
B.1. Estimated Annual Kilowatt Hour Savings (kWh)	36,266.5	From Approved Project Application
B.2. Estimated Annual Dollar(\$) Savings	\$ 4,771.22	Estimated Annual kWh Savings x Average Rate = \$ savings (B.1 x A)
B.3. Estimated Monthly Dollar(\$) Savings	\$ 397.60	Estimated Monthly \$ Savings (B.2 / 12)
<b>C. COSTS</b>		
C.1. Estimated Total Project Cost	\$ 108,820.11	From Approved Project Application
C.2. Excess Project Cost	\$ -	Based on 20% Basic Lighting Cap Rule
C.3. Estimated Total Rebate/Incentive	\$ 5,148.31	From Approved Project Application
C.4. Other	\$ -	
C.5. Estimated Potential Loan Amount (Gross Amount)	\$ 103,671.80	(C.1) - (C.2) - (C.3) - (C.4)
C.6. LTC1 Reserved Amount		From LTC1 calculation following Approved Project Application
C.7. LTC2 Reserved Amount		LTC2 Loan Amount per policy cannot be greater than LTC1 amount
<b>D. LOAN</b>		
D.1. Gross Amount for Potential Financing	\$ 103,671.80	Lesser of (C.5) or (C.6) or (E.1.2) or (E.2.3) or other rules apply
D.2. Monthly Loan Repayment Amount	\$397.60	(B.3)
D.3. Actual loan term (Months)	261	Time required to repay loan in months (subject to exception analysis below)
D.4. Actual loan term (Years)	21.8	Time required to repay loan in years: (D.3) /12
<b>E. LOAN LIMIT TESTS</b>		
<b>E.1. Market Segment Amount of Loan Test (Min/Max Loan Amount)</b>		
E.1.1. Market Segment Minimum Loan Amount	\$ 5,000	Minimum Loan Amount per Service Account or Bundle
E.1.2. Market Segment Maximum Loan Amount	\$ 250,000	Com, Ind, Ag = \$100,000, G&I = \$250,000
E.1.3. Within Market Segment Limit?	Y	Is D.1 within loan amount limits Y/N?
<b>E.2. Customer Loan Limit Test (Previous Loans for this Service Account)</b>		
E.2.1. Service Account Loan Amount Limit	\$ 250,000	(E.1.2) or \$1M for G&I Facility
E.2.2. Previous Loans Reserved for this Service Account	\$ -	Total of previous OBF loans + reservations
E.2.3. Estimated Amount Eligible for Loans	\$ 250,000.00	(E.2.1) - (E.2.2), If < 0, then 0.
E.2.4. Within Available Amount?	Y	Is D.1. ≤ E.2.3. Y/N?
<b>E.3. Length of Loan Test</b>		
E.3.1. Loan Length Limit (months)	120	CIA (lighting) = 36, CIA (non-lighting) = 60, G&I = 120 months
E.3.2. Within Loan Length Limit?	N	Is D.3 within limit Y/N?
<b>E.4. Expected Useful Life (EUL)* Loan Length Limit Test</b>		
E.4.1. Applicable Measure EUL (months)	120	EUL in months of measure with greatest kWh contribution
E.4.2. Within EUL Loan Length Limit?	Y	Is D.3 within limit Y/N?
<b>E.5. EXCEPTION ANALYSIS (If any E.1 thru E.4. yields a "No")</b>		
<b>Exception Analysis Loan Minimum Requirement Test</b>		
Does the loan amount from Exception Analysis meet the \$5K loan minimum requirement? YES		
E.5.1. First Payment Amount	\$ 397.60	<b>Based on minimum loan requirement of \$5K and supplemental Exception Analysis, this amount qualifies for an estimated OBF loan.</b>
E.5.2. Subsequent Monthly Loan Repayment Amount	\$ 397.60	
E.5.3. Subsequent Monthly Payments	119	
E.5.4. Net Amount for Financing	\$ 47,712.00	

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January 12, 2017

Customer Information:

Marc Puckett  
Town of Apple Valley  
14955 Dale Evans Pkwy.  
Apple Valley, CA 92307

Authorized Agent Information:

Lee Knowles  
Ecogreen Solutions  
27611 La Paz Rd Ste A2  
Laguna Niguel, CA 92677

**RE: NOTICE OF ON-BILL FINANCING (OBF) APPLICATION APPROVAL AND FUNDING RESERVATION  
PROJECT NUMBER: 349-16-0500886776 SA#: 3-028-1942-29**

Dear Marc Puckett and Lee Knowles:

Your On-Bill Financing Application has been reviewed and approved, and funding for your On-Bill Financing Loan has been reserved.

At this point the estimated OBF Loan funding reservation for your project of **\$89,602.80** has been established.

Terms and Conditions of Loan Reservation:

1. The reserved amount has been calculated based on the results of the review and approval of your Energy Efficiency Project Application, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Since the loan reservation amount is based on an approved project proposal, it is an estimate of what the actual loan amount may be.
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- You will sign, and have notarized, the Agreements and return to SCE.
- SCE will counter-sign the Agreements.
- SCE will provide you with 1 copy of the fully-executed Loan Agreement and will process the loan proceeds.



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**Questions? 800-736-4777**

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Sincerely,

A handwritten signature in black ink, appearing to read "Delia Williams".

Delia Williams  
Program Manager - On Bill Financing  
Southern California Edison Company

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### On-Bill Financing Program - Preliminary Loan Term Calculation (LTC1)

Completion Date/Time: 1/12/2017 7:29 AM  
 Project Number: 349-16-0500886776  
 Service Account: 3-028-1942-29  
 Customer Number: 1-0-000-0756  
 Customer Account Number: 2-28-359-6310  
 OBF Application Receipt Date: 8/12/2016

Project Type(s): Customized  
 Market Segment: Government and Institutions  
 Business Name: APPLE VALLEY, TOWN OF  
 Reference Name: OBF ED PEND TOWN OF APPLE VALLEY  
 Address: 14999 DALE EVANS PKW  
 City, CA Zip: APPLE VALLEY, CA 92307

\*\*\* LTC1 \*\*\*

**ACTUAL TERMS WILL BE CALCULATED  
BASED ON FINAL REVIEW AND VERIFICATION  
OF THE PROJECT INSTALLATION REPORT**

**LTC1 Reserved Amount is \$89,602.80  
First month payment is \$746.69  
119 subsequent monthly payments \$746.69**

PROJECT ECONOMIC SUMMARY	EXPLANATION
<b>A. AVERAGE ELECTRIC BILLING RATE</b> -- past 12 months (Cents/kWh) <span style="float: right;">\$ 0.12571</span>	Based on Billing History
<b>B. ENERGY EFFICIENCY PROJECT SAVINGS</b>	
B.1. Estimated Annual Kilowatt Hour Savings (kWh) <span style="float: right;">71,276.9</span>	From Approved Project Application
B.2. Estimated Annual Dollar(\$) Savings <span style="float: right;">\$ 8,960.22</span>	Estimated Annual kWh Savings x Average Rate = \$ savings (B.1 x A)
B.3. Estimated Monthly Dollar(\$) Savings <span style="float: right;">\$ 746.69</span>	Estimated Monthly \$ Savings (B.2 / 12)
<b>C. COSTS</b>	
C.1. Estimated Total Project Cost <span style="float: right;">\$ 100,628.64</span>	From Approved Project Application
C.2. Excess Project Cost <span style="float: right;">\$ -</span>	Based on 20% Basic Lighting Cap Rule
C.3. Estimated Total Rebate/Incentive <span style="float: right;">\$ 8,977.11</span>	From Approved Project Application
C.4. Other <span style="float: right;">\$ -</span>	
C.5. Estimated Potential Loan Amount (Gross Amount) <span style="float: right;">\$ 91,651.53</span>	(C.1) - (C.2) - (C.3) - (C.4)
C.6. LTC1 Reserved Amount	From LTC1 calculation following Approved Project Application
C.7. LTC2 Reserved Amount	LTC2 Loan Amount per policy cannot be greater than LTC1 amount
<b>D. LOAN</b>	
D.1. Gross Amount for Potential Financing <span style="float: right;">\$ 91,651.53</span>	Lesser of (C.5) or (C.6) or (E.1.2) or (E.2.3) or other rules apply
D.2. Monthly Loan Repayment Amount <span style="float: right;">\$746.69</span>	(B.3)
D.3. Actual loan term (Months) <span style="float: right;">123</span>	Time required to repay loan in months (subject to exception analysis below)
D.4. Actual loan term (Years) <span style="float: right;">10.3</span>	Time required to repay loan in years: (D.3) /12
<b>E. LOAN LIMIT TESTS</b>	
<b>E.1. Market Segment Amount of Loan Test (Min/Max Loan Amount)</b>	
E.1.1. Market Segment Minimum Loan Amount <span style="float: right;">\$ 5,000</span>	Minimum Loan Amount per Service Account or Bundle
E.1.2. Market Segment Maximum Loan Amount <span style="float: right;">\$ 250,000</span>	Com, Ind, Ag = \$100,000, G&I = \$250,000
E.1.3. Within Market Segment Limit? <span style="float: right;">Y</span>	Is D.1 within loan amount limits Y/N?
<b>E.2. Customer Loan Limit Test (Previous Loans for this Service Account)</b>	
E.2.1. Service Account Loan Amount Limit <span style="float: right;">\$ 250,000</span>	(E.1.2) or \$1M for G&I Facility
E.2.2. Previous Loans Reserved for this Service Account <span style="float: right;">\$ -</span>	Total of previous OBF loans + reservations
E.2.3. Estimated Amount Eligible for Loans <span style="float: right;">\$ 250,000.00</span>	(E.2.1) - (E.2.2), If < 0, then 0.
E.2.4. Within Available Amount? <span style="float: right;">Y</span>	Is D.1. ≤ E.2.3. Y/N?
<b>E.3. Length of Loan Test</b>	
E.3.1. Loan Length Limit (months) <span style="float: right;">120</span>	CIA (lighting) = 36, CIA (non-lighting) = 60, G&I = 120 months
E.3.2. Within Loan Length Limit? <span style="float: right;">N</span>	Is D.3 within limit Y/N?
<b>E.4. Expected Useful Life (EUL)* Loan Length Limit Test</b>	
E.4.1. Applicable Measure EUL (months) <span style="float: right;">144</span>	EUL in months of measure with greatest kWh contribution
E.4.2. Within EUL Loan Length Limit? <span style="float: right;">Y</span>	Is D.3 within limit Y/N?
<b>E.5. EXCEPTION ANALYSIS (If any E.1 thru E.4. yields a "No")</b>	
<b>Exception Analysis Loan Minimum Requirement Test</b>	
Does the loan amount from Exception Analysis meet the \$5K loan minimum requirement? <b>YES</b>	
E.5.1. First Payment Amount <span style="float: right;">\$ 746.69</span>	<b>Based on minimum loan requirement of \$5K and supplemental Exception Analysis, this amount qualifies for an estimated OBF loan.</b>
E.5.2. Subsequent Monthly Loan Repayment Amount <span style="float: right;">\$ 746.69</span>	
E.5.3. Subsequent Monthly Payments <span style="float: right;">119</span>	
E.5.4. Net Amount for Financing <span style="float: right;">\$ 89,602.80</span>	

\*Expected Useful Life (EUL): Each measure is expected to perform satisfactorily for a period of time. An EUL for each energy efficiency measure is assigned by the California Energy Commission (CEC).



SEND TO: Southern California Edison, Business Incentives  
P.O. Box 800, Rosemead, CA 91770-0800  
E-mail: BusinessIncentives@sce.com | Fax: 626-633-3243  
Questions? 800-736-4777

January 17, 2017

Customer Information:

Marc Puckett  
Town Of Apple Valley  
14955 Dale Evans Pkwy.  
Apple Valley, CA 92307

Authorized Agent Information:

Lee Knowles  
Ecogreen Solutions Inc  
27611 La Paz Rd Ste A2  
Laguna Niguel, CA 92677

**RE: NOTICE OF ON-BILL FINANCING (OBF) APPLICATION APPROVAL AND FUNDING RESERVATION  
PROJECT NUMBER: 349-16-0500886805 SA#: 3-019-8794-73**

Dear Marc Puckett and Lee Knowles:

Your On-Bill Financing Application has been reviewed and approved, and funding for your On-Bill Financing Loan has been reserved.

At this point the estimated OBF Loan funding reservation for your project of **\$147,066.00** has been established.

Terms and Conditions of Loan Reservation:

1. The reserved amount has been calculated based on the results of the review and approval of your Energy Efficiency Project Application, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Since the loan reservation amount is based on an approved project proposal, it is an estimate of what the actual loan amount may be.
  - 1a. An OBF Loan Term Calculation [LTC] is attached.
2. The actual loan amount will be calculated based on the results of the review and approval of your Energy Efficiency Project Installation Report, and according to the provisions and methodology of the OBF Loan Term Calculation [LTC]. Therefore, the actual amount of the OBF Loan may differ from the reserved amount presented above.
  - 2a. The actual amount of the OBF loan may be less than the reserved amount presented above.
  - 2b. The actual amount of the OBF loan shall not exceed the reserved amount presented above.
3. The expiration of the loan reservation shall be consistent with that of the project incentive.

Next Steps:

- You submit the completed Installation Report [IR] to SCE, and SCE will review it.
- SCE will calculate the actual final loan amount, based on the results of the IR approval, and the LTC provisions.
- SCE will issue 2 copies of the OBF Loan Agreement to you.
- You will sign, and have notarized, the Agreements and return to SCE.
- SCE will counter-sign the Agreements.
- SCE will provide you with 1 copy of the fully-executed Loan Agreement and will process the loan proceeds.



SEND TO: Southern California Edison, Business Incentives  
P.O. Box 800, Rosemead, CA 91770-0800  
E-mail: [BusinessIncentives@sce.com](mailto:BusinessIncentives@sce.com) | Fax: 626-633-3243  
Questions? 800-736-4777

If you have any questions, please contact your SCE Account Representative. You may also call us at (800) 736-4777 Monday through Friday, from 8:00 a.m. to 5:00 p.m., or send an e-mail to **BusinessIncentives@sce.com**. Please have your Project Number available for reference when you call, or include it in your e-mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Delia Williams".

Delia Williams  
Program Manager - On Bill Financing  
Southern California Edison Company

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning SCE is the Federal Trade Commission, Equal Credit Opportunity, Washington DC 20580.

## On-Bill Financing Program - Preliminary Loan Term Calculation (LTC1)

**Completion Date/Time:** 1/17/2017 7:06 AM  
**Project Number:** 349-16-0500886805  
**Service Account:** 3-019-8794-73  
**Customer Number:** 1-0-000-0756  
**Customer Account Number:** 2-23-465-9332  
**OBF Application Receipt Date:** 8/12/2016

\*\*\* LTC1 \*\*\*

ACTUAL TERMS WILL BE CALCULATED  
BASED ON FINAL REVIEW AND VERIFICATION  
OF THE PROJECT INSTALLATION REPORT

LTC1 Reserved Amount is \$147,066.00  
First month payment is \$1,225.55  
119 subsequent monthly payments \$1,225.55

**Project Type(s) :** Customized  
**Market Segment:** Government and Institutions  
**Business Name:** APPLE VALLEY, TOWN OF  
**Reference Name:** OBF ED PEND BOWN OF APPLE VALLEY -  
**Address:** 14955 DALE EVANS PKW  
**City, CA Zip:** APPLE VALLEY, CA 92307

PROJECT ECONOMIC SUMMARY	EXPLANATION
<b>A. AVERAGE ELECTRIC BILLING RATE</b> -- past 12 months (Cents/kWh) \$ 0.13221	Based on Billing History
<b>B. ENERGY EFFICIENCY PROJECT SAVINGS</b>	
B.1. Estimated Annual Kilowatt Hour Savings (kWh) 111,236.8	From Approved Project Application
B.2. Estimated Annual Dollar(\$) Savings \$ 14,706.62	Estimated Annual kWh Savings x Average Rate = \$ savings (B.1 x A)
B.3. Estimated Monthly Dollar(\$) Savings \$ 1,225.55	Estimated Monthly \$ Savings (B.2 / 12)
<b>C. COSTS</b>	
C.1. Estimated Total Project Cost \$ 180,582.24	From Approved Project Application
C.2. Excess Project Cost \$ -	Based on 20% Basic Lighting Cap Rule
C.3. Estimated Total Rebate/Incentive \$ 14,270.59	From Approved Project Application
C.4. Other \$ -	
C.5. Estimated Potential Loan Amount (Gross Amount) \$ 166,311.65	(C.1) - (C.2) - (C.3) - (C.4)
C.6. LTC1 Reserved Amount	From LTC1 calculation following Approved Project Application
C.7. LTC2 Reserved Amount	LTC2 Loan Amount per policy cannot be greater than LTC1 amount
<b>D. LOAN</b>	
D.1. Gross Amount for Potential Financing \$ 166,311.65	Lesser of (C.5) or (C.6) or (E.1.2) or (E.2.3) or other rules apply (B.3)
D.2. Monthly Loan Repayment Amount \$ 1,225.55	
D.3. Actual loan term (Months) 136	Time required to repay loan in months (subject to exception analysis below)
D.4. Actual loan term (Years) 11.3	Time required to repay loan in years: (D.3) / 12
<b>E. LOAN LIMIT TESTS</b>	
<b>E.1. Market Segment Amount of Loan Test (Min/Max Loan Amount)</b>	
E.1.1. Market Segment Minimum Loan Amount \$ 5,000	Minimum Loan Amount per Service Account or Bundle
E.1.2. Market Segment Maximum Loan Amount \$ 250,000	Com, Ind, Ag = \$100,000, G&I = \$250,000
E.1.3. Within Market Segment Limit? Y	Is D.1 within loan amount limits Y/N?
<b>E.2. Customer Loan Limit Test (Previous Loans for this Service Account)</b>	
E.2.1. Service Account Loan Amount Limit \$ 250,000	(E.1.2) or \$1M for G&I Facility
E.2.2. Previous Loans Reserved for this Service Account \$ -	Total of previous OBF loans + reservations
E.2.3. Estimated Amount Eligible for Loans \$ 250,000.00	(E.2.1) - (E.2.2), If < 0, then 0.
E.2.4. Within Available Amount? Y	Is D.1. ≤ E.2.3. Y/N?
<b>E.3. Length of Loan Test</b>	
E.3.1. Loan Length Limit (months) 120	CIA (lighting) = 36, CIA (non-lighting) = 60, G&I = 120 months
E.3.2. Within Loan Length Limit? N	Is D.3 within limit Y/N?
<b>E.4. Expected Useful Life (EUL)* Loan Length Limit Test</b>	
E.4.1. Applicable Measure EUL (months) 144	EUL in months of measure with greatest kWh contribution
E.4.2. Within EUL Loan Length Limit? Y	Is D.3 within limit Y/N?
<b>E.5. EXCEPTION ANALYSIS (if any E.1 thru E.4. yields a "No")</b>	
<b>Exception Analysis Loan Minimum Requirement Test</b>	
Does the loan amount from Exception Analysis meet the \$5K loan minimum requirement? YES	
E.5.1. First Payment Amount \$ 1,225.55	Based on minimum loan requirement of \$5K and supplemental Exception Analysis, this amount qualifies for an estimated OBF loan.
E.5.2. Subsequent Monthly Loan Repayment Amount \$ 1,225.55	
E.5.3. Subsequent Monthly Payments 119	
E.5.4. Net Amount for Financing \$ 147,066.00	

\*Expected Useful Life (EUL): Each measure is expected to perform satisfactorily for a period of time. An EUL for each energy efficiency measure is assigned by the California Energy Commission (CEC).