



Trade Professional Participation Agreement

Last Updated Date: 10/15/2021



Table of Contents

	Page
1 Program Overview	3
2 Introduction	3
3 QA/QC and Site Visit Inspection/Verification Protocols	4
3.1 Inspection/Verification Procedures	4
3.2 Corrective Actions	5
3.3 Procedures for jobs requiring corrective action.....	6
4 Disciplinary Probation and Termination Policies	6
4.1 Disciplinary Probation	7
4.2 Effects of Disciplinary Probation	8
4.3 Duration of Disciplinary Probationary Period	9
4.4 Exiting Disciplinary Probation Status.....	9
4.5 Termination from SOC ESS	9
4.6 Effect of Termination	10
4.7 Participation Reentry.....	10
5 Release of Liability and Indemnification	11
6 Acceptance	12



1 Program Overview

The State of California Energy Strategy and Support Program (SOC ESS) is a statewide energy efficiency program starting in 2021 administered by Pacific Gas and Electric (PG&E) and supported by the state's other investor-owned utilities under the auspices of the California Public Utilities Commission (CPUC).

SOC ESS provides direct agency support to develop projects, staff augmentation to increase project completion rates, pre-qualifies energy service companies (ESCOs) and trade allies (TAs) for the Pre-Qualified Trade Professional (PQTP) list, and provides umbrella program and engineering support for projects developed by State Agency-selected ESCOs and TAs. With two pathways for agencies to choose from, SOC ESS can adjust service levels to maintain agency satisfaction and program cost-effectiveness. SOC ESS offers process engineering expertise, strategic energy action planning, energy efficiency measure (EEM) analysis, design assistance, incentives, and financing support. The enrollment / application acceptance cycle begins on September 27, 2021 and ends on September 30, 2026. Incentives can only be offered for active measures installed within the enrollment cycle.

2 Introduction

Trade Allies and ESCOs, collectively known as Trade Professionals (Trade Pros), can participate in the SOC ESS by engaging with qualified California State Agencies (Customers) to scope and complete energy savings projects that meet SOC ESS requirements for financial assistance (rebates, incentives, and/or financing). There are two types of Trade Pros who can work with SOC ESS – those who are pre-qualified to perform their stated services, and those who are not yet pre-qualified. A PQTP has access to certain SOC ESS benefits that a non-PQTP does not. Each Customer is responsible for selecting their own Trade Pro to perform work.

All Trade Professionals will be required to attend training prior to being enrolled in SOC ESS, regardless of PQTP status. Trainings will be held on a regular basis. For Trade Pros initially engaging with SOC ESS during a time period with no scheduled trainings, they will be given an “Quick Start” training that will provide them the basics on SOC ESS and enough information to work with a State Agency. Those attending the “Quick Start” training will still be required to attend a “full” training at the next available date.

SOC ESS may help scope the project, identify qualifying measures, and oversee the project. While this is not a requirement, it is strongly encouraged, so that issues regarding program qualification and equipment selection can be identified and rectified early. Regardless of SOC ESS up-front involvement, SOC ESS will perform quality assurance and quality control (QA/QC) on project applications and may perform site visits (inspections and/or verifications) to ensure the work receiving SOC ESS funds meets requirements, performs as scoped, and is installed correctly to ensure optimal performance. SOC ESS reserves the right to change QA/QC and site visit requirements, along with escalation protocols, as needed to ensure goals and quality standards are met.



3 3.0 QA/QC and Site Visit Inspection/Verification Protocols

SOC ESS will perform QA/QC on all project applications submitted by each Trade Pro. SOC ESS will perform site visits on a percentage of the applications submitted by each Trade Pro. In some cases, 100 percent of submitted applications may receive on-site visits. Projects are selected for site visits based on SOC ESS program requirements, risk management strategies, and program goals.

SOC ESS reserves the right to select applications for site visits to verify work quality at any stage. In general, SOC ESS anticipates the percentage of site visits will decrease as the Trade Pro demonstrates their work quality. The following percentages will serve as a guideline, not a rule, to drive SOC ESS inspections for each Trade Pro.

- For first 6 months of SOC ESS participation, or no less than the first 6 projects, SOC ESS will inspect 100% of the projects at post-installation.
- For the second six months of participation, or no less than 6 projects, SOC ESS will inspect 25% of the projects at post-installation.

Spot-checks will be performed as determined appropriate by SOC ESS, with a minimum of 1 in 10 across all projects. The following will serve as a guideline, not a rule, to drive SOC ESS inspections:

- For any application or site visits that results in one or more issues, a list of corrective actions will be provided to the Trade Pro.
- The Trade Pro is responsible for resolving all items according to the SOC ESS Manual and/or program requirements to bring the project into compliance.
- SOC ESS will not release funds until SOC ESS confirms all items have been appropriately addressed. SOC ESS will track Trade Pro QA/QC and site visit results and resolutions.

3.1 Inspection/Verification Procedures

When an incentive or OBF application is selected for inspection/verification, SOC ESS will make contact within one week of selection to schedule an appointment.

- An SOC ESS representative may visit the Customer's site to inspect work, perform data analysis, review and request additional materials such as photo documentation, and conduct the inspection/verification according to program requirements on measures for which the Customer is claiming a loan or incentive.
- SOC ESS informs the Trade Professional whether work passes, requires major corrective action, requires minor corrective action and/or does not qualify (DNQ).

**In the result of a pass:**

- The Customer and Trade Professional are notified that the job passed inspection and the project moves to the next step.

In the result of a major or minor corrective action:

- The Customer is notified that the project requires corrective action, and the project may require a follow-up site visit.
- The Trade Professional is notified that the project will require corrective action.
- The Trade Professional receives written notice regarding the corrective action(s) necessary to comply with the Program Manual and relevant program requirements.
- The project does not progress to the next step until the corrective action is resolved to SOC ESS's satisfaction.

In the result of a Does Not Qualify (DNQ):

- The Customer and Trade Professional receive a first notice that the project or measure does not meet the eligibility criteria to receive an incentive or loan.
- If possible, SOC ESS will work with the Trade Professional and Customer to replace the non-qualifying equipment with one that qualifies.
- If not possible, the Customer and the Trade Professional receive a second and final notification that the project or measure does not meet the eligibility criteria to receive a loan or incentive.
- The second notification directs the Trade Professional to reimburse the Customer for any expected incentives that are denied because of a DNQ.
- SOC ESS will not process or release incentives or loan payments for projects or measures that do not meet the eligibility criteria.

3.2 Corrective Actions

If corrective actions are identified, the Trade Professional shall make improvements according to the SOC ESS Program Manual and/or program requirements to bring the project into compliance.

QA/QC and/or site visit selection rates may change at any time at the discretion of SOC ESS. Increases may occur when SOC ESS identifies trends with Trade Professional work that increase the risk that the Trade Professional's projects' will not qualify for SOC ESS or realize the energy savings claimed. This could be due to issues such as poor workmanship or suspected fraudulent activity, or other issues. Elevated selection may be triggered by:

- New Trade Professional participant
- New technology or solution-set provided by Trade Professional
- Sudden increases in incentive applications from a Trade Professional
- Misrepresentation of measure eligibility criteria
- Questionable or incorrect representation of site information



- Customer service complaints
- Frequent and consistent minor corrective actions identified
- Major corrective action identified
- Ongoing failure to comply with SOC ESS program guidelines

3.3 Procedures for Jobs Requiring Corrective Action

Corrective action requirements for Trade Professionals performing work submitted for SOC ESS incentives:

1. The Trade Professional must perform all corrective actions at no additional cost to the Customer
2. The Trade Professional must schedule remediation work with the Customer within five (5) business days of receiving written notice that the job requires corrective action.
3. The Trade Professional must complete remediation within 30 calendar days of receiving written notice that a job requires corrective action and notify SOC ESS of completion at the designated email.
4. The Trade Professional is strongly encouraged to submit photos of remediation along with specific descriptions of corrections. Upon notification of work being corrected, SOC ESS may schedule a follow-up visit to confirm improvement.
5. If the follow-up visit results in corrective action, the Trade Professional may be held accountable for costs of any future follow-up visits and/or be escalated to probationary status.

If, within five (5) business days of receiving written notice, a Trade Professional fails to contact the Customer to schedule an appointment and remedy problems with a SOC ESS project requiring corrective action, SOC ESS may disqualify the incentive and inform the Customer directly.

If, within 30 calendar days of receiving written notice, remediation is not completed, SOC ESS may disqualify the incentive and inform the Customer directly. SOC ESS requires Trade Professional to reimburse contracted incentive amounts to Customers upon disqualification.

If, within 30 calendar days of receiving written notice, work is remediated, the Trade Professional may resubmit the incentive application for payment.

If SOC ESS receives multiple Customer complaints, SOC ESS may advise Customer to communicate with the licensing agency that regulates contractor businesses regarding Trade Professional performance.

4 Disciplinary Probation and Termination Policies

The probation, termination, and suspension policies are designed to protect SOC ESS, its Trade Professionals, and its Customers from losses due to poor work quality, diminished energy savings, health and safety issues, and building durability risks.



SOC ESS will monitor Trade Professional activities on a regular basis to ensure they provide valuable energy efficiency projects to Customers and SOC ESS. At its sole discretion SOC ESS may determine that a Trade Professional be

- placed in disciplinary probationary,
- removed from the PQTP list (if listed),
- terminated from SOC ESS, and/or
- blocked from future SOC ESS participation.

In accordance with all application terms and conditions, SOC ESS may take any of the above actions at any time. Affected Trade Professionals may be given support and opportunities for improvement and may have the ability to return to active status, as outlined below.

4.1 Disciplinary Probation

Upon being placed on Disciplinary Probation, the Trade Professional will be notified in writing of the change in status. The notification will include an explanation for the status change and the steps they must take to correct problems that led to their disciplinary probation status. Failure to remediate performance issues to SOC ESS's and/or Customer's satisfaction may result in removal from SOC ESS's list of Pre-Qualified Trade Professionals (if listed), termination from SOC ESS, and/or being blocked from future SOC ESS participation.

Disciplinary Probation will be triggered by trends or instances in which SOC ESS identifies increased risk of low-quality work, unclaimable energy savings, and/or unusually large efforts to manage Trade Professional outcomes which affect the Customer and/or SOC ESS. When a Trade Professional is placed on disciplinary probation, the following may occur:

- SOC ESS may issue a letter to stop all work until corrective actions are implemented.
- SOC ESS may request that a responsible managing individual draft and sign a performance improvement plan before SOC ESS accepts additional incentive applications from Trade Professional.
- Trade Professionals will be given seven days from the date on the notification to respond to a disciplinary probationary letter, unless otherwise specified in the letter.

Failure to respond may result in removal from SOC ESS Pre-Qualified Trade Professional List (if listed) or termination from SOC ESS.

SOC ESS reserves the right to communicate health, safety, and customer service issues to all potential Customers.

SOC ESS reserves the right to charge Trade Professionals on Disciplinary Probation for site visits to verify work.

Actions resulting in disciplinary probation may include, but are not limited to:

- Receipt of five or more projects in one week from a non-PQTP with no quality assurance history with SOC ESS.



- QA/QC and/or inspections/verifications resulting in a combination of minor or major corrective actions, or corrective actions on 25 percent of measures submitted within a calendar-year quarter. Trade Professional project volume, time involved in SOC ESS and historical pass rates will be taken into consideration.
- Failure to resolve corrective actions within 30 calendar days of written notice.
- Failure to follow a required program process.
- Abusive or vulgar behavior, physically or verbally, toward Customer or SOC ESS staff.
- Failure to attend required SOC ESS trainings.
- Allowing insurance, licenses, or other required certifications to lapse.
- Any specific and/or recurring Customer complaint about a Trade Professional.
- Failure to resolve any reasonable Customer complaint regarding the Trade Professionals work on SOC ESS projects.
- Repeatedly giving Customers inaccurate information on current SOC ESS requirements, including, but not limited to, incentive or loan levels and/or incentive or loan eligibility.
- Misrepresenting the Trade Professional company's relationship with SOC ESS, such as:
 - Stating Trade Professional is paid or employed by SOC ESS, if they are not.
 - Stating Trade Professional offers services on behalf of SOC ESS that are not approved by SOC ESS
 - Stating Trade Professional is a listed PQTP when they are not.
 - Making inaccurate statements about SOC ESS funding sources, incentive amounts, application deadlines, or requirements.
- Repeated Customer calls asking to verify advertising claims or status of any Trade Professional.
- Any Customer report of predatory/overly aggressive sales practices combined with SOC ESS incentives or branding.
- Any Customer report of misrepresented incentives, requirements, Trade Professional status, or Trade Professional relationship with SOC ESS.
- Misrepresenting SOC ESS program requirements when speaking with Customers.
- Unethical business or sales practices, including coercion and/or overly aggressive sales tactics, as determined by SOC ESS.
- Notification from any utility, state organization, or similar entity of issues with a specific Trade Professional, particularly if SOC ESS has no experience with that Trade Professional.
- Reports of illegal activity from any source.

4.2 Effects of Disciplinary Probation

During disciplinary probation, a PQTP will not appear in SOC ESS Pre-Qualified Trade Professional list and a non-PQTP will not be eligible to become pre-qualified. Trade Professionals will be subject to a higher level of scrutiny or restrictions than Trade Professionals in good standing. Scrutiny may include, but is not limited to:



- Higher level of QA/QC and/or site visit selection; up to 100 percent of projects as determined by SOC ESS
- Prohibition from submitting new incentive applications and return/rejection of new applications.
- Customer notification of the Trade Professional's probationary status.
- For PQTPs, revoked use of SOC ESS program logo, if granted. Current SOC ESS Trade Pro logo must be used for all materials.
- Development of, and adherence to, a written performance improvement plan detailing requirements to maintain PQTP status or future eligibility and/or SOC ESS participation.
 - Trade Professional will be responsible for drafting the performance improvement plan according to the direction of and in cooperation with SOC ESS.
 - Performance improvement plan will detail specific deliverables and timelines.
- Attending additional training required, selected, or provided by SOC ESS.
 - Trade Pro may be required to pay for additional trainings.
- SOC ESS reporting of probationary status to other organizations and utilities, as appropriate/necessary.

4.3 Duration of Disciplinary Probationary Period

The duration of disciplinary probationary periods will vary depending on the nature of the issues that resulted in disciplinary probationary status. Trade Professional project volume and time involved in SOC ESS will be taken into consideration. The written notification of disciplinary probationary status and/or the performance improvement plan will define the length of the probationary period and requirements for the Trade Professional to return to full active status.

4.4 Exiting Disciplinary Probation Status

SOC ESS may remove disciplinary probationary status and reinstate Trade Professionals to their pre-probationary status (pre-qualified or not pre-qualified) at any time, at its sole discretion. SOC ESS will review disciplinary probationary Trade Professionals for return to active status provided they satisfy requirements and/or timelines outlined in their disciplinary probation notification letter and/or performance improvement plan. SOC ESS will notify disciplinary probation Trade Pros of the decision in writing.

4.5 Termination from SOC ESS

Certain actions may result in immediate termination from SOC ESS, at SOC ESS's sole discretion. Actions resulting in immediate termination from SOC ESS may include, but are not limited to:

- Failure to resolve any action that resulted in disciplinary probation, including failure to comply with the probationary notification letter and/or plan of improvement.
- Repeated violations of program rules or requirements.
- Passing or attempting to pass any required re-verification and/or corrective action costs on to a Customer.



- Violation of license laws or cases of fraud.
- Repeated misrepresentation of contractor's relationship with SOC ESS, or of SOC ESS's incentives, requirements, funding sources or specifications, to Customers.
- Failure to pass the full value of the SOC ESS incentive on to the Customer in cases where the incentive payment is issued to the PQTP.
- Failure to keep license, insurance, or required certification information up to date with SOC ESS.
- Accumulation of more than three unresolved Customer complaints within a 12-month period.
- Ongoing quality assurance failures not resolved during a probation period and/or according to written improvement plan.
- Quality assurance failures at 25 percent or more of projects selected within any 12-month period.
- Drugs and/or alcohol reported at a project site.
- Unsafe working conditions reported at a project site.

4.6 Effect of Termination

Trade Professionals will be notified by written mail and email of a decision to terminate them from SOC ESS participation. The termination notice will include an explanation of the decision and the remaining steps the Trade Professional is required to take.

At its sole discretion, SOC ESS may refuse to accept new incentive applications from Customers of the terminated Trade Professional and/or may provide a cutoff date to accept new applications for projects completed prior to the Trade Professional's termination. The notice will also indicate whether the Trade Professional may participate in SOC ESS at a future date and/or (re)apply for PQTP status.

SOC ESS will notify Customers of the terminated Trade Professional's change in status. The notification will provide steps the Customer can take to resolve complaints and/or receive incentive payments. As part of the next steps included in Customer notifications, SOC ESS may provide contact information for licensing bodies or other consumer protection opportunities and/or instruct Customers to contact the terminated Trade Professional directly to resolve quality or incentive payment complaints.

4.7 Participation Reentry

SOC ESS may, at its sole discretion, allow a terminated Trade Professional to re-engage with SOC ESS and/or (re)apply for PQTP status. SOC ESS's Trade Professional staff will review applications on a case-by-case basis for return to active status, provided they satisfy requirements and/or timelines outlined in their termination notification letter and plan of improvement, if applicable. SOC ESS will notify suspended Trade Professionals of the decision in writing.



Trade Professionals with severe and repeated quality, customer service, legal, and/or health and safety concerns may be listed in Customer-facing sections of SOC ESS's website with a warning that incentive applications will not be accepted from that Trade Professional or their affiliates.

5 Release of Liability and Indemnification

I agree to release AESC, its affiliates, parent company, and its sub-contractors from all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any: (1) injury to or death of persons, including but not limited to employees of AESC, customer, or any third party; (2) injury to property or other interests of AESC, Applicant or any third party; (3) violation of local, state, or federal common law, statute, or regulation, including but not limited to environmental laws or regulations; (4) energy savings shortfall; so long as such injury, violation, or shortfall (as set forth in (1) - (4) above) arises from or is in any way connected with SOC ESS, including any third party's performance of or failure to perform, however caused, regardless of any strict liability or negligence of AESC, its affiliates, parent company, and its sub-contractors.

Trade Professional shall indemnify, protect, and defend AESC, and its successors, assigns, directors, officers, agents, representatives, employees, and subcontractors, and to hold AESC, and its successors, assigns, directors, officers, agents, representatives, employees, and subcontractors harmless from and against any and all claims, demands, losses, costs, expenses, obligations, damages, penalties, causes of action, judgments, reasonable attorneys' fees, and other liabilities, to the maximum extent permitted under applicable law, which arise out of, result from, or relate to any breach by or failure of Trade Professional to perform, satisfy, or discharge its obligations under this Agreement, and/or from any breach of any of Trade Professional's representations, warranties, and/or covenants made to AESC under this Agreement. Notwithstanding the foregoing, with respect to any professional liability claim or lawsuit, this indemnity does not include providing the primary defense of AESC, provided, however, Trade Professional shall be responsible for AESC's defense costs to the extent such costs are incurred as a result of Trade Professional's negligence, recklessness or willful misconduct.



6 Acceptance

I certify I have read and accept the policies and procedures listed in the SOC ESS Trade Professional Agreement. By signing below I agree to abide by the rules, requirements, and terms set forth in this Agreement. I understand that failure to do so could result in in consequences and actions such as those described above.

Company: _____

Signature: _____

Name: _____

Title: _____

Date: _____