

VALLEY CLEAN ENERGY COLLECTIONS POLICY

I. PURPOSE

- a. This policy establishes Valley Clean Energy (VCE) rules governing late payment and pre-collection notifications to customers, and the process by which a third-party collection agent will collect past due VCE charges on VCE's behalf. VCE or its agent will make all reasonable efforts to contact a customer and to handle collections with a high degree of sensitivity before sending the account to collections.

II. COLLECTIONS

- a. All customers must pay all outstanding VCE charges for the period in which the customer received service from VCE.
 - i. Customers should be returned to Investor Owned Utility (IOU) services for account balances greater than 120 days and no payment plan arrangements with Pacific Gas and Electric (PG&E).
 1. Customers that fail to remain current with payment plans will be returned to IOU services.
- b. Late Payment and Return to IOU Notifications
 - i. Customers will be sent multiple late payment notices to a customer's last known mailing address or if customer consented to receive electronic notices or electronic bills, at customer's last known e-mail address if the account has a VCE balance that is 90 days or more past due and the customer is not on a payment arrangement with PG&E.
 - ii. Late payment notices will indicate that an outstanding balance is overdue and that failure to pay VCE charges to PG&E or to enter a payment arrangement with PG&E may result in being referred to a collection agent designated by VCE.
- c. Collections Criteria
 - i. Except as provided in Section b.ii, any customer account with an outstanding VCE charge that is not subject to collection by PG&E may be referred for collections to a collection agency designated by VCE.
 - ii. Customers enrolled in the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), or Medical Baseline programs at the time PG&E returns a receivable to VCE are not subject to the collections criteria in Section c.i. if the balance is \$500 or less.
- d. Pre-Collection Notification
 - i. VCE or its assigned agent will use reasonable business methods, using contact information available through customer information on file with PG&E, to send a multiple pre-collection notices informing any customer account that meets the collections criteria specified in Section II.c. that the customer charges owed to VCE are outstanding and that the customer's account is collectible through a collection agent designated by VCE .
- e. Collection Agent
 - i. VCE may engage one or more collection agents to collect past due funds from VCE customers on VCE's behalf (Collection Agent).

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- ii. Once VCE sends a customer account to the Collection Agent, the customer must work directly with the Collection Agent to resolve outstanding charges owed.
 - iii. The Collection Agent retained by VCE shall comply with all laws and regulations relating to consumer protection, credit reporting or monitoring, debt collections, customer confidentiality, or other similar laws or regulations.
 - iv. The Collection Agent is prohibited from selling information provided by VCE to the Collection Agent.
 - v. On no less than an annual basis, VCE shall review the practices and results of the Collection Agent and shall take immediate action to address any performance concerns.
 - vi. VCE may authorize the Collection Agent to reach settlements with customers that result in the recovery of past due funds. Negotiated settlements with a customer in the amount of \$2,500 or more must be approved by the Interim General Manager or the Interim General Manager's designee. Negotiated settlements with a customer in excess of \$50,000 original balance must be approved by the Board of Directors.
 - vii. No VCE interest, penalties, or fees will be assessed on any customer account.
 - viii. If customer has not paid within 180 days following the initiation of the collections process, the Collection Agent may file credit reporting information on the customer with all applicable credit monitoring agencies.
 - ix. Collections Agent is authorized to pursue legal action on behalf of VCE consistent with the Fair Collections Practices Act and any other laws or regulations governing collections.
- f. Executive Director Discretion.
The Interim General Manager or the Interim General Manager's designee may, in their discretion, cancel, recall an account from the Collection Agent, or otherwise deviate from the collection process specified in this policy for reasons including but not limited to cases of unforeseeable events, exigent circumstances, or customer hardship for amounts less than \$2,500.

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Exhibit 1 – COLLECTIONS FLOW CHART

