

**AMENDMENT NUMBER 2
AND AMENDED AND RESTATED EXHIBITS A AND B TO
AGREEMENT BETWEEN THE CITY OF ANN ARBOR
AND
RIVENOAK LAW GROUP, P.C.
FOR LEGAL SERVICES**

This Amendment Number 2 ("Amendment") is to the agreement between the City of Ann Arbor, ("City") and Rivenoak Law Group, P.C., ("Contractor") for professional services, which is dated August 27, 2020 ("Agreement"), as amended by Amendment Number 1 dated January 5, 2021. City and Contractor agree to amend the Agreement as follows:

All terms, conditions, and provisions of the Agreement, unless specifically amended herein, shall apply to this Amendment and are made a part of this Amendment as though expressly rewritten, incorporated, and included herein.

City and Contractor agree that for this Amendment and any documents related to the Agreement: 1) signatures may be delivered electronically in lieu of an original signature; 2) to treat electronic signatures as original signatures that bind them; and 3) signatures may be executed and delivered by facsimile and upon such delivery, the facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

This Amendment to the Agreement shall be binding on the Parties' heirs, successors, and assigns.

SECOND AMENDED AND RESTATED EXHIBIT A

Scope of Services Energy-Related Legal Assistance

Overview

The City of Ann Arbor, under the leadership of the City's Legal Office and the Office of Sustainability and Innovations, is seeking energy-related legal assistance to help answer a series of questions related to achieving a just transition to community-wide carbon neutrality by the year 2030. These questions are centered around the City's recently adopted A²ZERO carbon neutrality plan (www.a2zero.org) and focus on three core strategies within that plan:

1. Powering the electrical grid with 100% renewable energy
2. Switching appliances and vehicles from gasoline, diesel, propane, coal, and natural gas to electric
3. Significantly improving the energy efficiency in our homes, businesses, schools, places of worship, recreational sites, and government facilities

Part A. Energy-Related Legal Questions

Provide legal analysis and advice (both legal advice and policy advice) related to the following core questions. These include:

A-1. Powering the electrical grid in the City with 100% renewable energy:

- a. Legal options for aggregating renewable energy within the community to achieve the 100% renewable goal in a financially viable manner – Legal advice and analysis of the City's options related to: Voluntary Green Pricing program, creation of a new municipal tariff, power purchase agreements, pathways for community choice aggregation, and municipalization of energy.
 - i. Depending on the findings from the initial legal analysis of aggregation options, the Firm will provide a more detailed legal and policy analysis of 1-2 top choices. This will likely include an outline of necessary steps, hurdles, and opportunities as it relates to advancing the top 1-2 choices.
 - ii. Review and representation in DTE's Voluntary Green Pricing filing and the sharing of insights with the City about how the program aligns (or not) with A²ZERO.
 1. Drafting and response to program design alternatives and attendance by Ms. Brader at workgroups that may result from DTE VGP case to develop new products that result in carbon reduction.
 - iii. CCA and Municipalization Exploration. Legal advice and analysis regarding ability of City to offer supply options to customers.
- b. Legal and policy support related to a potential 23.55MW solar development on City's capped landfill– Provide legal advice, analysis and policy analysis and advice, to ensure that any contract signed for this project, which is currently being explored with DTE Energy, is advantageous to the City and advances the goals outlined in A²ZERO.

- c. Rooftop Solar on Municipal Buildings – Provide advice in designing, releasing, and evaluating bids for the installation and financing of rooftop solar on up to 21 City facilities, including participation in selection process. Provide further advice in final contract negotiations with the selected vendor.

A-2. Switching appliances and vehicles from gasoline, diesel, propane, coal, and natural gas to electric:

- a. Opportunities to go beyond the State’s building and electrical code –This includes a legal and policy analysis of (potentially) viable pathways the City could pursue to ensure that new buildings and major renovations are as efficient as possible, have limited fossil fuel based fuel connections, are all electric, and have onsite renewables.

A-3. Significantly improving the energy efficiency in our homes, businesses, schools, places of worship, recreational sites, and governmental facilities, including:

- a. Legal impediments related to passing an energy benchmarking requirement for commercial, rental, and residential buildings - This includes an analysis of legal and policy options and hurdles related to creating an energy benchmarking requirement for all sectors of the community (i.e., commercial, residential, institutional, and rental units). For example, could the City administer a fee for those who do not report (say \$3,000 first year; \$5,000 for every subsequent year), or require the display of scores (A-F)/results etc. publicly; or require that energy disclosure authorization be included in lease agreement documents; or other pathways to full energy disclosure.
- b. Legal concerns and options related to establishing a requirement that landlords achieve a certain energy efficiency score in their rental unit before they are able to rent (rental efficiency standard) – The City is interested in creating an energy efficiency standard that must be achieved in order to rent a unit in the community. What legal barriers might we face? What legal options are available?
- c. Streetlights – The City has a long and fairly tumultuous history with DTE Energy related to streetlight efficiency, responsiveness, maintenance, and installation. We seek assistance with identifying legal and policy (formal and informal) pathways to have these reliability, responsiveness, sustainability, and technology issues addressed. This may also include support with implementing identified pathways, including formally lodging a complaint or intervening in pertinent rate cases.
 - i. Participation in MPSC Technical Conference. Attend preparatory meetings and all sessions of MPSC Technical Conference on streetlighting issues, including preparation of presentation slides regarding current reliability standards application and preference for new streetlighting reliability rules.

The above represents a current list of the City’s most pressing energy-related questions. The City reserves the right to adjust, edit, or change these questions, in consultation with the Firm, after the Parties mutually agree on compensation adjustments. Additionally, the Firm will also reserve time to provide legal assistance on energy-related issues related to, but not outlined above, for additional compensation.

Other Services:

1. At least a bi-weekly check-in call with the Firm and a representative from the Office of Sustainability and Innovations and the City's Legal Department.
2. A memorandum outlining legal options as it pertains to the questions outlined above. Ideally this would be one memorandum per question but, depending on timing, sequencing, and the inter-relatedness of findings, this is flexible.
3. A presentation to select leaders within the City of Ann Arbor on the findings from this research.

Timeline

The firm will work with the City representatives to ensure deliverables are prepared and completed prior to June 2021 in the most cost-effective manner.

Part B. Assist City in Response to FERC Notice of Inquiry.

B-1. Response. The Federal Energy Regulatory Commission is seeking input on new potential financial assurance requirements for owners of hydropower facilities. The Firm will assist with the preparation of a comment in response opposing such requirements for Ann Arbor and file it in the proper docket prior to any deadline in the Notice of Inquiry.

Part C. Building Energy Performance Options.

The Scope of Work in this Part C shall be contingent upon the City securing outside grant funds to support the proposed scope and associated costs.

C-1. "How to" Guide: Establishing an Above-Code Program for Renters. The Firm will prepare a memorandum with the following items, including incorporation of one round of feedback and a presentation (in a virtual forum) summarizing the findings (any such meeting with presentation not to exceed 3 hours in length):

- a. Design
 - i. Selection of an above-code standard
 - ii. Benefits conditioned on meeting above-code standard
- b. Implementation
 - i. Process for State designation
 - ii. Model ordinance
- c. Local limitations Ann Arbor has identified to use of above-code programs

C-2. Rental Energy Performance Mandates. The Firm will prepare a memorandum with the following items, including incorporation of one round of feedback, and a presentation (in a virtual forum) summarizing the findings (any such meeting with presentation not to exceed 3 hours in length):

- a. Overview of MI law regarding code compliance for residential rental properties
- b. Ability to require rental properties to be brought up to code
 1. Description of triggers for improvements
 2. Level of improvement that can be required (Including a description of a wide range of measures (e.g. ranging from LED bulbs/fixtures, caulking/sealing, appliances, insulation)

- c. Local government exceedance potential
 - 1. Performance standards
 - 2. Prescriptive standards
- d. Local limitations Ann Arbor has identified to use of energy performance mandates

C-3. Mandating Energy Disclosure for Residential Home Sales. The Firm will prepare a memorandum with the following items, including incorporation of one round of feedback.

- a. Overview of Michigan law regarding code compliance for residential rental properties
- b. Local government exceedance potential
- c. Sample ordinance language imposing such requirements

C-4. Presentations/Questions. At client's discretion, in addition to the presentations described above, Contractor will provide up to 6 additional hours for questions/presentations for any of the tasks in Part C of this scope of work.

Conflicts in Representation

The Firm will advise the City when the Firm has been retained to handle a matter in which its representation is adverse to the City. The City will not consent to the Firm's representation of other clients in matters where, as the result of the Firm's representation, the Firm has obtained sensitive, proprietary or otherwise confidential information of a non-public nature that, if known to another client of the Firm's, could be used in any such other matter by the other client to the material disadvantage of the City. Each matter will be reviewed on a case-by-case basis.

**SECOND AMENDED AND RESTATED
EXHIBIT B**

**Schedule of Fees and Costs
Energy-Related Legal Assistance**

General

The Firm shall be paid a total amount not to exceed \$65,000 through June 30, 2021 for those services performed pursuant to this Agreement, inclusive of all fees and reimbursable expenses, in accordance with the terms and conditions herein and with Exhibit A in particular. The parties agree that Part C of the work described in Exhibit A shall not be required to be performed, and the \$14,000 described below as compensation shall not be invoiced, due or owing, unless the City first secures outside funding in at least that amount to support that scope of work and authorizes the Firm to proceed with the Part C scope. The Fee Schedule below states the rates and reimbursable expenses the Firm may charge the City for the services.

Fee Schedule

Part A

For those items in Part A of Exhibit A, the firm shall receive \$4,000 flat rate per month for up to 15 hours. If less than 8 hours per month are used, an hourly rate of \$375/hr. shall be applied. If more than 15 hrs./month are utilized, the City shall choose between pre-using hours from another month or paying the \$375/hr. rate for all hours in excess of 15 hrs.

Part B

For the item in Part B of Exhibit A, the firm shall receive \$1,000 flat fee which may be invoiced following filing of the deliverable.

Part C

For the items in Part C of Exhibit A:

Task	Delivery Date	Flat Fee
C-1.1	30 days from approval of funding	\$5,000, invoiced upon guide delivery
C-1.2	On or before May 15, 2021	\$6,000, invoiced upon memo delivery
C-1.3	30 days from approval of funding	\$1,000, invoiced upon memo delivery
C-1.4	At client's discretion	\$2,000, invoiced at the end of the month in which service is rendered. In the event that fewer than 4 hours are requested, they shall be billed at a rate of \$375/hr.

Reimbursable Expenses

Normal and customary expenses necessary to perform the services are eligible for reimbursement. Charges for computerized legal research are not a normal and customary expense and are not eligible for reimbursement.