



Exceptions

1. Item one is a clarification with the 20% variance between TEA and IGA savings estimates. Estimated budget and energy saving that are within 20% of any subsequent ESCO project development proposal on guaranteed energy savings which pre-qualified ESCOs will have to provide at no cost to the State agency or County agency during the secondary solicitation process is an attainable standard barring unknown or unforeseen conditions that may arise on any given project or site that would cause a greater than 20% variance between the TEA and IGA savings estimates.

2. Chevron ES would like to take this opportunity to note this exception in the RFP documents. Item 5.25 dealing with insurance states that the ESCO will need “occurrence form” policies. This requirement is very prohibitive for the types of large companies that you are hoping to have in the program.

Chevron Corporation and its subsidiaries are covered for property and liability exposures through major worldwide insurance programs with large deductibles. Losses that fall within these deductible levels, including those for which a Chevron company is contractually liable, are paid through the financial resources of the Company and are administered by Chevron Corporation under its Self-Administered Claims Program.

Like many large, publicly traded companies, Chevron is self insured through its Self Administered Claims Program (“SACP”). Chevron can accept and agree to the State of Hawaii’s and its participant’s insurance requirements using its SACP. Under the SACP, the participant would be issued a SACP letter (exhibit to follow) self-assuming the insurance requirements. If, however, a Certificate of Insurance is required, Chevron can provide coverage with the types and format of coverage set forth in the attached sample Certificate of Insurance.

It is also important to note that Chevron cannot meet the “occurrence” policies requirements as set forth in the RFP item 5.25. Chevron policies are on a “claims made” basis. A sample Certificate of Insurance and a self insurance (“SACP”) letter are included in the following pages.

Customers can breathe easier knowing that Chevron ES’ parent company, Chevron, is backing the deal. Chevron, with more than \$132 billion in assets and more than 58,000 employees worldwide, the second-largest U.S.-based energy company and the fourth largest publicly traded integrated oil and gas company in the world, based on market capitalization, supports all aspects of Chevron ES’ business endeavors.





****SAMPLE****



James D. Lyness
Assistant Treasurer
Insurance Division

Treasury Department
Chevron Corporation
6001 Bollinger Canyon Rd., E1160
San Ramon, CA 94583
Tel 925 842 8136
Fax 925 842 6007
JDLyness@chevron.com

August 29, 2007

Dear

Chevron Corporation and its subsidiaries are covered for property and liability exposures through major worldwide insurance programs with large deductibles. Losses that fall within these deductible levels, including those for which a Chevron company is contractually liable, are paid through the financial resources of the Company and are administered by Chevron Corporation under its Self-Administered Claims Program, hereinafter referred to as the Program.

This is to advise you that the property/liability insurance requirements of the subject agreement fall within the deductible levels of Chevron's insurance programs. Therefore, losses for which Chevron is responsible under the agreement will be handled under the above-described Program. The scope of this Program is equal to the insurance requirements of the subject agreement.

We further advise you that Workers' Compensation insurance requirements for Chevron companies are satisfied through insured/self-insured programs depending upon the location of the employee's workplace. U. S. Longshore and Harbor Workers' Act coverage is self-insured.

Unless canceled earlier, this letter will remain in effect until the expiration or earlier termination of the subject agreement (or any renewal thereof). If this program is canceled or materially changed, we will provide you with 30 days' written notice.

Sincerely,

****SAMPLE****





MARSH		CERTIFICATE OF INSURANCE		CERTIFICATE NUMBER SEA-000945501-07	
PRODUCER MARSH RISK & INSURANCE SERVICES P. O. BOX 193880 CALIFORNIA LICENSE NO. 0437153 SAN FRANCISCO 94119-3880		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.			
025158-001--		COMPANIES AFFORDING COVERAGE			
INSURED Chevron Energy Solutions Company Attn: Vicki Durcan 12980 Foster Drive, Suite 400 Overland Park, KS 66213-2649		COMPANY A ACE AMERICAN INS CO			
		COMPANY B			
		COMPANY C			
		COMPANY D			
COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 1					
THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	CMR G2 170263 8	03/01/07	03/01/08	GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMPIOP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BCF H0 801306 8	03/01/07	03/01/08	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	XLX G2 170265 1	03/01/07	03/01/08	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL <input type="checkbox"/> OTHER	WLR C4 4466314 SCF C4 446632 6	03/01/07 03/01/07	03/01/08 03/01/08	<input checked="" type="checkbox"/> WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER EL EACH ACCIDENT \$ 500,000 EL DISEASE-POLICY LIMIT \$ 500,000 EL DISEASE-EACH EMPLOYEE \$ 500,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS Re: Engineering Services Contract - DWCES 30417. Certificate Holder is included as an Additional Insured with respect to above.					
CERTIFICATE HOLDER			CANCELLATION		
			SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.		
			MARSH USA INC. By: Wendy Sokol <i>Wendy A. Sokol</i> MM1(3/02) VALID AS OF: 1C/09/07		

